

1 EXECUTIVE COMMITTEE MEETING ON A SUBSTITUTE TO H.R. 4, TO  
2 REAUTHORIZE AND IMPROVE THE PROGRAM OF BLOCK GRANTS TO  
3 STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES,  
4 IMPROVE ACCESS TO QUALITY CHILD CARE, AND FOR OTHER  
5 PURPOSES; S. 622, THE FAMILY OPPORTUNITY ACT OF 2003  
6 WEDNESDAY, SEPTEMBER 10, 2003

7 U.S. Senate,  
8 Committee on Finance,  
9 Washington, DC.

10 The meeting was convened, pursuant to notice, at  
11 12:10 p.m., in room SD-2156, Dirksen Senate Office  
12 Building, Hon. Charles E. Grassley (chairman of the  
13 committee) presiding.

14 Also present: Senators Hatch, Nickles, Lott, Snowe,  
15 Kyl, Thomas, Santorum, Bunning, Baucus, Rockefeller,  
16 Daschle, Breaux, Conrad, Jeffords, Bingaman, and Lincoln.

17 Also present: Kolan Davis, Republican Staff Director  
18 and Chief Counsel; Jeffrey Forbes, Democratic Staff  
19 Director; and Carla Martin, Chief Clerk.

20 Also present: Dr. Wade Horn, Assistant Secretary for  
21 Administration for Children and Families, Department of  
22 Health and Human Services; Becky Shipp, Health Care  
23 Advisor, Senate Finance Committee.

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1 OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S.  
2 SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE

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4 Senator Grassley. I call the meeting to order for  
5 the purpose of taking up the agenda that members were  
6 notified of for today's business. Sorry, to everybody in  
7 the audience. The seven votes on the Senate floor  
8 precluded our meeting before now.

9 I have a very long statement that, because of time, I  
10 am going to put in the record.

11 [The prepared statement of Senator Grassley appears  
12 in the appendix.]

13 The Chairman. I would call upon Senator Baucus, if  
14 he has any statements at this time that he would like to  
15 make. I recognize Senator Baucus.

16 Senator Baucus. Well, thank you very much, Mr.  
17 Chairman. I do have a couple of comments that I would  
18 like to make.

19 The Chairman. Go ahead.

20 Senator Baucus. I will be as brief as I can.

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1 OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM  
2 MONTANA

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4 Senator Baucus. I think it is important, when we  
5 mark up a bill like this, to go back a little bit in  
6 history to give us a sense of particularly where we have  
7 been, and also where we are.

8 The 1996 welfare reform law, I think all of us would  
9 agree, was landmark legislation. That is, the old system  
10 had failed. We were spending billions of dollars on  
11 welfare and we had very little to show for it.

12 So we tried something new. I strongly supported the  
13 1996 bill. Looking back, I am glad that I did. Hundreds  
14 of thousands of people have left welfare for work, a  
15 major accomplishment. The cash welfare caseload fell  
16 more than 50 percent between 1996 and 2001. Child  
17 poverty in this country has fallen at the same time.

18 But despite our success, there is still more to be  
19 done. In the first place, we have learned that getting a  
20 job is not always a ticket out of poverty. Studies of  
21 those who leave welfare to work show that many former  
22 recipients find jobs that pay too little, or that they  
23 have trouble staying in the workforce because of  
24 breakdowns in child care arrangements or the needs of  
25 children with chronic health conditions. If we want to

1 make a lasting difference, we need to provide some help  
2 with child care, making sure that it is safe and it is  
3 high quality.

4 In addition to supporting work, we have to focus more  
5 attention on the hardest cases, on families that face  
6 complicated and difficult challenges. Children with  
7 disabilities, adults with little or no education or work  
8 skills, or with mental conditions or substance abuse  
9 problems.

10 With this background, let me explain how I see things  
11 from here and my thoughts on the mark before us. First,  
12 I agree with what the President said last February when  
13 he stated what this debate was all about. Like him, I am  
14 encouraged by the initial results of welfare reform. But  
15 I am not content we have ended welfare as we have known  
16 it, but not yet reached a post-poverty America.

17 But I was very disappointed by the legislation the  
18 House produced. I believe it is a heavy-handed mix of  
19 proscriptive rules and unfunded mandates. It would mean  
20 that much less child care would be available for the  
21 working poor.

22 Last year when I chaired the committee, we approved a  
23 more balanced package. It aimed for the hard goals that  
24 the President requested, but did so in a way that gave  
25 States more options for meeting the goals and provided

1 additional resources so they could expand help to the  
2 working poor.

3 Unfortunately, the Senate schedule did not permit us  
4 to consider that bill last year. But I do plan to offer  
5 it, however, as a substitute for the mark before us. I  
6 would note that 11 current members of the Finance  
7 Committee supported the mark last year. I would also  
8 note that Senator Carper has introduced a bipartisan bill  
9 which I believe is a better balanced package of higher  
10 goals and appropriate child care funding.

11 You, Mr. Chairman, have worked hard, as you always  
12 do, to try to develop a consensus bill, and I am grateful  
13 for what you have done. We have spent considerable time  
14 discussing these issues and I appreciate this ongoing  
15 effort to work together.

16 The bill before us is better than the House measure.  
17 For one, it is less proscriptive than the House bill. It  
18 also includes a more robust package of child support  
19 reforms to help get more money to custodial parents, and  
20 I think it is a good start. But I regret I cannot  
21 support it. That said, I hope to support it by the end  
22 of the process.

23 My first concern is funding for child care. This  
24 bill does not cover the increased costs of implementing  
25 the new higher work standards. The effect of this

1 failure would be to reduce the child care funding  
2 available to low-income working families. I think that  
3 would be a terrible mistake.

4 It also fails to expand child care help for the  
5 working poor. Many of those families who have left  
6 welfare for work are struggling to get by in low-paying  
7 jobs. Help with paying their child care expenses could  
8 mean the difference between working and having to go back  
9 on welfare. We cannot pull the rug out from under these  
10 folks. We need to keep up our side of the welfare reform  
11 bargain.

12 My second concern is about Montana's Welfare to Work  
13 strategy. We did our own welfare reform before 1996 and  
14 we have kept it going under a waiver. The strategy is a  
15 little different than the 1996 law, but we in Montana are  
16 a little bit different than the rest of the country.

17 Our strategy has been a success. Our caseload is  
18 down by about as much as the rest of the country's. We  
19 have an evaluation that describes our program as  
20 effective and focused on work, and we want to keep that  
21 strategy.

22 The mark does not allow Montana to extend its waiver,  
23 and I think that is a big problem. However, I have been  
24 talking, as you all know, Mr. Chairman, to you about  
25 other ways to incorporate our State strategy into the

1 bill.

2 I appreciate your willingness to include provisions  
3 to help Indian tribes under welfare reform. That is a  
4 huge issue in Montana and I appreciate your  
5 understanding. It makes me optimistic that we will  
6 resolve these concerns.

7 The third issue, is the inclusion of a controversial  
8 super-waiver provision. After much initial confusion, we  
9 have now been told that the provision in the bill before  
10 us will be limited to welfare, Title 20, and child care  
11 block grants. The House bill has a much broader waiver  
12 provision in non-TANF programs, most of which are not in  
13 this committee's jurisdiction.

14 In July, I received a letter strongly opposing this  
15 provision by the Ranking Democrats on other relevant  
16 committees, that is, Senator Kennedy, Senator Sarbanes,  
17 Senator Harkin, and Senator Byrd.

18 The letter states that the administration's proposal  
19 represents a "frontal assault on the fundamental  
20 separation of powers because of the unprecedented power  
21 it would give the executive branch to rewrite federal  
22 law."

23 The original House provision looked a lot like what  
24 is now in our bill, then it was massively expanded. If  
25 this provision grows in a similar manner, it is unlikely

1 that I will be able to support the bill.

2 It has been my experience that this administration  
3 has overstepped its current waiver authority in such  
4 areas as CHIP and child support. It makes little sense  
5 to give them sweeping new authority until they  
6 demonstrate they understand the current rules better.

7 Now that I have pointed out some problems with the  
8 mark, I do want to say that I am hopeful that, when the  
9 full Senate considers the bill, we will be able to  
10 resolve them. I understand, for example, that Senator  
11 Snowe plans to pursue additional child care funding on  
12 the floor. I hope I will be able to work with her to  
13 achieve that.

14 I know that you, Mr. Chairman, will keep working to  
15 develop broader based support for the bill. I appreciate  
16 some of the things that you have included already.  
17 Again, your work on Indian provisions is impressive. I  
18 cannot support the bill now, but am hopeful I will be  
19 able to do so when we end up in the final vote in the  
20 Senate.

21 I thank you very much.

22 The Chairman. Yes. And I thank you, too. I want  
23 to thank you for your cooperation in helping us move this  
24 process along, even though there are some parts of the  
25 bill that you have disagreement with. I respect your



1 right to do that, but really appreciate the cooperation  
2 that we have had.

3 I now would like to call up H.R. 4. I would like to  
4 have Becky Shipp, our Policy Advisor of the Majority  
5 Staff, to walk through that. We also have Dr. Wade Horn  
6 with us, the Assistant Secretary for Child and Families.  
7 He would be available to respond to any questions people  
8 have as Becky goes through the mark-up.

9 Would you proceed, please?

10 Senator Lincoln. Mr. Chairman? Is there a  
11 unanimous consent that we will all be able to include our  
12 statements in the record?

13 The Chairman. That has not been asked, but I should  
14 have, out of courtesy to everybody not only asked you if  
15 you would put your statement in the record, but to  
16 implore you to do it because of the time we lost.

17 Senator Lincoln. Certainly.

18 The Chairman. But it is my normal process on a  
19 mark-up to let everybody speak. I was hoping that we  
20 could avoid that.

21 Senator Lincoln. That is fine. As long as I know  
22 that it is going to be accepted in the record.

23 The Chairman. The record will receive any  
24 statements by any members of the committee.

25 [The prepared statements of Senators Lincoln,

1 Santorum, and Snow appear in the appendix.]

2 The Chairman. Proceed.

3 Ms. Shipp. There are seven titles to the Chairman's  
4 mark. The first and most significant, is Title 1. Title  
5 1 is the Temporary Assistance for Needy Families Program.  
6 There are 20 sections in Title 1.

7 Section 101 would clarify what States are doing to  
8 move welfare clients into self-sufficiency through their  
9 State plans. Section 102 would continue the funding for  
10 the State Family Assistant grants. Funding for the block  
11 grant continues at \$16.5 billion annually.

12 Section 103 repeals the bonus for reduction of non-  
13 marital births and replaces it with a program of  
14 competitive grants with a 50 percent matching rate from  
15 States for innovative programs to promote and support  
16 healthy, married, two-parent families.

17 Funds under this program can be used for, among other  
18 things, public ads, education in high schools on the  
19 value of marriage, premarital education, and divorce  
20 reduction.

21 Section 104 extends the supplemental grant program at  
22 the 2001 level. Section 105 would appropriate \$100  
23 million annually in bonuses to States making progress  
24 towards the following goals: job entry, job retention,  
25 increased earnings, and workforce attachment and

1 advancement.

2 Section 106 makes the contingency fund more  
3 accessible for States. Section 107 would allow unspent  
4 or carry-over funds to be used for any activity  
5 authorized under PRORA.

6 Section 108 repeals the federal loan for the State  
7 welfare program. Section 109 would make changes to the  
8 current work requirements for States. It increases a  
9 State's work participation rate threshold from the  
10 current 50 percent level to the following levels: 55  
11 percent in FY 2005, 60 percent in FY 2006, 65 percent in  
12 2007, and 70 percent in 2008.

13 The Chairman's mark would permit a State to exclude  
14 all families from work participation calculations on a  
15 case-by-case basis for the first month of TANF  
16 assistance.

17 The mark replaces the current caseload reduction  
18 credit with an employment credit and phases the maximum  
19 credit down from 40 percentage points in 2004 to 20  
20 percentage points in 2008.

21 The mark increases the standard weekly average number  
22 of hours for 30 for parents with a child age six or over.  
23 The mark adopts a tiered approach, assigning credit along  
24 a range of hours, with the standard hour at 34.

25 The mark increases the standard weekly hour average

1 of hours from 20 for parents with a child under six. The  
2 mark adopts a tiered approach, assigning credit along a  
3 range of hours, with the standard hour at 24. The mark  
4 establishes a separate rule for work hours for two-parent  
5 families.

6 The mark expands the current list of 12 work  
7 activities to 17. The mark lists an additional five  
8 activities that may be counted under certain conditions  
9 towards the work participation rate.

10 The mark allows States to count these additional  
11 activities for 3 months in every 24 months.  
12 Additionally, States may count these additional  
13 activities for an additional 10 hours a week once a  
14 client with a child age six or older has reached 24 hours  
15 in core work activities.

16 These activities include: post-secondary education,  
17 adult literacy program or activities, substance abuse  
18 counseling or treatment, barrier removal programs, or  
19 programs or activities authorized under any State's  
20 waiver.

21 Teen parents in school are deemed at the standard.  
22 There is also a special rule for single parents caring  
23 for a child or dependent with a disability.

24 Section 110 would provide for universal engagement  
25 and family self-sufficiency plans. Section 11

1 establishes penalties for States. Section 112 makes  
2 changes to State data collection. Section 113 improves  
3 funding for an administration by Indian tribes.

4 Section 114 would provide funding for activities for  
5 the purpose of conducting and supporting research and  
6 demonstration projects and technical assistance primarily  
7 related to marriage promotion.

8 This section, as well as Section 103, includes a  
9 provision that, to be eligible under this program,  
10 applicants must indicate that grantees will consult with  
11 domestic violence experts, must describe in their  
12 application how the program will deal with domestic  
13 violence, and what they will do to ensure that  
14 participation is voluntary.

15 Section 114 would also establish a 10-State  
16 demonstration program to enhance or provide for improved  
17 program integration. Programs included in this  
18 demonstration are: child care development fund, the  
19 social services block grant, and TANF.

20 Section 115 would make changes to the survey of income  
21 and program participation. Section 116 would increase  
22 mandatory child care funding to \$1 billion over five  
23 years. Section 117 codifies the definition of  
24 "assistance."

25 Section 118 improves the Responsible Fatherhood

1 program. Section 119 provides authorization for grants  
2 to entities to capitalize and develop social services.  
3 Section 120 provides technical corrections.

4 Title 2 would extend the abstinence education  
5 program. Title 3 would make changes to improve and  
6 strengthen child support provisions.

7 Title 4 extends child welfare waivers. Title 5  
8 establishes a review of State agency blindness and  
9 disability determination.

10 Title 6 extends transitional medical assistance.  
11 Title 7 establishes that provisions take effect on the  
12 date of enactment unless the Secretary determines that  
13 the State legislation is required for the plan to conform  
14 with the act.

15 The Chairman. All right. At this point then I  
16 would like to call up the modifications to my Chairman's  
17 mark. I would ask if Ms. Shipp would describe those  
18 modifications.

19 Ms. Shipp. The following modifications are made to  
20 the Chairman's mark. As I indicated in the walk-through,  
21 Section 114 is clarified to reflect that the 10-State  
22 demonstration program includes TANF, CCDF, and SSBG.  
23 Section 312 is deleted. Section 113 is modified to  
24 include provisions related to Native Americans.

25 The following amendments offered by members are also

1 included. Amendment 1, amendment 2, amendment 7, 8, 9,  
2 10, and 37.

3 The Chairman. All right.

4 Now would be the point for any members that have  
5 questions of Becky or Secretary Horn to ask those  
6 questions at this point.

7 [No response]

8 The Chairman. Now that there are not any questions,  
9 then I would say, without objection, the Chairman's mark  
10 is modified.

11 Now we would go to amendments. I want to thank the  
12 members on both sides of the aisle who withheld their  
13 amendments or consolidated the issues that they raised.  
14 We had 64 amendments filed. I do not know how many at  
15 this point might be offered, but I think now would be the  
16 opportunity for members to offer their amendments.

17 Senator Bingaman, would you refer to your amendment  
18 by number?

19 Senator Bingaman. Thank you very much, Mr.  
20 Chairman. I will call up my amendment number 1, Bingaman  
21 Amendment 1.

22 This is an amendment that would increase the  
23 mandatory spending on child care by a total of \$11.2  
24 billion over five years. The current mark, as just  
25 described would increase that spending by \$1 billion over

1 five years rather than what I am proposing. In my view,  
2 that is clearly inadequate.

3 The offset that I am using to pay for this are some  
4 that we are familiar with in this committee, but still  
5 are valid as I am informed, and that is custom user fees  
6 and the Medicare secondary payor provision. So, my  
7 amendment would be offset.

8 The bill under consideration increases the demand for  
9 child services as a result of the fact that it also  
10 increases the work requirements. The Congressional  
11 Budget Office estimates that the new work requirements  
12 will cost between \$1.1 and \$1.5 billion over the five  
13 years. That, in itself, is more than the billion dollar  
14 increase in child care funding over that same period in  
15 the bill.

16 The rising cost of child care will also undoubtedly  
17 result in a reduction in the number of families served.  
18 The Congressional Budget Office, last year, estimated  
19 that it would require \$4.5 billion in additional child  
20 care funding just to maintain current services during  
21 this five-year period.

22 What I believe very strongly, is that we need, since  
23 this reauthorization only occurs every few years, to  
24 seize this opportunity to increase both the availability  
25 and the quality of child care.



1           The funds that I am proposing here would allow us to  
2           serve approximately 608,000 more children nationally than  
3           are currently served. It would allow funding for quality  
4           initiatives with regard to child care. The 360,000  
5           children who are at risk of losing services would not be  
6           losing those services if my amendment were adopted.

7           I know I heard the Senator from Montana and yourself,  
8           I believe, indicate that there is an intent on the part  
9           of the Senator from Maine to propose an amendment once we  
10          get to the floor to add additional funding for child  
11          care. I obviously applaud that effort.

12          But I feel very strongly that we should try, before  
13          we report a bill to the floor, to get the child care  
14          funding up to a level that we think is defensible. That  
15          is why I am offering my amendment. I hope members will  
16          support it.

17          Senator Nickles.     Would the Senator yield for a  
18          question?

19          Senator Bingaman.    I would yield.

20          Senator Nickles.    I am just trying to figure out how  
21          much. So your amendment would increase the mandatory  
22          child care by an additional \$11.2 billion. Is that over  
23          the Chairman's mark or over current law?

24          Senator Bingaman.    That is over current law.

25          Senator Nickles.    And the Chairman's mark is \$1

1 billion. So, basically it is \$10.2 billion over the five  
2 years. Is that correct?

3 Senator Bingaman. That is correct, over the five  
4 years. About \$2 billion a year.

5 Senator Nickles. Two billion a year. Now,  
6 presently we are spending \$2.7 billion a year in  
7 mandatory, so you almost double it. It is about an 80  
8 percent increase, something like that. You go from \$2.7  
9 billion to \$4.7 billion per year?

10 Senator Bingaman. That would be correct, over the  
11 next five years.

12 Senator Nickles. All right.

13 The Chairman. Are you done, Senator Nickles?

14 Senator Nickles. Well, I might make a comment on  
15 it. I am just trying to figure out his amendment.

16 The Chairman. All right. I would suggest to the  
17 Senator from New Mexico that I know that this bill is  
18 probably going to pass the U.S. Senate with a lot more  
19 money than I have in my mark. I, very early on this  
20 year, at least, tried to satisfy everybody.

21 Well, I would not say that I did satisfy, but I tried  
22 to explain that we in the Senate would do much more than  
23 what the House did in this area. I also said that I  
24 thought that we ought to maintain a relationship between  
25 the increase in work requirements and the legitimacy for

1 spending more money on child care. I think I did that.

2 Now, additionally, and I think Senator Bingaman would  
3 be in this category, a lot of people have brought to my  
4 attention so-called unmet needs in this area over the  
5 years, that just spending more money because we have more  
6 work requirement does not put enough into this area.

7 I am not going to argue against that point, but I do  
8 feel that it is necessary for us to have a rationale for  
9 increasing it, and also have to understand that we want a  
10 figure that is not going to bring about a White House  
11 veto.

12 Now, I know there is a lot of ground between here and  
13 there in all of those arguments, but at least that is how  
14 I have approached this. From that standpoint then, I  
15 would ask that this amendment be defeated.

16 Senator Nickles?

17 Senator Nickles. Mr. Chairman, is there an  
18 understanding we are going to have voice votes on most of  
19 the amendments?

20 The Chairman. I would hope we would have voice  
21 votes. But if we do not have voice votes, with seven  
22 people here we can vote.

23 Senator Nickles. Well, I would urge our colleagues  
24 to not support the amendment. A couple of comments. The  
25 Chairman's budget increases the mandatory from \$2.7

1 billion to \$2.9 billion. That is \$200 million per year.  
2 Percentage-wise, that is about an eight percent increase.

3 We are hemorrhaging. Your proposal is about an 80  
4 percent increase. Maybe I am wrong. But it goes from  
5 \$2.7 billion a year to \$4.7 billion a year. That is a  
6 very significant percentage increase.

7 The pay-fors, I think, as you mentioned, have been  
8 used in the committee many, many times, custom user fees.  
9 Custom user fees, my guess will be used somewhere, but  
10 probably not in the welfare bill. They probably will be  
11 used in the bill that we are doing dealing with  
12 international issues.

13 You also have a user fee, Medicare as a second payor.  
14 My guess is, if that is a viable offset, that that would  
15 be used in the Medicare bill that we are working on in  
16 conference.

17 So, for those reasons I would urge our colleagues to  
18 vote no on the amendment.

19 The Chairman. Senator Conrad, then Senator  
20 Santorum.

21 Senator Conrad. Mr. Chairman, members of the  
22 committee, I believe the Chairman's mark is inadequate  
23 with respect to child care funding. If we are going to  
24 increase the work requirement, then you have got to  
25 increase child care funding. A billion dollars over the

1 period of time involved is simply inadequate.

2 I will support an increase, either here in committee  
3 or on the floor, to go to \$5.5 billion or something in  
4 that neighborhood. But I must say I cannot support this  
5 amendment of \$11.2 billion because, in trying to put  
6 together a budget that fits together in all regards, I do  
7 not see the room to have that level of funding. I say  
8 that with regret.

9 We have got a deficit that is absolutely out of  
10 control. Our deficit next year is now going to be, I  
11 believe, over \$535 billion. That does not count the \$160  
12 billion of Social Security surpluses that are going to be  
13 taken and used for other things. That puts the deficit  
14 on an operating basis at \$700 billion. Seven hundred  
15 billion dollars. That is a disaster.

16 And it is not just next year. It is every year for  
17 the next 10 years. Every penny of Social Security  
18 surplus is being taken to pay for every other thing. We  
19 have deficits that are massive, and at the worst possible  
20 time right before the baby boomers retire.

21 So I am reluctantly going to vote against this  
22 amendment. I struggled to put together an overall budget  
23 that would head us in the direction of reducing deficits.  
24 I could not accommodate a number this high, even though  
25 there are offsets here. Those offsets are going to be

1 needed for other things. I do think it is necessary to  
2 increase the funding for child care, but I do not think  
3 we can accommodate an increase of this magnitude.

4 The Chairman. Senator Santorum?

5 Senator Santorum. Thank you, Mr. Chairman.

6 Mr. Chairman, I just want to say for the record that  
7 we have more than tripled the amount of child care  
8 funding since welfare reform was passed. It was around  
9 \$3 billion in 1995. It is over \$10 billion now, and the  
10 Chairman's mark increases it further. At a time when the  
11 welfare rolls have been cut in half, we have tripled the  
12 amount of child care funding.

13 I would ask Dr. Horn, do you know how many States  
14 there are where there are any kind of waiting lists, or  
15 long waiting lists with respect to day care? While you  
16 are doing that, as you know, we just passed a bill to  
17 help States in their fiscal problems, \$20 billion that  
18 can be used over the next two years for child care.

19 So if the States are short in child care dollars and  
20 they want to spend money on child care, at least for the  
21 next couple of years, they will have money available to  
22 them that has been given by the Federal Government to  
23 spend more money on day care.

24 In addition, the General Accounting Office has  
25 indicated that, even in spite of State deficits, the fact

1 is that there is roughly \$5 billion in unspent money in  
2 TANF and other places, the money given to the States.  
3 Under this bill, now they can move that money into day  
4 care. So, there will be an additional amount of money  
5 that States could use.

6 Now, I understand we are increasing the work  
7 requirements minimally. You might even argue in some  
8 States we are probably not increasing work requirements  
9 because we are counting certain percentages as meeting.  
10 Right now, if you do not meet the work requirement, you  
11 get no credit. Now we are giving partial credit, we are  
12 giving over credit.

13 The idea that we need to double the amount of money  
14 on child care when we already have billions of dollars  
15 not being spent which can be spent now if this bill  
16 becomes law, that we do not--and I would ask Dr. Horn if  
17 you found how many States are currently having problems  
18 with waiting lists.

19 Dr. Horn. About 18 States have waiting lists, but  
20 some of them are as low as 500 people or so.

21 Senator Santorum. All right. So we are talking  
22 about, less than half the States have any waiting lists  
23 at all, and even those have very small waiting lists.  
24 The idea that we need, at a time like this, to double the  
25 amount of money for child care, I think, is taking a

1 sledgehammer to a gnat. It is overkill and it is not  
2 necessary at a time of fiscal stress here in Washington,  
3 DC.

4 The Chairman. Senator Bingaman, could we vote?

5 Senator Bingaman. I gathered that Senator Lincoln  
6 wanted to speak, then I would just want to summarize my  
7 arguments before the vote if I could, Mr. Chairman.

8 The Chairman. All right. Senator Baucus wants to  
9 speak. So, I think I should call on Senator Baucus,  
10 first, then Senator Lincoln.

11 Senator Baucus. Thank you, Mr. Chairman.

12 Mr. Chairman, I understand the reluctance of the  
13 Senator from North Dakota, due to the budget constraints  
14 that were facing the country. But to my good friend from  
15 North Dakota, I say we have to ask ourselves what our  
16 priorities are in this country. Frankly, under the  
17 current bill before us, child care will, at best, be held  
18 even, and probably cut because of the cost of the  
19 additional work requirements.

20 Given other expenditures this country is going to be  
21 making domestically and overseas, particularly overseas,  
22 it would just be my priorities that more dollars should  
23 be spent in child care and some other overseas activities  
24 that are being spent, or proposed to be spent. It is a  
25 question of degree.



1 I think, although we have budgets and we are  
2 constrained by budgets, that we also have to use a little  
3 common sense and not be too locked into--and I know you  
4 are not saying this, Senator--budget resolutions and  
5 things like that. I personally would cut someplace else.

6 This, to me, is a no-brainer. If we are increasing  
7 work requirements, and we are, and participation  
8 requirements, as we are, and if States are so strapped,  
9 as they are, the amount that the Senator from  
10 Pennsylvania referred to as the standard discretionary  
11 percentage that all States keep to try to handle  
12 unforeseen changes in their economy--and we all know  
13 that, in the last couple, three years, economies took a  
14 nosedive. At least they did in my State.

15 So, these reserve funds, or whatever they are called,  
16 are standard nationally to take care of those  
17 contingencies. That is nothing new. It is not like  
18 there are a whole bunch of dollars out there. Five  
19 billion, I think the Senator referred to, is only about  
20 five percent. It is a very small percentage, actually,  
21 what we are talking about here.

22 In my State of Montana, regrettably, child care has  
23 been cut back for the working poor to pay for TANF  
24 participants. I just feel that we should remember that  
25 what we are doing here is just backwards. It is not

1 welfare reform when going to work would mean losing your  
2 child care help. We are trying to help families get off  
3 welfare. To get off welfare, single moms need to have  
4 adequate child care support.

5 I remember talking to a young woman, 19 years old, a  
6 single mom in my State. She was determined that she was  
7 not going to be on welfare. And by the way, I think we  
8 all know that most people who are on welfare do not like  
9 it. They want to get off. They are trying to get off.  
10 They want to get off.

11 She was determined that she was not going to be on  
12 welfare. She had only a minimum wage job, with one  
13 child. She left her apartment and she slept on her  
14 parents' sofa.

15 But she found that at least a third of her take-home  
16 pay was paying for child care. She just could not make  
17 ends meet with food bills and everything else, so she had  
18 to go on welfare. I wish you could just see the look in  
19 her eyes at just how upset she was that that had to  
20 happen.

21 So, I just think that we should increase the amount  
22 for child care here because it helps families, it helps  
23 kids, it helps working moms. Jobs in America are being  
24 lost, as we well know, with three million jobs lost in  
25 just the last couple of years. The minimum wage is a

1 huge problem. It is awfully low and it is hard to make  
2 ends meet. The jobs that are being created tend to be  
3 service industry low-paying jobs.

4 Many of them are minimum wage jobs. I just strongly  
5 believe that it is best policy for this country for us to  
6 help these single moms, to help single dads, in some  
7 cases, but to increase the dollars for child care.

8 It is a far better use of a federal expenditure than  
9 some others that we are spending around here, in my  
10 judgment. If it is far better, I think we should  
11 increase it, and we will start to cut back on some others  
12 that are maybe not so good.

13 I strongly urge the committee to vote for the  
14 amendment.

15 The Chairman. Senator Lincoln, then Senator Snowe.  
16 You wanted to speak, Senator Snowe, too?

17 Senator Snowe. Yes, Mr. Chairman.

18 The Chairman. All right. Then I think after  
19 Senator Snowe speaks, we will vote.

20 Senator Lincoln. Thank you, Mr. Chairman.

21 I just am extremely alarmed at the direction that the  
22 committee is moving in. We worked so diligently last  
23 year in a bipartisan way to come up with something that  
24 would be beneficial to the working families of this  
25 country and to those who need assistance to get into

1 work, into good jobs in order to eliminate that  
2 dependence, as Senator Baucus has mentioned. If any of  
3 you all have shadowed or spent time with welfare mothers  
4 or welfare families, I think you would probably  
5 experience the same experience that we have, which is  
6 that they want to desperately get off of welfare.

7 They want to desperately get off the dependence that  
8 they have in order to be self-sufficient, not just  
9 because they want to eliminate that dependency that they  
10 have, but they want to share with their children the  
11 understanding of what self-esteem is all about.

12 The mothers I have traveled with have certainly  
13 expressed that. Yet, the point is clear, and it should  
14 be clear to this committee, they cannot do it by  
15 themselves. They cannot handle this load all on their  
16 own. At some point, we as a Nation have to recognize  
17 that. It is not just their children we are talking  
18 about, it is the future leaders of this country.

19 It is our future employees of this country. It is  
20 who is going to grow this Nation that we are talking  
21 about. Are we going to leave them at home unsupervised?  
22 I mean, many of the options for these mothers, that is  
23 all they have without the kind of child care that we have  
24 got to be able to assist them with.

25 The question from my colleague from Pennsylvania

1 about money that is unspent, and how many States have  
2 waiting lists. How many States have zero on their  
3 waiting list? And is that because they have a waiting  
4 list? They do have an existing waiting list. Are those  
5 just States that just do not account for it because they  
6 do not have waiting lists?

7 Dr. Horn. There are 31 States that report no one on  
8 a waiting list.

9 Senator Lincoln. They have a waiting list and they  
10 report zero?

11 Dr. Horn. No, no.

12 Senator Santorum. They have no people on their  
13 waiting list.

14 Senator Lincoln. But they do have a waiting list.

15 Dr. Horn. No.

16 Senator Lincoln. You just said, no, they do not  
17 have a waiting list. Most States in most instances, the  
18 reason it is zero, is because the State does not have a  
19 waiting list. They do not keep a waiting list.

20 Dr. Horn. There are a number of States that serve  
21 everyone that comes.

22 Senator Lincoln. How many of those serve everyone  
23 that comes?

24 Dr. Horn. Pardon?

25 Senator Lincoln. How many States serve everyone

1 that requests child care?

2 Dr. Horn. And are you talking about people who are  
3 on TANF or people that request child care who are not on  
4 TANF?

5 Senator Lincoln. Well, the fact is, States like  
6 Tennessee now are eliminating child care unless you are  
7 on TANF, so they do not make it available. The point is,  
8 not all of our child care just goes to TANF recipients.  
9 It goes to recipients who are trying to stay off of  
10 welfare. When we cut these numbers--has CBO estimated  
11 how much more States will have to spend in child care  
12 with the increased work hours?

13 Dr. Horn. Yes. My understanding is it is between  
14 \$1 and \$1.5 billion.

15 Senator Lincoln. Is the increase.

16 Dr. Horn. Is the increase due to the work hours.

17 Senator Lincoln. So, in other words, under this  
18 mark, we do not even cover what States will need to even  
19 continue the current child care programs that they have.

20 Dr. Horn. Although it is my understanding that,  
21 under the Senate Budget Resolution that was passed, there  
22 is an additional \$2.3 billion that is available on the  
23 discretionary side of child care over five years.

24 In addition to that, there is over \$2 billion  
25 available that is locked up in carry-over balances which

1 cannot be used for child care now, but, with the passage  
2 of this bill, that \$2 billion would immediately become  
3 available for child care as well.

4 Senator Lincoln. If the State so chooses.

5 Dr. Horn. If the State so chose. But a lot of  
6 States are telling us that one of the reasons they do not  
7 choose, is because they cannot. Under current law, with  
8 carry-over balances, they can only be used for cash  
9 assistance. They cannot be used for child care, cannot  
10 be used for transportation support.

11 Senator Lincoln. Well, that may be the case for the  
12 rest of the States represented on this committee. But I  
13 have a problem thinking that Arkansas has got a waiting  
14 list of a thousand, and many, many more who do not even  
15 get on the waiting list because they know that child care  
16 is not available, because people are not able to pay for  
17 the child care.

18 Most of our communities out there do not even have  
19 child care that is in existence. As I said, States like  
20 Tennessee are no longer even accepting child care  
21 applications from their families that do not receive TANF  
22 assistance.

23 I just find it amazing that, all of a sudden, we  
24 think we can increase work hours on single moms and on  
25 low-income working families and we are not going to be

1 able to provide for more child care because we are not  
2 going to have the resources to do it. It does not come  
3 out of thin air.

4 I do not know how many other people on this committee  
5 have either tried to get child care or have had to pay  
6 for it. But I have. I have sat with those mothers that  
7 have. I have staff that has gone through that problem,  
8 and it is remarkable, the problem that we have in this  
9 Nation and the need for child care.

10 It is not going to be solved if we do not, one,  
11 provide the dollars for assistance to these individuals  
12 who are trying to stay in the workforce, who are trying  
13 to do a better job. So, I would just encourage my  
14 colleagues as we look at what is going on.

15 It seems, unfortunately, to be a pattern that low-  
16 income working people do not deserve the help, whether it  
17 is refundability on a child credit or whether it is  
18 assistance in child care. But it is so much easier to be  
19 a low-income worker and have all of these things help you  
20 out, and yet the money is not there to provide it.

21 So, I would just encourage my colleagues to take a  
22 look at what Senator Bingaman is doing and remember that  
23 child care does not fall out of thin air. It does not  
24 exist where people do not pay for it or where people  
25 cannot get it.



1           The Chairman.    I promised I would call on Senator  
2           Snowe.

3           Senator Snowe?

4           Senator Snowe.    Thank you, Mr. Chairman.    First of  
5           all, I want to express my appreciation to you for moving  
6           this reauthorization forward.    I realize that the  
7           Chairman's mark does represent a delicate compromise.  
8           There are significant agreements and disagreements  
9           depending on the issue.

10          Certainly, when it comes to child care, there are  
11          some profound differences in terms of the level of  
12          funding.    So, I appreciate your expressions of support in  
13          working with me, at least acknowledging my ability to  
14          offer an amendment on the floor to increase significantly  
15          child care funding.

16          I am going to defer action on that or support of any  
17          amendments in the committee to do so in order to move  
18          this process forward, because I know there is  
19          disagreement on terms of the amount that should be  
20          provided for child care.

21          Without question, the fundamental tenet of the  
22          welfare landmark legislation of 1996 was the assumption  
23          that child care would be a key and significant component  
24          to moving individuals off the welfare system and towards  
25          self-sufficiency and financial independence, without

1 question. I think it does place us in an untenable  
2 position as a committee and in the Congress if we do not  
3 provide the kind of funding that is going to be essential  
4 to alleviating the burdens of parents that have to make  
5 the difficult choice between work and the income they  
6 rely on and complying with this legislation, or the  
7 question of their children's stability and well-being  
8 because they cannot access affordable, quality child  
9 care.

10 It is indisputable, as Senator Lincoln has indicated,  
11 about the unmet need for child care funding in this  
12 country. There are waiting lists, and for many of the  
13 States that do not have waiting lists, it is because they  
14 have decided not to have waiting lists. That is a fact.

15 That is why so many of the States that indicate that  
16 there are not any numbers on the waiting lists, is  
17 because States have made a decision not to because they  
18 cannot fulfill those requirements.

19 In fact, the General Accounting Office issued a  
20 report back in the spring and it indicated at that time  
21 that almost half the States have made key changes, 23  
22 States that have decreased the availability of child care  
23 assistance.

24 GAO found that, while the vast majority of States  
25 have made TANF families and families transitioning off

1 TANF eligible for child care assistance, more than half  
2 the States are not actually providing that assistance to  
3 all those families that are eligible and have applied.

4 So, not only have we found that there is a  
5 disproportionate number of families in the country that  
6 are eligible for child care assistance, but States cannot  
7 meet that need because of the financial straits that they  
8 are finding themselves in, and the budget deficits that  
9 they are experiencing.

10 But, in addition to that, with the passage of this  
11 legislation, it is also going to provide an additional  
12 burden in demands on the system. In fact, CBO has  
13 estimated that, in terms of using the low estimate of the  
14 child and work-related costs of this proposal, it will be  
15 at least a billion dollars with the work-related  
16 requirements in the Chairman's mark.

17 So, it is clear that we are going to have to do more.  
18 The question is going to be, how much more? Obviously,  
19 no matter what the amendment will be, it probably will  
20 not be sufficient. But obviously we have to balance that  
21 with the fiscal demands within the overall budget.

22 I think there is no question that the inability to  
23 access affordable quality day care is a barrier to  
24 employment and financial self-sufficiency that we have a  
25 responsibility to address.

1           I think that the General Accounting Office report  
2           certainly reflects the concerns and the depth of the  
3           problem with respect to what the States can provide for  
4           assistance and what we need to provide as our  
5           responsibilities in closing that gap and the discrepancy  
6           that exists between the unmet need and the funding that  
7           we are providing at the federal level. So, I truly do  
8           believe that we have to do much more than obviously we  
9           can do here in the committee. But I also understand that  
10          we have to move this process forward.

11          I appreciate my colleagues on this side of the aisle,  
12          because I also know that they have made compromises on  
13          the work requirements. We have, overall, 34 hours.  
14          Obviously, the President proposed 40 hours. So, there  
15          has been a great deal of compromising in order to move  
16          this process forward.

17          But this is the second time it has come to the  
18          committee, and we have been unable to report it out of  
19          committee. Then last year we did report it out of  
20          committee, but, unfortunately, it was not brought up on  
21          the floor.

22          So the time has come. We cannot leave the States in  
23          limbo with respect to this legislation. We certainly  
24          cannot leave welfare recipients and those who deserve to  
25          have the additional support that this legislation will

1 provide so that they can move towards financial  
2 independence. But they need the support. There is no  
3 question about it.

4 When it comes to providing adequate support for child  
5 care, that we have to do more than we have done in the  
6 past so we can build on the successes of the 1996  
7 landmark legislation. But we also have to recognize  
8 where we have been deficient, and that is in the instance  
9 of child care.

10 So, Mr. Chairman, I appreciate your efforts on behalf  
11 of moving this legislation and your commitment.  
12 Hopefully we can move forward at the appropriate time on  
13 the floor to recognize how much is necessary to  
14 accommodate the demands of child care and to meet the  
15 needs of working families.

16 The Chairman. All right.

17 Senator Bingaman will close on this amendment.

18 Senator Baucus. If I might, though, Mr. Chairman.

19 The Chairman. Oh. Go ahead.

20 Senator Baucus. Just a point of clarification.

21 Dr. Horn, you said that there is \$2.3 billion in  
22 discretionary funds. That is in the authorizing  
23 legislation, just for everybody's information. There are  
24 no dollars in the Labor/HHS bill for that \$2.3 billion.

25 Senator Santorum. Mr. Chairman, I would like to

1 make a comment, too. If Senator Bingaman wants to close,  
2 I would like to make a comment.

3 The Chairman. All right. Proceed. But could we  
4 have it be short and have Senator Bingaman finish it?  
5 Proceed, please.

6 Senator Santorum. Thank you. I would just like to  
7 respond on a couple of ways and, number one, thank  
8 Senator Snowe. I appreciate her cooperation in moving  
9 this bill forward. I want to say that I, too, am  
10 concerned about day care and making sure that mothers who  
11 are trying to get off of welfare and who are trying to  
12 stay off and not even go on welfare are getting the help  
13 that they need.

14 I have spent much time with mothers who have been on  
15 welfare, in fact have hired nine of them in my office.  
16 So, I have spent a lot of time, and I have dealt with day  
17 care issues personally with them. So, I understand  
18 completely the problems that people are going through who  
19 are on welfare.

20 I also understand that it is important to not just  
21 create, in my mind, a direct entitlement to anybody who  
22 wants child care to get child care. I think the fact  
23 that someone wants child care, that may not be in the  
24 best interest for them to get it.

25 Now, I can tell you from personal experience of

1 someone who wanted day care, was on a waiting list for  
2 day care, could not get it. Almost had to leave my  
3 employment.

4 It turned out, the fact that she did not get it  
5 actually turned out to be a good thing because her sister  
6 ended up taking that child, and it not only helped that  
7 child, but it turned her sister's life around.

8 So the idea that we have this one fix for everybody,  
9 that if we just provide enough money for everybody for  
10 everything they think they need at the time, it is going  
11 to solve everybody's problem, I will assure you, that is  
12 not the answer.

13 What I think we need to do, is be responsible. We  
14 have to have enough resources out there to meet what are  
15 clear needs. But sometimes pushing the edge is not  
16 necessarily a bad thing in somebody's life, and making  
17 people struggle a little bit is not necessarily the worst  
18 thing that people have to deal with in the end.

19 I would just suggest that we have increased the work  
20 requirements here, on the face of it, 20 percent. But,  
21 in fact, we have not because we are giving partial credit  
22 for work. So, the work requirements have not increased  
23 really by 20 percent for the State. We have a 10 percent  
24 increase in child care funding.

25 So you can make the argument that maybe we should go

1 up another 10 percent or somewhere in there. But an 80  
2 percent increase, eight-zero percent increase for a 20  
3 percent increase in the work requirement, I would just  
4 suggest that that is not responsible. That is not  
5 comport anywhere with what would be the increased demand  
6 as a result of this legislation.

7 So, I would just say that I am open, and I know other  
8 members on this side are open to discussions of making  
9 sure that we are not selling short what are the  
10 additional responsibilities for parents to have to find  
11 work, and therefore find day care. But this is, in my  
12 mind, not a responsible thing.

13 One final comment. Secretary Horn talked about \$2  
14 billion in unobligated TANF funds. I would say to the  
15 Ranking Member, that is not the State reserve fund. This  
16 is \$2 billion of unobligated TANF funds.

17 Now, the States may say, oh, well, that is our  
18 reserve fund, but it can only be spent on TANF. This  
19 bill changes that. So that is now \$2 billion that is  
20 sitting in State funds unobligated that now can be used  
21 to pay for day care as a result of this bill. So, that  
22 is not an appropriated amount. That is real dollars in  
23 real State money that can be spent tomorrow if this bill  
24 were to pass to provide for day care. Two billion  
25 dollars.



1           So the idea that we are shortchanging day care when  
2 we make, now, funds that are sitting there that they  
3 cannot spend on cash assistance available for day care,  
4 is simply not accurate.

5           And by the way, \$26 million is in Arkansas right now  
6 in TANF that they cannot spend on day care that they will  
7 if this bill were to pass. So, it is going to help  
8 almost every State. I think there is only a handful of  
9 States that do not have unobligated amounts. It is going  
10 to help every State.

11           This bill will go a long way in giving States the  
12 opportunity to spend money in the areas of priority where  
13 they believe. If they believe that day care is the  
14 answer--and I will tell you, my governor believes that.  
15 I am sure that many governors around believe that. Fine.  
16 You now have the flexibility with this bill to do that.  
17 Let us not just throw more money at it, let us spend the  
18 money we have in the system more wisely.

19           Thank you, Mr. Chairman.

20           The Chairman.     Senator Bingaman?

21           Senator Bingaman.     Well, thank you very much, Mr.  
22 Chairman. I think we have had a very useful discussion.

23           Let me just make two points. First, my impression is  
24 very different than some of what I have heard here. My  
25 impression is that there is a significant need out there

1 for additional child care assistance and that it is  
2 growing. It is a growing need.

3 Part of what we heard, is that over in over 30 States  
4 there is no need; everyone who wants child care  
5 assistance is receiving that child care assistance. My  
6 State is not one of those. I would be amazed if there  
7 are over 30 States in that circumstance.

8 In my State, I am informed that over 59,000 children  
9 under the age of six are in families that are eligible  
10 for child care but are not going to receive any child  
11 care because of inadequate funding that the State is  
12 faced with.

13 We used to provide in my State assistance to families  
14 who earned up to \$30,000 a year. Now we have cut that  
15 back to \$23,000 a year.

16 My State, like most States, is finding that it is not  
17 able to maintain assistance in TANF or any of the other  
18 programs at the levels that they previously have in the  
19 past.

20 So, I think the need is growing. I also think that  
21 States are incapable of meeting that need. So, I hope  
22 that people will support the amendment. I think that it  
23 would be money well spent.

24 I think that it would be money that would increase  
25 the productivity of a lot of people in this country over

1 many decades in the future to see that they have the  
2 proper child care in those early years. We have a lot of  
3 speeches around here about the importance of early  
4 childhood education and child care.

5 Unfortunately, when we get down to allocating funds  
6 for it, it usually winds up a low priority. But I hope  
7 that that is not the case here.

8 I would like a roll call vote on the amendment.

9 The Chairman. Would the Clerk call the roll?

10 The Clerk. Mr. Hatch?

11 The Chairman. No, by proxy.

12 The Clerk. Mr. Nickles?

13 Senator Nickles. No.

14 The Clerk. Mr. Lott?

15 Senator Lott. No.

16 The Clerk. Ms. Snowe?

17 Senator Snowe. No.

18 The Clerk. Mr. Kyl?

19 The Chairman. No, by proxy.

20 The Clerk. Mr. Thomas?

21 Senator Thomas. No.

22 The Clerk. Mr. Santorum?

23 Senator Santorum. No.

24 The Clerk. Mr. Frist?

25 The Chairman. Mr. Frist would be no, by proxy.

1           The Clerk.    Mr. Smith?  
2           The Chairman.   He will not vote.  
3           The Clerk.    Mr. Bunning?  
4           Senator Bunning.   No.  
5           The Clerk.    Mr. Baucus?  
6           Senator Baucus.   Aye.  
7           The Clerk.    Mr. Rockefeller?  
8           Senator Baucus.   Aye, by proxy.  
9           The Clerk.    Mr. Daschle?  
10          Senator Baucus.   Aye, by proxy.  
11          The Clerk.    Mr. Breaux?  
12          Senator Baucus.   Aye, by proxy.  
13          The Clerk.    Mr. Conrad?  
14          Senator Conrad.   No.  
15          The Clerk.    Mr. Graham?  
16          Senator Baucus.   Aye, by proxy.  
17          Senator Graham.  
18          The Clerk.    Mr. Jeffords?  
19          Senator Baucus.   Aye, by proxy.  
20          The Clerk.    Mr. Bingaman?  
21          Senator Bingaman.   Aye.  
22          The Clerk.    Mr. Kerry?  
23          Senator Baucus.   Aye, by proxy.  
24          The Clerk.    Mrs. Lincoln?  
25          Senator Lincoln.   Aye.

1           The Clerk.    Mr. Chairman?

2           The Chairman.   No.

3           The Clerk.    Mr. Chairman, the tally is 9 ayes, 10  
4 nays, 1 not voting.

5           The Chairman.   The amendment is, accordingly,  
6 defeated.

7           The next amendment, please.   Senator Bingaman has an  
8 amendment.   Is that right?

9           Senator Bingaman.   Yes, I do, Mr. Chairman.

10          Let me refer to this.   This would be Bingaman  
11 Amendment Number 10.

12          The Chairman.    All right.

13          Senator Bingaman.   This would correct a technical,  
14 but very important problem caused during the passage of  
15 the welfare bill back in 1996.   Section 411 of that  
16 welfare law reads that "State and local governments may  
17 not provide non-emergency health services to non-  
18 qualified immigrants unless they have passed new  
19 legislation authorizing such expenditures."

20          This provision in that act has been read by State and  
21 local governments with varying interpretations because  
22 the same law exempts charitable organizations from  
23 conducting immigrant screening, and there is no  
24 enforcement mechanism.

25          My amendment would eliminate the ambiguity that the

1 provision creates as it relates to health services. Mr.  
2 Chairman, the amendment was included as an amendment to  
3 the welfare bill during mark-up in June of 2002 by a vote  
4 of this committee of 13 to 8. I was disappointed that we  
5 did not include it in the bipartisan mark that we are  
6 considering today.

7 I could go through all of the various arguments for  
8 this. Let me just cite some statements that Senator  
9 Cornin of Texas, our colleague, stated about this. He  
10 correctly said, "It is only humane and more cost-  
11 effective to provide preventative care in clinics like  
12 this than it would be to just have them clog emergency  
13 rooms after they have gotten a lot sicker and a lot more  
14 expensive to treat."

15 Then he went on to say, referring to the 1996 law,  
16 "The law is what the legislature--the federal  
17 legislature--passed in 1996, and what I am saying is that  
18 that is bad policy. That needs to be changed."

19 My amendment would change that. We have the  
20 anomalous situation here where, as I understand it,  
21 federal funds can be used by these very same clinics for  
22 all non-qualified immigrants. But we have in federal law  
23 a provision that denies the local entities from using  
24 State or local funds to serve those same non-qualified  
25 immigrants.

1           So, this is something that we decided to do last  
2 year. It was the right policy then. I think we should  
3 add it to this bill as well.

4           The Chairman. I do not take argument with your  
5 sincere effort to clarify this and argue this as a  
6 clarifying amendment of current law. But it is my  
7 feeling that this is a very significant change in the  
8 intent of the law, and I derive that from welfare reform  
9 and other legislative debates.

10          It seems that Congress has continually upheld the  
11 intent of the law, prohibiting States and localities from  
12 providing non-emergency care to immigrants. I believe  
13 that is current law. So, I do not think we need a  
14 clarifying amendment and I would ask that we vote this  
15 amendment down.

16          Senator Baucus. Mr. Chairman, I understood on this  
17 amendment--strike that. I am thinking of another  
18 amendment.

19          The Chairman. All right.

20          Any further discussion?

21          [No response]

22          The Chairman. Those in favor, say aye.

23          [A chorus of ayes]

24          The Chairman. Those opposed, say no.

25          [A chorus of nays]

1           The Chairman.    The nays have it.  The amendment is  
2 defeated.

3           Senator Lincoln.   Mr. Chairman?

4           The Chairman.    Senator Lincoln has two amendments.

5           Senator Lincoln.   I have three.

6           The Chairman.    Three amendments.  It is my  
7 understanding that will be all of the amendments.

8           Senator Baucus.   No, no.  There are other  
9 amendments.

10          The Chairman.    Oh.  I just went by what you said,  
11 that there would be four.

12          Senator Baucus.   Well, there are several.  I only  
13 know about Democratic amendments.  I do not know about  
14 other amendments.

15          The Chairman.    All right.

16          Then we will proceed to Senator Lincoln.  What is  
17 your amendment?

18          Senator Lincoln.   Thank you, Mr. Chairman.  It is my  
19 first amendment, Lincoln Number 1.

20          Mr. Chairman, my amendment would maintain current law  
21 so that single parents with children under the age of six  
22 would fulfill their participation rate by participating  
23 in 20 hour of the work week.  The Chairman's mark would  
24 require that such families work 24 hours a week to fully  
25 count towards that participation rate.



1           Mr. Chairman, the mark claims that requiring single  
2 parents to work more hours will help get single parents  
3 and their children out of poverty. It is an excellent  
4 goal and I wholeheartedly support it.

5           However, I do not think there are any studies, nor  
6 are there reasons, to believe that increasing the  
7 required hours of participation for parents of very young  
8 children from 20 to 24 hours will lead to more families  
9 getting jobs or better employment results.

10          In addition, raising the required work hours for  
11 single parents with children under the age of six will  
12 increase the child care costs for States and increase the  
13 cost and complexity of meeting federal participation  
14 rates.

15          There may be States somewhere out there that are  
16 aflush in child care, I do not know. But it does not  
17 exist in Arkansas, and particularly when you are talking  
18 about very young children.

19          At a time when States are unable to provide child  
20 care help to large numbers of working poor families, not  
21 just those that are on cash assistance but those that  
22 have gotten off of cash assistance who are trying  
23 desperately to stay off of cash assistance, and many  
24 States are being forced to cut back their current child  
25 care programs.

1           As was indicated in this bill, the money that we have  
2           in this mark does not even meet the current needs. There  
3           is an estimated 360,000 children who would lose access to  
4           child care subsidies by 2008 under this mark.

5           Many States, as I said, are being forced to cut back  
6           their current child care programs. Congress, in my  
7           opinion, should not force States to divert child care  
8           resources in a manner that does nothing to help families  
9           get, or keep, their jobs. In our State of Arkansas,  
10          there is over 1,000 working low-income families on the  
11          child care waiting list.

12          So it is imperative that we not put our States in a  
13          position to cut child care services, especially when we  
14          know that child care costs are higher for young children  
15          because younger children require more one-on-one  
16          attention from staff and, as a result, require higher  
17          staff/child ratios, which in turn increases the cost of  
18          the child care altogether, something we have not really  
19          talked about.

20          But obviously, when you are taking care of a very  
21          young child, in our State the average annual cost of a  
22          12-month-old is \$3,900. This is higher than the average  
23          annual cost of public college tuition in Arkansas, which  
24          is \$2,590.

25          We are talking about a very serious proposition. We

1 are talking about taking care of children, as has been  
2 indicated in the multitudes of studies that we have all  
3 seen, at an age when they are at a very critical stage of  
4 learning and development.

5 If we diminish that ratio, we put them all in huge  
6 warehouses of child care with much greater ratios of  
7 adults to children, we are doing such a disservice to the  
8 children, to our families, to our country, and everybody  
9 else.

10 And with less money, that is what is going to have to  
11 happen, because there is no doubt that caring for a  
12 smaller child is going to require more resources and  
13 require more individuals.

14 Working more than four hours a week at the same job,  
15 I do not believe, is going to give a single parent with  
16 children under the age of six the opportunity to get out  
17 of poverty quicker. Education and training will.

18 Giving States incentives to get poor mothers off of  
19 cash assistance and into good-paying jobs will get them  
20 out of poverty. But that is another issue, and another  
21 one of my amendments, Mr. Chairman. But I will be quick.

22 I just think it is so important that we recognize the  
23 unique demands that single parents of young children  
24 face. We should not adopt unrealistic work requirements  
25 for these parents.

1           I just have to say personally that I am extremely  
2           blessed that we are a two-parent family. Yet, I have  
3           siblings and friends all who have been single parents and  
4           there is a tremendous demand, not just financially, but  
5           emotionally in a multitude of ways.

6           I think putting added requirements on them is going  
7           to be a disservice to the entire family operation and the  
8           values that we want to encourage these families to  
9           achieve, particularly the single-parent families.

10          So, Mr. Chairman, I encourage my colleagues to take a  
11          second look at this issue and recognize what we are  
12          asking of single parents, to put more time into a job  
13          when they could be putting more time into the training  
14          and education that could get them better jobs, and more  
15          importantly, when they could be spending more time with a  
16          small child who needs it at that stage. Thank you, Mr.  
17          Chairman.

18          The Chairman. Through the evolution of my mark, we  
19          did take the points of view that you make into  
20          consideration. That is why I have a separate rule for  
21          single parents with a child under six.

22          But the reason I do not think your amendment is  
23          needed, because we have data showing that the average  
24          weekly hours of participation for cash welfare adults are  
25          similar across categories of parents, and even among

1 single parents with an infant. Those who report  
2 participation have similar hours to other groups of  
3 parents.

4 In other words, a job is a job, regardless of the age  
5 of a child. Lowering the standard hours for parents with  
6 a child under six would have no meaningful implication  
7 for those individuals attached to the workforce.  
8 Therefore, I believe the amendment is not needed and I  
9 would urge my colleagues to vote against it.

10 Senator Lincoln. Mr. Chairman, may I just answer  
11 that, briefly?

12 The Chairman. Yes.

13 Senator Lincoln. Two things. One, a child may just  
14 be a child, but a child between the ages of one and six  
15 has very specific demands and very important demands at  
16 that developmental stage. So, although a job may just be  
17 a job and the hours may just be the same regardless, the  
18 point is, a small child is going to have different needs.

19 The other thing that I would like to ask people to  
20 consider, is that the child care costs for toddlers is  
21 definitely more expensive than the child care costs for  
22 older children. I think we could take the opportunity to  
23 take that into consideration. Thank you, Mr. Chairman.

24 The Chairman. All right.

25 Those that are in favor of the amendment say aye.

1 [A chorus of ayes]

2 The Chairman. Those opposed to the amendment say  
3 no.

4 [A chorus of nays]

5 The Chairman. The nays have it. The amendment is  
6 defeated.

7 Let us go to Senator Snowe. Or while you are getting  
8 ready, I will go to Senator Santorum.

9 Senator Santorum. Thank you, Mr. Chairman. Mr.  
10 Chairman, I have Amendment Number 1 of mine, which is on  
11 the list as Amendment Number 6.

12 This is an amendment that does some tinkering, both,  
13 some would argue weakening, some would argue  
14 strengthening, from the 1996 act. We have in the 1996  
15 act a provision that bans anybody who is a convicted drug  
16 felon from receiving TANF benefits and food stamps. That  
17 is an opt-out provision. All but 19 States have opted  
18 out, so a majority of States have opted out of that  
19 provision.

20 I would like to change that provision from an opt-out  
21 to an opt-in. In other words, give them permission to do  
22 that, but not require them to do it but for State action.

23 However, I would like to add to the list of opt-ins  
24 people who are convicted of murder and rape. So the  
25 States would now have the option to bar felony drug-

1 convicted individuals, as well as murderers and rapists  
2 from receiving TANF and food stamp benefits. That is  
3 part one of the amendment.

4 The other two parts of the amendment deal with  
5 fugitive felons. We had a very effective provision in  
6 the 1996 act which did two things, which said, with  
7 respect to a whole variety of government benefits, that  
8 fugitive felons would not be eligible for those benefits.

9 The second thing we did, is that the government  
10 agencies that were providing, whether it was food stamps,  
11 whether it was SSI, or whatever the case may be, whatever  
12 government benefit that these fugitive felons were  
13 receiving, had to share information with the law  
14 enforcement authorities so they could find out that this  
15 person who was receiving SSI benefits was living next  
16 door to the police station, but the SSI department could  
17 not tell the police that this person they were looking  
18 for was getting checks delivered to this address. That  
19 is the current law.

20 What we want to do is expand that to include Social  
21 Security and Social Security disability benefits. So not  
22 just SSI and other welfare benefits, but expand that  
23 beyond the traditional welfare benefits to these other  
24 two benefits and, again, provide for the information  
25 sharing which is very, very important for law enforcement

1 officials to be able to find people who are on the lam,  
2 if you will.

3 Finally, the final fugitive felon benefit are public  
4 housing benefits, which we would say that anyone who is a  
5 fugitive felon who is in public housing should be evicted  
6 from public housing.

7 We do not think that is an outrageous thing to  
8 suggest, that if someone is a felon fleeing, that they  
9 should not continue to get public housing benefits. So,  
10 it is a thing I have with fugitive felons, Senator  
11 Nickles. So, those are the provisions I would offer and  
12 I would hope that the committee would be willing to  
13 accept them.

14 The Chairman. Could I ask, for most of what you try  
15 to accomplish, we can accept. There is nothing in the  
16 amendment that we oppose. But we do not want part of it  
17 in this amendment, and that is the part dealing with what  
18 we call the "good cause" exception that is in the House  
19 bill. I wondered if we could get you to--

20 Senator Santorum. I am familiar with that language.  
21 My staff just made me aware of that. I think we would be  
22 willing to accept that modification.

23 The Chairman. If you are willing to accept that  
24 modification, then we will accept your amendment.

25 Senator Santorum. I would be happy to.



1           Senator Baucus.    I am sorry, Mr. Chairman.  What is  
2   the modification?

3           The Chairman.    All right.  Could I ask staff to  
4   describe the modification?  Or the staff does not know.

5           Ms. Shipp.    I believe the modification would be to  
6   just allow for--

7           Senator Santorum.   If there was a good cause for  
8   someone--

9           Senator Baucus.   It is a good cause exception.

10          Senator Santorum.   If there is a good cause for  
11   someone to be evading the law.  For example, maybe it was  
12   someone whose husband was a domestic abuser, or somebody  
13   like that.  Or it could have been a situation where this  
14   is an old warrant that has been out there for a long,  
15   long time.  They would not arrest the person even if they  
16   did find the person.  So, it is sort of extenuating  
17   circumstances kind of exception, which I could live with.

18          The Chairman.    It might be better if we could ask  
19   you to withdraw it and work with you on that.  We will  
20   work with this on the floor.  We do not have any problem  
21   with what you are trying to accomplish.  You agree with  
22   what we want to do, but we ought to do it right.

23          Senator Santorum.   I would certainly defer to my  
24   Chairman.

25          The Chairman.    Thank you.

1           Senator Santorum.    With his assurances that we will  
2   get this worked on.

3           The Chairman.    The amendment is withdrawn.

4           Senator Santorum.    Thank you.

5           The Chairman.    Senator Snowe?

6           Senator Snowe.    Thank you, Mr. Chairman.

7           The amendment I am offering today is identical to the  
8   amendment I offered last year during the course of our  
9   reauthorization effort at that point, which was to  
10  include a provision in this new welfare act that is  
11  similar to a program that we have in Maine called Parents  
12  as Scholars.

13          I want to thank my colleagues, Senator Bingaman,  
14   Senator Baucus, Senator Jeffords, and Senator Rockefeller  
15   for co-sponsoring this amendment, as well as the  
16   legislation that I introduced, because this really is  
17   based on a highly successful program in Maine.

18          My amendment essentially would create an option for  
19   the States to allow post-secondary education to be  
20   included and counted as a work requirement. It will give  
21   States the opportunities to show TANF recipients another  
22   way off of welfare and towards financial independence.  
23   That is, of course, through education. Our experience  
24   has shown us that education has demonstrated that it can  
25   be instrumental in breaking the cycle of dependency.

1           So we think it is important that we offer this  
2 benefit to welfare recipients and to ensure their ability  
3 to complete their post-secondary education and to have  
4 access to post-secondary education so that they can be  
5 included as part of their approved work activities.

6           This amendment does not allow the use of funds for  
7 tuition-related expenses. What it does do, is provide  
8 cash assistance support for child care, as well as  
9 transportation subsidies, because we understand that such  
10 a support structure is crucial to the success of this  
11 program and moving people from welfare to work  
12 effectively.

13           I know from Maine's experience, it certainly has been  
14 true. I have met with individuals who have benefitted  
15 from this program. I can tell you that it has been a  
16 complete and unqualified success.

17           It has not only increased their income by more than  
18 50 percent as opposed to those who did not have a post-  
19 secondary education, but it also, as a result, has moved  
20 them permanently off of the welfare system. In fact,  
21 more than 90 percent have moved off of the welfare rolls  
22 permanently.

23           So I am pleased to be able to offer, I think, a  
24 replication of this program at the national level,  
25 because I do believe that we should allow recipients to

1 have access and benefit to this type of program.

2 It just recognizes what we have learned from the past  
3 seven years, that we have to take the next step in  
4 allowing families to access longer duration educational  
5 programs such as post-secondary education, vocational  
6 education, or other educational opportunities, because it  
7 is going to ensure their financial self-sufficiency.

8 To accommodate some of the concerns that have been  
9 raised about the fact that there will not be requirements  
10 for direct work activity, I have included a provision in  
11 this amendment, Mr. Chairman, that will require that  
12 participants take part in direct work activities for 6  
13 hours in the first year, 8 hours in the second year, 10  
14 hours in the third year, and 12 hours in the fourth year,  
15 in addition to complying with the full educational  
16 requirements.

17 Also, building on the flexibility that has been  
18 inherent as part of the overall mark, participants must  
19 engage in a total number of activities, including class  
20 and study time, as well as work activities for the same  
21 number of hours as any other TANF recipient.

22 But the bottom line is, if we are going to move  
23 people permanently off of the welfare system, I cannot  
24 think of a better way than providing this educational  
25 tool for welfare recipients. It certainly has worked

1 extremely well in Maine, and I know that it will work  
2 successfully on the national level as well.

3 So, Mr. Chairman, I move adoption of this amendment.

4 The Chairman. All right. We have heard the  
5 amendment. Those in favor, say aye.

6 [A chorus of ayes]

7 The Chairman. Those opposed?

8 [A chorus of nays]

9 The Chairman. The ayes have it. The amendment is  
10 adopted.

11 Senator Lincoln, proceed.

12 Senator Lincoln. Thank you, Mr. Chairman.

13 In good faith, and certainly recognizing the time  
14 constraints, one of the amendments I intended to offer I  
15 will withdraw and just wait until the floor. Apparently  
16 Senator Snowe seems to think it is going to be better on  
17 the floor, so I think I will wait for then, too.

18 But I would like to offer my final amendment, Mr.  
19 Chairman, and would like to compliment you and your staff  
20 for working with us, both on the employment credit and  
21 also the partial credit for the part-time work that is  
22 included in the mark.

23 However, I do think that there are ways that we could  
24 really work to improve on that, and I would like to offer  
25 that here, if I may.

1           The amendment would strike the required work hours of  
2 the Chairman's mark and replace it with a standard that  
3 recognizes the value of work in States where income  
4 eligibility for TANF is very low.

5           It would allow partial credit for 0.5 for recipients  
6 who participate in the 15 to 19 hours of work per week  
7 and the full credit of 1.0 for recipients who participate  
8 in 30 hours of work each week.

9           While I support the Chairman's effort to include  
10 partial credit for part-time hours in his mark, I am very  
11 concerned that it is complicated and does not reflect the  
12 part-time work that is actually being done.

13           Therefore, I have proposed a simpler, more  
14 straightforward, very realistic plan that will benefit  
15 all States and value all work that is performed.

16           According to the Chairman's mark, we will never be  
17 able to get our full credit for our recipient unless they  
18 are still on cash assistance and in 34 hours of week of  
19 activities.

20           In Arkansas, a recipient earning minimum wage moves  
21 off of cash assistance after working only 31 hours. In  
22 addition, our TANF administrator in Arkansas, when  
23 discussing it with him, told me that recipients have an  
24 average salary of \$6.36 an hour.

25           If a recipient gets paid an average salary of \$6.36

1 an hour, they go off cash assistance after working 24  
2 hours a week. So, therefore, in our State we will only  
3 qualify for a credit of three-quarters to 0.875 for  
4 unsubsidized employment cases. Our cases will close long  
5 before they can reach the 34-hour requirement.

6 So, essentially, the proposal actually encourages  
7 States like ours in Arkansas to keep parents on welfare  
8 longer. It gives Arkansas an incentive to keep parents  
9 on welfare in order to meet their work participation rate  
10 instead of getting them off of welfare and into good-  
11 paying jobs.

12 The Chairman's proposal is also unrealistic, given  
13 the current economic difficulties facing many of our  
14 States. They are dealing with budget shortfalls and high  
15 rates of unemployment, and under-employment at increasing  
16 poverty levels without a great deal of prospects for an  
17 improvement in the economy rapidly.

18 Job seekers are trying to find a steady job to lift  
19 themselves out of poverty and they are facing a crisis.  
20 The unemployment rates remain high, at 6.1 percent in  
21 August of 2003. In December of 2000, the unemployment  
22 rate was at 3.9 percent.

23 The American economy lost nearly 100,000 jobs in  
24 August, the seventh consecutive month of declines after  
25 dropping 49,000 in July. The number of Americans that

1 are under-employed, which means that they are in part-  
2 time jobs looking for and hoping to be able to find a  
3 full-time job, but unable to find the full-time work, is  
4 4.6 million, or 10.2 percent. That is a lot of people in  
5 part-time work hoping for full-time work and the full  
6 assistance that they can get.

7 In December of 2000, the under-employed rate was only  
8 7 percent. There were also 470,000 discouraged workers,  
9 persons who sought work within the past year but have  
10 given up due to a lack of prospects.

11 Another larger group, just below one million, face  
12 some barriers between them and the labor force, such as  
13 child care or transportation constraints, which we have  
14 talked about.

15 As a result of the record-high job loss, the  
16 skyrocketing unemployment, and the high rates of under-  
17 employment, the number of people living in poverty  
18 increased to 34.8 million in 2002, an increase of 1.3  
19 million from 2001.

20 The gap between the unemployed and the under-employed  
21 continues to grow, Mr. Chairman, during these hard  
22 economic times. I would like to work with you to see if  
23 we cannot recognize this. With fewer jobs that are  
24 available, it means more and more job seekers looking for  
25 full-time work are forced to make due with the part-time



1 jobs that they can find.

2 These trends have continued since the beginning of  
3 the most recent recession 29 months ago, and there is no  
4 indication that those trends are going to change. I hope  
5 that, even though we hope for better in the future, that  
6 we will recognize the current circumstances in the  
7 legislation that we pass.

8 Over the last 29 months, 3.3 million private sector  
9 jobs have been lost, representing a 2.9 percent  
10 contraction in the largest sustained loss of jobs since  
11 the great depression.

12 With more people seeking employment in a shrinking  
13 pool of jobs, it does not make sense to increase TANF  
14 work hours. The jobs that would allow workers to meet  
15 the work requirements just are not there.

16 The Chairman's mark, unfortunately, I think, ignores  
17 the plight of these jobs seekers. By raising work hours,  
18 the Chairman's mark is likely to hurt families already  
19 desperately searching for work.

20 The rigid work rules such as increasing work hours  
21 are likely to hurt children and families during times of  
22 rising unemployment and poverty levels, and as the number  
23 of children living in poverty increases up to 12.2  
24 million in 2002, and TANF caseloads continue to decline,  
25 this means more families are already having a difficult

1 time meeting the work requirements.

2 Since there is no improvement in the job market in  
3 the near future, this problem would likely be exacerbated  
4 by raising the number of work hours per week.

5 So, Mr. Chairman, I hope that in looking at all of  
6 these numbers, these increases we have seen, people  
7 seeking full-time work but having to take part-time work,  
8 you will consider supporting this amendment.

9 I encourage my colleagues to recognize the importance  
10 of it. It will benefit all States and value all work.  
11 In our State, it is particularly needed.

12 Thank you, Mr. Chairman.

13 The Chairman. Well, in your very first remarks on  
14 your amendment you acknowledge that we were taking into  
15 consideration the factors that you have brought out. So  
16 then, considering your amendment, I do not thin your  
17 amendment does anything or is needed, for this reason.

18 We have 76 percent of all adults participating that  
19 are in hours of activity above 20; 7 percent are in the  
20 15- to 19-hour range. So weighting the credit to include  
21 adults in that range would not have a significant impact  
22 on a State's participation rate.

23 So, I do not see that you are accomplishing what you  
24 want to accomplish. I do not think it is needed. I  
25 think my mark has adequately taken your concerns into

1 consideration, and I would ask that the amendment be  
2 voted down.

3 Senator Lincoln. Mr. Chairman, may I just make one  
4 comment to that?

5 The Chairman. Yes. Yes. Closing comments.

6 Senator Lincoln. I would just like to close by  
7 saying that it will make a difference in Arkansas, and I  
8 think there are other States that it will.

9 Unfortunately, we meet those requirements at that 21  
10 hours, and unfortunately that means many of our workers  
11 are going to be thrown off of the assistance program and  
12 not be accessible to any of the programs that we have  
13 talked about as being so important.

14 So, I appreciate your comments. I just would like to  
15 say that, on behalf of my State, it is a very different  
16 circumstance. Thank you.

17 The Chairman. Those in favor of her amendment, say  
18 aye.

19 [A chorus of ayes]

20 The Chairman. Those opposed, say no.

21 [A chorus of nays]

22 The Chairman. The nays have it. The amendment is  
23 defeated.

24 Senator Baucus?

25 Senator Baucus. Mr. Chairman, I have an amendment I

1 would like to offer on behalf of Senator Jeffords, who is  
2 unable to be here at the moment. It is Jeffords  
3 Amendment Number 2. I do not know what the number is on  
4 the list, but it is Jeffords Number 2.

5 This amendment is also sponsored by myself and  
6 Senator Rockefeller. Essentially, it works off of a  
7 Vermont successful development. It creates a  
8 demonstration program to support low-income car  
9 ownership.

10 As I said, it comes from Vermont and this has been  
11 spread to some other States, particularly rural States,  
12 West Virginia and rural parts of Florida. It has shown  
13 some real effectiveness in helping low-income and welfare  
14 families in rural States get jobs.

15 The program is called, in Vermont, the Good News  
16 Garage, and it is based on a nonprofit organization  
17 created by Lutheran Social Services in Vermont.

18 The point here is to set up demonstration projects  
19 where we donate cars to be taken and refurbished and  
20 matched up with low-income welfare families.

21 The Chairman. We accept the amendment. [Laughter].

22 Senator Baucus. I will stop talking then.

23 The Chairman. The amendment is adopted.

24 Senator Baucus. I might add, and tell my good  
25 friend from Oklahoma, 70 percent of the people who

1 participate in this program have left welfare for  
2 employment because they have got jobs.

3 The Chairman. Senator Bingaman?

4 Senator Bingaman. Thank you very much, Mr.  
5 Chairman.

6 I wanted to just clarify. I spoke to you and your  
7 staff both about this QI-1 program and the need to extend  
8 that. We had some discussion. I wanted to see if we  
9 could just clarify what we are going to try to do in that  
10 regard. I did have an amendment on it, but obviously I  
11 would defer or would withhold offering that if we have a  
12 better solution.

13 The Chairman. The Senate Medicare bill extends this  
14 policy for five years. The extension is similar to what  
15 is in the President's budget. The Medicare conference  
16 will obviously not be completed by September 30, but  
17 hopefully not too far after that.

18 I would propose to you, Senator from New Mexico, that  
19 you and I work together to pass a bill extending benefits  
20 for qualified individuals for two quarters prior to  
21 September 30, when we have to pass extension legislation  
22 anyway. And, obviously, I am going to continue to work  
23 on the extension in Senate bill number one.

24 Senator Bingaman. Well, thank you very much, Mr.  
25 Chairman. I think that is a very good result. I

1 appreciate your willingness to work with me.

2 I would also indicate that at some point, if we have  
3 any time before the end of the year, I think it would be  
4 useful to try to have some kind of a hearing to determine  
5 why so few of the people who are eligible for this  
6 program actually participate.

7 My understanding is that there are about 140,000 that  
8 participate. There are over a million who are eligible.  
9 But that is a different issue. But I do appreciate the  
10 Chairman working with me on that.

11 I had two other issues I wanted to also raise before  
12 we concluded the mark-up, Mr. Chairman.

13 The Chairman. Proceed.

14 Senator Bingaman. One, is an amendment that I had  
15 prepared related to funding of transitional jobs and  
16 business links programs. These programs combine  
17 subsidized temporary employment with access to job  
18 readiness, basic education, and vocational skills.

19 This is something that I believe, Mr. Chairman, you  
20 have supported in the past. I think many members on the  
21 Republican side have, as well as members on the  
22 Democratic side. I was hoping we could put something in  
23 our mark dealing with transitional jobs. I do not know  
24 if this is anything that we could work on between now and  
25 the floor to come up with an amendment that would be

1 acceptable. I wish we could.

2 The Chairman. My staff has advised me that we could  
3 work together between now and floor action on this bill  
4 on that. I do not want to predict the outcome, but at  
5 least we are open to further discussion, and welcome it.

6 Senator Bingaman. Well, I thank the Chairman very  
7 much. On that basis, I will not offer the amendment at  
8 this point.

9 Let me mention one other amendment that Senator  
10 Graham was intending to offer, and was not able to be  
11 here. I am co-sponsoring it, along with Senator Lincoln.  
12 It would amend the law to allow States the option to  
13 cover eligible legal immigrant pregnant women and  
14 children. This is under Medicaid.

15 This, I think, is an important provision. It is not  
16 mandated, but it gives States the option to do that.  
17 And, as I indicated, this would only apply to legal  
18 immigrants and to pregnant women and children.

19 So, I will not offer that amendment on behalf of  
20 Senator Graham at this point, since he is not here. But  
21 I would just put the Chairman and the committee on notice  
22 that I am sure he will want to have this offered when we  
23 get to the floor.

24 The Chairman. Yes. We had that debate on a  
25 previous bill that was before our committee, and we would

1 expect that to come up sometime during the debate on this  
2 bill.

3 Now, Senator Baucus?

4 Senator Baucus. I thank the Chairman.

5 Mr. Chairman, on behalf of Senator Breaux, I would  
6 like to bring up an amendment on transitional medical  
7 assistance, otherwise known as TMAs. Senator Breaux and  
8 I are pleased that the Chairman's mark includes a  
9 provision to extend Medicaid eligibility for people  
10 leaving welfare for work.

11 But the mark leaves out important simplifications to  
12 the program that would give States more flexibility, make  
13 it easier for recipients to stay enrolled in Medicaid,  
14 and Senator Breaux's amendment includes these  
15 simplifications. I ask that this be accepted.

16 I understand, Mr. Chairman, that you have got a  
17 question with respect to one provision here, one of three  
18 provisions in this series of simplifications. Senator  
19 Breaux was willing to work with you on that third point.

20 The Chairman. Yes. I have some concern about the  
21 cost of out-sourcing. But it is my understanding that  
22 Senator Breaux is willing to work with us on that before  
23 we bring it up on the floor of the House. So, on that  
24 condition, I would accept the amendment.

25 Now, that is the last.



1 Senator Baucus. No, I have not finished.

2 The Chairman. Oh, I am sorry. Go ahead. Proceed.

3 Senator Baucus. Mr. Chairman, I have another  
4 amendment which I think is quite important. At least, it  
5 is important to my State, my people, how they just kind  
6 of look at life and so forth.

7 As you know, Mr. Chairman, your mark includes a  
8 billion dollars to promote marriage. Now, we all know  
9 that marriage is a good institution. I recommend it  
10 highly. But we also know that it is very personal. It  
11 is a private choice. It defies logic, sometimes.  
12 [Laughter]. It happens. It depends on chemistry and  
13 usually on so many factors.

14 It is not something that I think the government  
15 should interfere with. I might say, in my State of  
16 Montana, Montanans are pretty dubious about the  
17 government getting involved with something this personal.

18 There are a couple of concerns I have here. This  
19 provision in the bill is directed toward welfare moms,  
20 not promoting marriage generally. It is, rather,  
21 directed toward welfare moms. And just a couple of  
22 points I think we have got to keep in mind.

23 Number one, studies show--at least Princeton and  
24 Colombia have found--that 38 percent of fathers of  
25 children born out of wedlock had criminal records and

1 that 28 percent were unemployed.

2 So, it kind of begs the question, who do we want the  
3 women to marry? I mean, we want them to marry people  
4 they are likely to meet, who they are in contact with,  
5 and are likely to be some of the people that I have just  
6 mentioned. Is that something we want to promote?

7 Second, are we sure we want to pressure teenaged  
8 mothers to marry? Often it creates more problems.

9 Finally, I think we should remember that 90 percent of  
10 women marry by the time they reach 45 years of age. That  
11 is a statistic. That is a fact. Ninety percent of women  
12 marry by the time they reach the age of 45.

13 So I believe that we should not delve into this  
14 subject by spending one billion dollars of federal money  
15 on something that is totally untested. A lot of the  
16 evidence creates significant questions. I have indicated  
17 some of them.

18 But, rather, I would put that billion dollars into  
19 child care. That is the amendment. That is, why do we  
20 not take care of a child's real needs and help them out  
21 here rather than throw a billion dollars into a very  
22 iffy, untested, dubious, but meritorious, program?

23 The Chairman. Senator Santorum?

24 Senator Santorum. Well, that is an unequivocal  
25 endorsement. Let me just say that I do not know any

1 institution that is better tested in taking care of  
2 children than marriage. It is what every civilization in  
3 the history of the world has put together in some form or  
4 another for the sole purpose, in many cases, for the  
5 rearing of children to continue that civilization. It is  
6 the best.

7 You say that we should put these children in day  
8 care. I would say that we should have a father in their  
9 life. And many of these fathers are in their lives, they  
10 are just not married. The evidence is overwhelming. It  
11 is just overwhelming that children who are raised in  
12 married households do much better in every area. In  
13 every social, economic, educational, you name it  
14 indicator, it is just overwhelming. I can throw the  
15 numbers out, but we are trying to wrap this up.

16 Marriage is the best environment. A married  
17 environment, a stable, two-parent, husband-wife marriage  
18 is the best place to raise a child. No one is suggesting  
19 here that we have a program here that forces anybody to  
20 be married.

21 But if you are a daughter of a mother who has never  
22 married, who is the daughter of a mother who was never  
23 married, who is in a neighborhood where 70 percent of the  
24 children who are in that community have no fathers  
25 present in the household, then your understanding of

1 marriage is probably deficient because you have no real-  
2 world experiences to form what a healthy marriage looks  
3 like, because you have no real-world examples of what it  
4 is. That is really a very sad state of affairs, but it  
5 exists in many communities around America.

6 What we are trying to do is provide to those people  
7 who do not have the benefit of being raised in  
8 communities where stable marriages exist, at least  
9 providing them some information and some healthy examples  
10 of what marriage is and why it is so beneficial for them.  
11 Because I can also state that with respect to the  
12 economic, social, educational well-being of mothers,  
13 marriage is by far the best relationship to be in.

14 So you are talking about the benefits to them  
15 personally, and obviously, very importantly, to their  
16 children. This is not a coerced marriage idea. Far from  
17 it. But to many people in our society it is merely an  
18 introduction to what has been proven throughout history  
19 to be the best way for families to be structured for the  
20 benefit of children. That is truly, I suspect, what we  
21 are all here to try to accomplish.

22 The Chairman. I would associate myself with the  
23 remarks from the Senator from Pennsylvania and will leave  
24 it go at that, because I think he has stated well my  
25 views on it. I would ask if you want any closing

1 remarks.

2 Senator Baucus. No. You can voice vote, if you  
3 want.

4 The Chairman. All right. Those in favor, say aye.

5 [A chorus of ayes]

6 The Chairman. Those opposed, say no.

7 [A chorus of nays]

8 The Chairman. The nays have it and the amendment is  
9 defeated.

10 Do you have another amendment?

11 Senator Baucus. I have one more and then I will be  
12 through, Mr. Chairman.

13 Essentially, I am going to offer last year's  
14 bipartisan Finance Committee welfare bill as a  
15 substitute. It passed the committee last year on a  
16 bipartisan basis. Eleven current members supported it.

17 It asks States to run better programs by increasing  
18 work participation to 70 percent, and increasing the core  
19 work requirement to 24 hours. But it gives States more  
20 flexibility to design programs. It allows two years of  
21 full-time training and education, not one year. It also  
22 allows States with successful welfare waiver programs to  
23 continue them.

24 It has good child care funding, providing a \$5.5  
25 billion increase over five years. I believe this is

1 enough to meet the costs of the higher standards and do  
2 more for the working poor. I think it is a better  
3 balance than the bill before us. It asks more of States,  
4 but it does give them more options and resources to meet  
5 the challenge.

6 I particularly want to thank Senators Breaux,  
7 Lincoln, Jeffords, and Rockefeller for their help in  
8 designing it last year, as well as those on the other  
9 side who helped pass it then.

10 The Chairman. I wish we had time to debate this  
11 amendment.

12 Senator Baucus. I do wish we had a lot of time.

13 The Chairman. I am going to put a statement in the  
14 record.

15 [The prepared statement of Senator Grassley appears  
16 in the appendix.]

17 The Chairman. But the reason I wish we had a lot of  
18 time to debate it, I think, Senator Baucus, it would show  
19 the tremendous agreement that we have that the vote will  
20 not show on this amendment or on the bill later on, the  
21 tremendous agreement that we have with so many parts  
22 within this bill. I would ask that we vote no on this  
23 amendment.

24 Those in favor, say aye.

25 [A chorus of ayes]

1           Senator Baucus.   Mr. Chairman, I would like a roll  
2 call vote, please.

3           The Chairman.    You can have a roll call vote.  
4           Would the Clerk call the roll, please?

5           The Clerk.     Mr. Hatch?

6           Senator Hatch.    No.

7           The Clerk.     Mr. Nickles?

8           The Chairman.   No, by proxy.

9           The Clerk.     Mr. Lott?

10          The Chairman.   No, by proxy.

11          The Clerk.     Ms. Snowe?

12          Senator Snowe.   No.

13          The Clerk.     Mr. Kyl?

14          The Chairman.   No, by proxy.

15          The Clerk.     Mr. Thomas?

16          The Chairman.   No, by proxy.

17          The Clerk.     Mr. Santorum?

18          Senator Santorum.   No.

19          The Clerk.     Mr. Frist?

20          The Chairman.   No, by proxy.

21          The Clerk.     Mr. Smith?

22          The Chairman.   No vote.

23          The Clerk.     Mr. Bunning?

24          The Chairman.   No, by proxy.

25          The Clerk.     Mr. Baucus?

1 Senator Baucus. Aye.

2 The Clerk. Mr. Rockefeller?

3 Senator Baucus. Aye, by proxy.

4 The Clerk. Mr. Daschle?

5 Senator Baucus. Aye, by proxy.

6 The Clerk. Mr. Breaux?

7 Senator Baucus. Aye, by proxy.

8 The Clerk. Mr. Conrad?

9 Senator Baucus. Aye, by proxy.

10 The Clerk. Mr. Graham?

11 Senator Baucus. Aye, by proxy.

12 The Clerk. Mr. Jeffords?

13 Senator Baucus. Aye, by proxy.

14 The Clerk. Mr. Bingaman?

15 Senator Bingaman. Aye.

16 The Clerk. Mr. Kerry?

17 Senator Baucus. Aye, by proxy.

18 The Clerk. Mrs. Lincoln?

19 Senator Lincoln. Aye.

20 The Clerk. Mr. Chairman?

21 The Chairman. No.

22 The Clerk. Mr. Chairman, the tally is 10 ayes, 10

23 nays.

24 The Chairman. On a tie vote, the amendment is

25 defeated.



1 I want to correct the vote on the Bingaman Amendment  
2 number 1. On re-tally it was 11 to 9 instead of the 10  
3 to 9 that we announced. So, I would make that  
4 correction.

5 Then we will try to finish the committee's business,  
6 which would be two items, number one, final passage of  
7 this legislation, and also the Family Opportunity Act,  
8 during the series of votes that we are having prior to  
9 3:00, I believe it is. We would meet in the President's  
10 room off of the Senate floor.

11 I am not going to be precise. We are going to try to  
12 get it done just as soon as we can after the Senate  
13 starts voting. In the meantime then, the committee  
14 stands in recess.

15 [Whereupon, at 1:54 p.m. the committee was recessed,  
16 to reconvene at 2:45 p.m. in Room 216, the Capitol.]

17 AFTER RECESS [2:50 p.m.]

18 The Chairman. The committee will resume the  
19 meeting.

20 I ask to bring up S. 622, The Family Opportunity Act.  
21 I call up the modification.

22 [No response]

23 The Chairman. Without objection, The Family  
24 Opportunity Act is modified and so ordered.

25 I ask for a voice vote on The Family Opportunity Act.

1 The Clerk will call the roll.  
2 The Clerk. Mr. Hatch?  
3 Senator Hatch. Aye.  
4 The Clerk. Mr. Nickles?  
5 Senator Nickles. Aye.  
6 The Clerk. Mr. Lott?  
7 Senator Lott. Aye.  
8 The Clerk. Ms. Snowe?  
9 Senator Snowe. Aye.  
10 The Clerk. Mr. Kyl?  
11 Senator Kyl. Aye.  
12 The Clerk. Mr. Thomas?  
13 The Chairman. Aye, by proxy.  
14 The Clerk. Mr. Santorum?  
15 Senator Santorum. Aye.  
16 The Clerk. Mr. Frist?  
17 The Chairman. Aye, by proxy.  
18 The Clerk. Mr. Smith?  
19 [No response]  
20 The Clerk. Mr. Bunning?  
21 Senator Bunning. Aye.  
22 The Clerk. Mr. Baucus?  
23 Senator Baucus. No.  
24 The Clerk. Mr. Rockefeller?  
25 Senator Rockefeller. No.

1           The Clerk.    Mr. Daschle?  
2           Senator Daschle.    No.  
3           The Clerk.    Mr. Breaux?  
4           Senator Breaux.    No.  
5           The Clerk.    Mr. Conrad?  
6           Senator Baucus.    No, by proxy.  
7           The Clerk.    Mr. Graham?  
8           Senator Baucus.    No, by proxy.  
9           The Clerk.    Mr. Jeffords?  
10          Senator Jeffords.    Aye.  
11          The Clerk.    Mr. Bingaman?  
12          Senator Bingaman.    No.  
13          The Clerk.    Mr. Kerry?  
14          Senator Baucus.    No, by proxy.  
15          The Clerk.    Mrs. Lincoln?  
16          Senator Lincoln.    No.  
17          The Clerk.    Mr. Chairman?  
18          The Chairman.    Aye.  
19          The Clerk.    Mr. Chairman, the tally is 11 ayes, 9  
20          nays.  
21          The Chairman.    The ayes have it. The Family  
22          Opportunity Act is ordered favorably reported to the full  
23          Senate. I ask that the staff be given the authority to  
24          draft the necessary technical and conforming changes to  
25          the Chairman's mark.

1           Now I ask that we bring up the substitute to H.R. 4,  
2           to reauthorize and improve the program of block grants to  
3           States for temporary assistance for needy families,  
4           improve access to quality child care, and for other  
5           purposes. Without objection, H.R. 4 is modified, and so  
6           ordered.

7           The Clerk will call the roll.

8           The Clerk.    Mr. Hatch?

9           Senator Hatch.    Aye.

10          The Clerk.    Mr. Nickles?

11          Senator Nickles.    Aye.

12          The Clerk.    Mr. Lott?

13          Senator Lott.    Aye.

14          The Clerk.    Ms. Snowe?

15          Senator Snowe.    Aye.

16          The Clerk.    Mr. Kyl?

17          Senator Kyl.    Aye.

18          The Clerk.    Mr. Thomas?

19          The Chairman.    Aye, by proxy.

20          The Clerk.    Mr. Santorum?

21          Senator Santorum.    Aye.

22          The Clerk.    Mr. Frist?

23          The Chairman.    Aye, by proxy.

24          The Clerk.    Mr. Smith?

25          The Chairman.    Aye, by proxy.

1 The Clerk. Mr. Bunning?  
2 Senator Bunning. Aye.  
3 The Clerk. Mr. Baucus?  
4 Senator Baucus. Aye.  
5 The Clerk. Mr. Rockefeller?  
6 Senator Rockefeller. Aye.  
7 The Clerk. Mr. Daschle?  
8 Senator Daschle. Aye.  
9 The Clerk. Mr. Breaux?  
10 Senator Breaux. Aye.  
11 The Clerk. Mr. Conrad?  
12 Senator Baucus. Aye, by proxy.  
13 The Clerk. Mr. Graham?  
14 Senator Baucus. Aye, by proxy.  
15 The Clerk. Mr. Jeffords?  
16 Senator Jeffords. Aye.  
17 The Clerk. Mr. Bingaman?  
18 Senator Bingaman. Aye.  
19 The Clerk. Mr. Kerry?  
20 Senator Kerry. Aye.  
21 The Clerk. Mrs. Lincoln?  
22 Senator Lincoln. Aye.  
23 The Clerk. Mr. Chairman?  
24 The Chairman. Aye.  
25 The Clerk. Mr. Chairman, the tally is 21 ayes, zero

1 nays.

2 The Chairman. The meeting is adjourned.

3 [Whereupon, at 2:54 p.m. the meeting was concluded.]

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## I N D E X

PAGESTATEMENT OF:

THE HONORABLE CHARLES GRASSLEY  
A United States Senator  
from the State of Iowa

2

THE HONORABLE MAX BAUCUS  
A United States Senator  
from the State of Montana

3

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U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

Statement of Sen. Chuck Grassley  
Senate Finance Committee Mark-up  
Personal Responsibility and Individual Development for Everyone (PRIDE)  
September 10, 2003

I call the committee to order. We meet today to mark up the Personal Responsibility and Individual Development for Everyone Act, or PRIDE Act, which would reauthorize the Temporary Assistance for Needy Families Act, or TANF. I appreciate the hard work of my colleagues on both sides of the aisle. Everyone has compromised to get us to where we are able to mark up today. I'm disappointed that this is not a bipartisan mark up. But I would point out that I wasn't able to support then-Chairman Baucus' mark last year either.

However, I appreciate the fact that Senator Baucus, in the Senate Finance Committee tradition, has worked to ensure that the process can go forward. I am hopeful that we will continue to work together productively, and achieve a bipartisan consensus. I am aware that a major outstanding issue is child care funding. I realize that for some, this is a key priority. My intention is to defer the issue of child care to the floor where the whole Senate can work its will. Advocates for increasing child care funding owe an enormous debt to Senator Olympia Snowe, who will take the lead on an amendment to increase child care funding when we get to the floor.

I hope that the full Senate will consider the legislation as soon as possible. The 1996 welfare reform bill ended the individual entitlement to assistance. This key reform has largely contributed to a significant and unexpected decline in the welfare rolls. The negative outcomes predicted by some have not materialized. A number of key indicators that relate to child poverty and employment have shown improvement. However, there is more that we should be doing to help families living in deep and persistent poverty. The average welfare check for a family receiving cash assistance is \$350 a month. That averages out to eleven dollars a day! We are not doing these families, and the children in them, any favors by allowing them to continue living in the isolation and despair of deep and persistent poverty. The two key improvements to the 1996 Act that I believe the Congress has an obligation to act on are: strengthening the work requirement and improving healthy family formation provisions.

Currently, most adults receiving assistance report no work activity. Clearly, that does not help move these families into self-sufficiency. Many argue that the way to move families into self-sufficiency is to encourage additional work. The legislation we are marking up today recognizes that the success achieved by TANF and Work First programs are a result of a sustained emphasis on adult attachment to the workforce. My mark would build on the success of the past by increasing



work hours for individuals and work participation rates for states. However, the mark would provide for "partial credit" for hours below the 34-hour standard set in the mark. This approach recognizes that some recipients might not meet the full-time standard; for example, persons in unsubsidized employment might be employed part-time or part of the month. This approach also recognizes that states may expend significant resources moving an individual from zero hours of activity into 20 hours of activity. States should get credit toward their participation rate for that type of effort. While some believe that work is the way to self-sufficiency, there are also those who believe that the best way to move families into self-sufficiency is through state flexibility in terms of what activities can count toward the participation rate.

The chairman's mark includes activities that maintain all the flexibility of current law and adds new flexibility in countable activities. The mark would allow states to engage recipients in short-term "barrier" removal activities for three months in a 24-month period. Many states have such programs and some have done these under "waivers." The mark would expand the list of activities that count after a recipient has engaged in core work activities for 24 hours. It would encourage states to provide post-employment activities, particularly education or additional job search, for working recipients to enhance their job skills and training to advance and leave welfare. I believe the approach envisioned in the mark is an appropriate compromise between these perspectives, one which favors work and one which favors increased flexibility. There are two main reasons why families fall into poverty. One is a lack of work skills and the other is a result of a single parent having to raise a child alone. I see healthy marriages as having important economic implications for children. The poverty rate for all children in married-couple families is 8.2 percent. By contrast, the poverty rate for all children in single-parent families is four times higher at 35.2 percent. I also see healthy marriages as having implications for child well-being. Research shows that children born or raised in single-parent families are more at risk for a wide range of social maladies, including poverty, welfare dependency, academic failure and crime. My mark would direct \$100 million a year for matching grants to states for programs to promote healthy marriages and \$100 million a year for research, demonstrations and technical assistance primarily associated with marriage.

Activities that could be supported by these funds include: education in high schools on relationship skills and budgeting; marriage skills and relationship skills programs which may include: parenting skills, financial management, conflict resolution and job and career advancement, as well as divorce reduction programs that teach relationship skills. It is important to note that the mark includes provisions which make it clear that participation in these programs is strictly voluntary and there must be coordination with domestic violence specialists. We have before the committee today a proposal which strengthens work, gives states more flexibility and promotes marriage and family. I know there are outstanding issues relative to these proposals. I look forward to continuing to work with my colleagues on these issues. Thank you, and I turn to my friend and colleague, Senator Baucus, for his opening statement.



**STATEMENT FOR SENATOR BUNNING  
WELFARE MARKUP  
FINANCE COMMITTEE  
SEPTEMBER 10, 2003**

---

THANK YOU, MR. CHAIRMAN.

THE TEMPORARY ASSISTANCE FOR NEEDY  
FAMILIES PROGRAM THAT WE PASSED BACK IN  
1996 FUNDAMENTALLY CHANGED THE  
WELFARE SYSTEM, INCLUDING THE WAY  
PEOPLE THOUGHT ABOUT GOVERNMENT  
ASSISTANCE.

THE 1996 LAW HAS HAD MUCH SUCCESS. IN FACT, CASELOADS ACROSS THE COUNTRY HAVE DROPPED. THE NUMBER OF FAMILIES RECEIVING CASH ASSISTANCE HAVE FALLEN FROM FIVE MILLION IN 1994 TO TWO MILLION TODAY. AND, FEWER CHILDREN ARE LIVING IN POVERTY.

IT IS IMPORTANT THAT WE BUILD ON THIS SUCCESS AS WE REAUTHORIZE THE PROGRAM, AND I BELIEVE WE ARE DOING JUST THAT BY PASSING THIS BILL OUT OF THE FINANCE COMMITTEE TODAY.

AMONG OTHER THINGS, THE BILL BEFORE US CONTINUES THE BLOCK GRANT THAT WE PUT IN PLACE IN 1996, AND STRENGTHENS THE WORK REQUIREMENTS ON BOTH STATES AND INDIVIDUALS IN THE PROGRAM.

AT THE SAME TIME, HOWEVER, WE HAVE BUILT ADDITIONAL FLEXIBILITY INTO THE BILL WHICH SHOULD HELP STATES MEET THE NEW REQUIREMENTS.

I AM PLEASED WE ARE GETTING THIS BILL  
MOVING, AND I APPRECIATE ALL OF THE HARD  
WORK THAT IT HAS TAKEN TO GET US HERE  
TODAY.

I HOPE THAT WE CAN GET THE BILL  
THROUGH THE SENATE AND INTO CONFERENCE  
BY THE END OF THE YEAR.

THANK YOU, MR. CHAIRMAN.

## Statement of Senator Craig Thomas

Senate Finance Committee

TANF Reauthorization Markup

10:00 a.m. Wednesday, September 10, 2003

Today the Finance Committee is meeting to markup legislation to reauthorize the landmark 1996 Temporary Assistance to Needy Families program. The Chairman's mark before us, "Personal Responsibility and Individual Development for Everyone (PRIDE), makes the necessary changes to existing law to build upon its success.

America began a war on poverty more than three decades ago. The good intention of this policy produced conflicting results. Seniors were lifted out of poverty, poor families received basic health care, and disadvantaged children were given a head start in life. However, many Americans were injured by that helping hand. The welfare system became an enemy of individual effort and responsibility as dependence passed from one generation to the next. Between 1965 and 1995, federal and state welfare spending increased from \$40 billion to more than \$350 billion a year -- even as virtually no progress was made in reducing child poverty.

On August 22, 1996, Congress passed a progressive welfare reform law that transferred welfare benefits into temporary help, not a permanent way of life. The new system honors work by requiring all able-bodied recipients to work or go back to school to further their education. The goal of the 1996 welfare reform law was to give participants a strong, time-limited support system as they develop life-long skills that encourage independence. It provides child care funding to help families meet these work requirements, while limiting their benefits to five years. States must promote self-sufficiency, and they are given the flexibility to reach that goal. Using innovative approaches, states now use federal dollars for child care, rather than blind cash assistance.

I believe the results of welfare reform speak for themselves. Since 1996, welfare case loads plummeted by more than 50 percent. Today, 5.4 million fewer Americans live in poverty than in 1996 -- that includes 2.6 million children. Child poverty for African American children is at its lowest level in our nation's history. For the first time in generations, the out-of-wedlock birthrate has leveled off, the unwed teen birthrate has declined and child support collections have doubled. In the wake of these federal changes, Wyoming's welfare reform has been phenomenal. In fact, the number of individuals receiving assistance has dropped by approximately 90 percent since 1994. Wyoming has accomplished all this with a total weekly hour requirement of 40 hours, which is above and beyond current law or what is contained in the Chairman's mark. I am very proud of my state's success. Wyoming's experience proves that welfare reform has been a strong, comprehensive policy to uplift and empower the poor.

This year, Congress is charged with reauthorizing this vital social services program. I am encouraged by the initial results of welfare reform, but there is still much work to do. While I would have liked to increase the total hours per week to 40 hours, I support the Chairman's mark. I know that many folks, including myself, had to compromise to get where we are today and I believe this mark is a step in the right direction with its increased focus on work and family self-sufficiency. I am also extremely pleased that the Chairman's mark follows the budgetary guidelines set forth in the budget resolution approved by Congress earlier this year. Additionally, I applaud the Chairman's recognition that governors have proven to be extremely innovative in delivering services to their vulnerable populations, and the federal government should continue to expand their abilities to tailor programs that best meet the needs of their states.

I thank the Chairman for his leadership on this issue and look forward to passing this vital legislation out of the Committee today so it may be considered on the Senate floor.

Thank you Mr. Chairman.

Statement of Senate Democratic Leader Tom Daschle  
Markup of The Personal Responsibility and Individual Development for Everyone Act  
Senate Finance Committee  
September 10, 2003

In 1996, Congress made significant changes to federal welfare programs. At that time, we all agreed that long-term dependency was not a desirable outcome for able-bodied, healthy families and that the welfare system should do more to encourage parents in these families to work and, we hoped, move from welfare to self-sufficiency.

Some cite the reduction in welfare caseloads as proof that the reforms have been successful. Some of the statistics are encouraging, but a more thoughtful look at the broader impacts on families shows us a more mixed picture. The number of low-income parents entering the workforce has risen significantly since the enactment of the welfare law and the majority of people left the welfare system for work. While many families saw their earnings increase, most were employed in low-wage jobs. Younger children as a group did not seem to be worse off than before the reforms, although adolescents in welfare families appear to be worse off since the new law was implemented.

The 1996 reforms owed much of its underpinnings to work done at the state level. States tested strategies with varying objectives ranging from reducing dependency to improving the outcomes, not only for those leaving welfare but for low-income working families at risk of needing welfare. My state of South Dakota has not only made significant progress in helping welfare recipients gain work experience, but has also worked to help families find work and child care so they would not have to go on the rolls in the first place.

Their experiences have proven what many of us then believed: to succeed in the workplace, many families need help with work supports such as child care, transportation, and health care. Between 1996 and 2001, states more than doubled the number of low-income children receiving child care assistance.

Research has confirmed that low-income mothers who receive help with child care are significantly more likely to get jobs and stay employed than mothers who do not get that support. To paraphrase the Secretary of Health and Human Services, Tommy Thompson, who was Wisconsin's Governor at the time, "you can't do welfare reform on the cheap."

Of course, it also helped that we had a strong economy through the 1990s. Some of that progress has slowed or even reversed, as the economy has struggled. Six hundred thousand more children were living in poverty in 2002 than the previous year. Unemployment has increased significantly. Most states have exhausted their TANF reserves, and virtually every state is dealing with a fiscal crisis unrivaled since World War II. Almost half of the states have had to cut child care support for low-income families. We cannot ignore this context as we review the proposal now before us.

I commend the Chairman for his efforts to work with Democratic senators. I recognize that his mark makes significant improvements over the bill adopted by the House earlier this year – a bill



that needlessly restricts state flexibility. I particularly appreciate his willingness to try to address the concerns raised by tribes and tribal communities. I am also grateful to our ranking member, Senator Baucus, for his important leadership in this area. I hope that, before this bill is finalized, we can do more to support tribes that wish to run their own TANF programs.

I also would hope we could move forward to address an inequity in the federal foster care and adoption assistance programs with regard to Native American children. Through an oversight, abused and neglected Native American children served by Indian tribes are currently not able to access to the same kinds of child welfare services that are available to children served under state child welfare systems. My bill, S. 331, which corrects this situation, has strong bipartisan support. I look forward to working with the Chairman and Senator Baucus to make sure that these children are given the chance to grow up in caring, stable homes.

I would like to acknowledge the Chairman's decision to scale back the "superwaiver" demonstration provision that would allow Governors to seek waivers on a wide range of programs that serve low-income families. It would have been inappropriate for the Finance Committee to adopt a policy affecting a wide range of programs outside the Committee's jurisdiction. I would advise our colleagues who might want to expand this proposal when the bill comes to the floor to expect a full debate on the question of whether Congress should abdicate to Cabinet secretaries key decisions about how federal dollars should be spent and who should be served.

I am disappointed that the Chairman has chosen not to acknowledge the governors' request to give the states more flexibility to address the needs of legal immigrants families. The changes made in 1996 to require states to deny a variety of services to legal immigrants, regardless of their circumstances, was one of the more serious deficiencies of that law.

The vast majority of immigrants come to this country because they want to work so they can make better lives for themselves and for their children. They work hard, and they make a vital contribution to our economy. Many must take low-paying jobs that often do not provide health insurance or pay enough for child care. Legal immigrants pay taxes. They contribute to their communities. Immigrant children are required to register for the Selective Service when they turn 18. According to the American Immigrant Law Foundation, 60,000 legal immigrants are on active duty in the U.S. armed forces.

I strongly support the efforts of our colleague from Florida to allow states to provide health care benefits to legal immigrants. I also believe states should have the option to provide benefits under TANF, and especially child care, to these families. Let me reiterate that these proposals would give states the *option* to provide these benefits – it would in no way mandate such action.

My primary disappointment with the Chairman's mark, however, is its failure to address what I see as our main goal: strengthening the states' tools to help struggling low-income families achieve self-sufficiency. The most critical deficiency in that regard is clearly the lack of adequate funding for child care. The \$1 billion increase in child care provided in the mark is not even sufficient to meet the additional costs imposed on the states by higher work requirements – costs

our Republican colleagues have pledged to meet.

Every day, American parents go to work to support their families and must trust their children to the care of others. Thirteen million children younger than age six are regularly in child care, and millions of school-aged children are in after-school activities while their parents work. The quality of that care is critically important, especially for young children who need the developmental activities that will help them get ready for success in school.

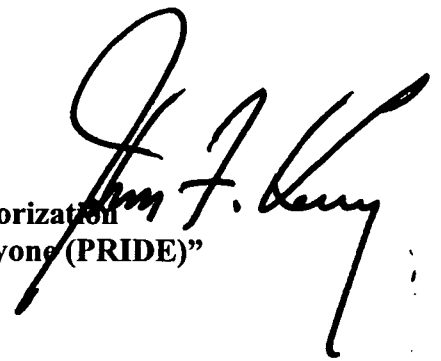
The number of low-income parents entering the workforce has risen significantly since the enactment of the welfare law. Overall, employment among low-income single mothers with young children grew from 44 percent in 1996 to 55 percent in 1999. These employment gains can only be sustained if families have access to dependable child care. Yet child care costs can be a staggering burden for these working parents. Child care costs can easily average \$4,000 to \$10,000 a year – more than the cost of college tuition at a public university. Yet only one of every seven children eligible for child care assistance is currently receiving it.

This support is important not only for families making the transition from welfare to work but also for low-income parents who are working and trying to stay off of welfare. Even in the absence of any new costs associated with work requirements, an estimated 222,000 children will lose child care assistance by 2006, rising to 361,000 children by 2008, if Congress does not increase child care funding above current funding levels.

Estimates show that states will need an additional \$5.7 billion between 2004 and 2008 just to forestall this loss of child care slots in each of those years. That's without doing anything to address the need for additional slots to help those children who are eligible but not currently served.

That is why I strongly supported Senator Bingaman's amendment to increase child care funding by \$11.2 billion. I find it unconscionable that we can reduce taxes for the wealthiest people in this country but we cannot find the resources to take care of our children. Without a significant increase in child care funding, I cannot even consider supporting the rest of this package. I hope that when this bill goes to the Senate floor, the Senate will approve several amendments to give states the tools they need to help more families become self-sufficient, particularly in the area of child care, so this bill can garner strong bipartisan support. I pledge my efforts toward that goal.

**Statement of Senator John F. Kerry**  
**Finance Committee Mark Up of Welfare Reform Reauthorization**  
**“Personal Responsibility and Individual Development for Everyone (PRIDE)”**  
**September 10, 2003**

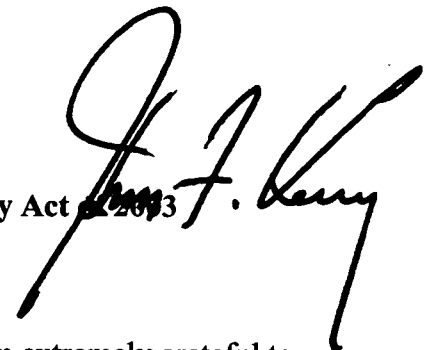


My vote in favor of welfare reform in 1996 signified support for fixing a system that was broken; for raising more families out of poverty; for providing families a hand up the economic ladder to employment and for providing needed medical coverage while transitioning from welfare to work, to name a few. As a result of this law, welfare caseloads have dropped faster than the stock market under the Bush economy. We have charted real progress over the past seven years, but I fear the current bill before us will effectively end welfare reform as we know it.

First of my many concerns is the failure of this bill to fix what I found to be a major objectionable policy in the original law – the unfair treatment of legal immigrants. Under the 1996 law, legal immigrants – tax-paying residents – are prevented from qualifying for Medicaid or State Child Health Insurance Programs until after they have resided in this country for five years. The 1996 law also prevents legal immigrants from qualifying for TANF assistance. This is wrong. These provisions run counter to over 200 years of American tradition that respects the talents and dreams that legal immigrants bring to our shores every day. We must stand for treating them like any other American who might fall on hard times and might need temporary assistance. I say today as I said seven years ago, we must fix this shameful provision of the law and I hope my colleagues will join me in supporting amendments to change this once and for all.

Another reason why I cannot support the bill as currently drafted is the inadequate amount of child care funding included in the bill. Last year when we tried to get this bill moving, we had a meaningful debate about the amount of money needed to invest in child care assistance. I fought for then – and still believe – we need at least \$11.2 billion in child care funding to keep progress moving forward on welfare to work initiatives. Currently only 12 percent of the parents eligible for a child care subsidy actually receives one. Families cannot be forced into the workforce if they do not have a convenient, safe, affordable, and appropriate place for their children to receive care. We reached a compromise of \$5.5 billion for child care in last year’s bill. That’s the minimum amount that we need today to ensure that people have the ability to move from welfare to work. The measly \$1 billion increase in child care funding in this bill, spread out over five years, is shamefully insufficient – especially if we are going to increase the work hours required to qualify for TANF assistance. It’s simple math. The more hours we expect parents to be at work means more hours children will need to be in child care. We cannot expect families to raise themselves out of poverty by working low-level jobs with no benefits at the same time they are denied help with paying for increased child care needs. I will join many of my colleagues in supporting amendments in Committee and on the floor to bring child care funding up to a respectable level. Failure to do so will render our efforts of the past seven years to truly reform the system as a worthless endeavor.

**Statement of Senator John F. Kerry  
Finance Committee Mark Up of Family Opportunity Act of 2003  
September 10, 2003**



As a proud cosponsor of the Family Opportunity Act of 2003, I am extremely grateful to both my colleague and Senior Senator from Massachusetts, Mr. Kennedy, and to Chairman Grassley for your leadership on this bill and for your commitment to making it the law of the land. I stand with you and share your commitment to people with disabilities.

Parents with disabled children are unjustly punished for working hard to support and provide for their families. Currently, low income families of disabled children with severe disabilities receive federal disability benefits under Supplemental Security Income. However, if parents seek a better job or earn higher wages, their disabled children lose Medicaid coverage, which is essential to providing comprehensive health care for children who require complex and often costly care. In a recent survey of 20 states, 64 percent of parents with disabled children reported that they turned down jobs, raises, and overtime pay to remain under the income limits required to qualify for Medicaid coverage.

The current law is unfair – we are forcing parents to turn down opportunities to improve their lives and the lives of their children in order to qualify for Medicaid. Some parents must even make the horrific decision to place their children in an out-of-home placement or relinquish custody entirely, in order to maintain the Medicaid coverage their disabled children need. Indeed, in 2001, nearly 13,000 parents temporarily relinquished custody of their children to the state so that the children could receive the mental health care treatment they required but the family could not otherwise afford without Medicaid. This must end. This must not happen in America.

No parent should have to turn down a job or give up the custody of a child to ensure that he or she gets health care. It defies both common sense and simple justice.

The Family Opportunity Act will right these wrongs. It is also an essential investment in the health and independence of these young people that will strengthen America. This bill gives states the option to expand Medicaid coverage for children with disabilities up to age 18 in families with incomes up to 250 percent of the federal poverty level (or \$46,000 per year for a family of four). Among other important provisions, the bill also grants immediate access to Medicaid services for those disabled children who are presumed eligible for SSI. This is a bureaucratic barrier that often unnecessarily limits health care access and must be removed.

I encourage all of my colleagues to support this crucial legislation. The Family Opportunity Act will ensure that families with disabled children no longer have to choose between financial security and health coverage for their children. We should do everything we can to hotline this bill directly to President Bush's desk for signature.

We cut the welfare caseloads in half nationwide, in part, due to support in 1996 for state flexibility to design plans that work best for their residents and by supporting reasonable definitions for what states could count as work activities to reach their participation goals. Massachusetts has been operating its program successfully under a state plan that is threatened under this bill because it does not allow for the continuation of state waivers. How can this bill propose a new program to give 10 unnamed states a "super waiver" authority as a demonstration project while at the same time refusing to allow states already operating successful waivers to continue their programs? It's schizophrenic – oppose successful, known waivers; support unknown, untested "super waivers." And we must get real about supporting education and training programs as work activities. Any reasonable definition for what counts as core work activities should include up to 24 months of participation in vocational training.

At every turn, this bill fails to deliver on the promise and potential of a second generation of welfare reform initiatives. We should be voting out a bill that restores benefits to legal immigrants, substantially increases child care funding, protects successful state waiver initiatives, and gives work credit to parents engaging in education and training programs to better their chances in the workforce. I am deeply disappointed that the Committee is proceeding with a partisan bill unlikely to garner any votes today from Democrats. I believe that compromise is attainable. We moved a bipartisan bill through this Committee last year, which I supported, and we also worked across the aisle to pass welfare reform legislation in 1996. Without significant improvements in this bill, we are missing a great opportunity to build on our earlier successes and we risk condemning families to lives of poverty rather than assisting them into the middle class.

I hope that this bill is improved today by some of the amendments I will support and that it is even further improved when it reaches the floor. I look forward to supporting a bill that provides our most economically vulnerable families with the supports necessary to enter and stay in the workforce. But the Chairman's mark before us is not that vehicle and if it is not improved, I will not support it.

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## Senate Finance Markup:

### **“Personal Responsibility and Individual Development for Everyone (PRIDE)” TANF Reauthorization**

**U.S. Senator Blanche Lincoln**

**September 10, 2003**

Thank you, Mr. Chairman. Over the last few days, I've been thinking what a different experience this TANF reauthorization markup is compared to last year's markup. Last year, I worked hard with a “tripartisan” group of Senators to construct a good, solid bill that represented a true compromise. It was a true compromise that passed the Finance Committee, and I still believe that it would have continued the success story that began in 1996.

So, it is with great disappointment that I sit here today. Although I acknowledge that some progress has been made, I am disappointed at the partisan spirit that has pervaded this process from day one. Regardless, I am committed to doing my part in an attempt to make today a bipartisan effort and to develop a bill that will foster self-sufficiency through work among welfare recipients.

I believe the next step of welfare reform should focus on helping people secure stable, good paying jobs that will help former welfare recipients move up the economic ladder. We must make work pay.

That is why I am very pleased that my employment credit proposal was included in the Chairman's Mark to replace the old caseload reduction credit, although I am disappointed that it was capped. The employment credit rewards states for moving people into jobs and extra credit for moving them into good jobs and permanent independence.

Studies show that initial job quality and ongoing work supports like child care and transportation dramatically affects a parents' ability to maintain employment over an extended period.

**Former welfare recipients with young children are 67 percent more likely to still be employed after two years if they receive help paying for child care, and twice as likely to still be employed if the job paid an above-poverty starting wage.** These trends hold true even if you account for factors like a worker's education level.

These findings are what made it so logical to extend an employment credit to States in place of a caseload reduction credit.

For me, it's really a question of which you value more – keeping the cash caseload “busy” with make-work activities or moving poor parents off of cash assistance and into private-sector jobs.

I know which I value more: moving parents into private sector employment and into a life of self-

sufficiency and independence. That has been the underlying goal of welfare reform since 1996.

I believe that capping the credit that States can receive for putting parents into jobs might provide a perverse incentive to keep people on welfare in an effort to meet the work participation rates. Furthermore, capping the employment credit will disproportionately force poorer states like Arkansas to take money away from valuable work-support services like child care and transportation, which keep families in private sector employment and off of welfare.

I have filed an amendment to not subject the "good jobs bonus" to the cap, therefore giving states true incentives to help parents get good-paying jobs. Remember, former welfare recipients are twice as likely to still be employed if the job paid an above-poverty starting wage.

Welfare recipients also stay in good jobs if they receive help with child care. That's why I am disappointed in the lack of child care funding in the Chairman's mark. The \$1 billion included in the Chairman's Mark is nowhere near enough, especially considering there is also an increase in the number of hours parents must work each week. Increasing the work hours is only going to mean that states will face increasing demands for child care funding, especially for those single parents with small children under the age of six. This is a lose-lose situation for states and for families.

Furthermore, child care funding in the Child Care Development Block Grant is used to help low-income families stay off of welfare in the first place. Without child care assistance, these families will need to go back on cash assistance. In fact, there have been reported instances in Arkansas where desperate single working mothers have quit their jobs in order to get on welfare so they can get child care assistance. This is creating all the wrong incentives.

In Arkansas and most of the country, the cost of infant and toddler care is vastly more expensive than childcare for school-age children. It is also harder to find. States cannot afford to spend more money on childcare subsidies, especially when they have already cut funding for childcare. In Arkansas, we already have a waiting list.

Increasing the hours puts burdens on states without any real benefits to families. Some of my colleagues on the other side of the aisle argue that more hours are necessary to keep families out of poverty. More effective ways to get families out of poverty include education and training, post-secondary education, and giving States incentives to get cash recipients into good-paying jobs. The bottom line is that if we expect parents to move from welfare to work and stay in the work force, we must give them the tools they need to find good jobs.

For some people that means job training, others it could mean dealing with a barrier like substance abuse or domestic violence, and for others, it might mean access to education.

I will be pleased to support several amendments put forth today on child care funding, education training, and barrier removal – things that are vital to the success of welfare reform. Mr. Chairman, I am hopeful that these amendments will pass, enabling me to vote for final passage.

## **Sen. Bingaman: Introductory Comments on the TANF mark**

Mr. Chairman and members of the Committee, I appreciate the work that has been done on this mark and I am pleased to see that the mark includes some substantial improvements over the House bill, especially in the areas of child support and the contingency fund. I also want to thank the Chairman for including some of the provisions I was seeking in the area of state plans.

### **Concerns About the Bill**

However, I must say that I still have grave concerns about many aspects of this bill. In these difficult economic times, we are asking states to put more people to work for longer numbers of hours and we are providing scant resources to help them achieve these goals. As you know, States are currently struggling with soaring deficits. In response to this, we should be giving states greater flexibility on how they run their TANF programs, not tying their hands.

I intend to offer several amendments here today and on the floor. I am especially interested in issues related to childcare, education, waivers, and transitional jobs, among others. I look forward to working with the Chair on these issues as we move through this process.

### **Childcare and Superwaiver**

I do want to comment briefly on the two issues that trouble me the most about the mark as it stands now: childcare funding and the superwaiver.

**Childcare:** As you know, I have been actively fighting for increased childcare funds for years. The amount of childcare money currently available is woefully inadequate; only small numbers of eligible children are currently being served. Given the current economic conditions in states, and the increasing poverty rates, we will need to provide childcare services for even more people in the future. In my view, the mark contains far less money than is needed to fund childcare for those on TANF and for the working poor.

**Superwaiver:** I appreciate that the Chairman's superwaiver proposal has been modified since yesterday and that it would now be restricted to the TANF, CCDF, and SSBG programs. Although this is an improvement, I am still adamantly opposed to any form of a superwaiver. In this context, I worry that under a superwaiver, we would have no protections in place to insure that these funds truly be targeted at low- income families. I also worry that childcare funds, which I am fighting to increase, could be diverted to serve other purposes. Finally, I see these waivers as an attempt to circumvent Congress and its role in authorizing these programs. I do not see why we should be a party to our own marginalization.

It is my hope, Mr. Chairman, that we can work together to make much needed improvements to this bill when it reaches the Senate floor.



**Statement**  
**Sen. Rick Santorum**  
**Senate Finance Committee Mark Up**  
**September 10, 2003**

Mr. Chairman, I would like to start by thanking you for your leadership in this important area of welfare reform. I would also like to commend President Bush for his leadership in welfare reauthorization. Congress has an important opportunity and responsibility to build on the significant successes of the 1996 Welfare Reform Act. The House of Representatives has passed a bill for the second time; I am pleased that the Senate Finance Committee is proceeding today. I look forward to this important legislation being considered on the Senate floor as soon as possible.

Since the bipartisan reforms of 1996 which strengthened work and increased state flexibility, poverty has dropped substantially. For example, some 2.3 million fewer children live in poverty today than in 1996. Decreases in poverty have been greatest among African-American children. Hunger among children has been cut almost in half. The welfare caseload has been cut nearly in half. Employment of single mothers has increased greatly. The explosive growth of out-of-wedlock childbearing has come to a halt. Yet more can be done and we recognize the challenges of the current economic environment. The challenge before the Committee and the Senate is to build upon the success and lessons of welfare reform.

Government should not be neutral on the question of whether or not healthy marriages are beneficial for the well-being of children. The evidence is overwhelming that marriage benefits children. One significant contribution of President Bush's welfare reform initiative is trying to put an end to one of the greatest social tragedies in the past thirty years: the undermining of the institution of marriage and its impact on children. As a result of the soaring rates of divorce and illegitimacy, the percentage of children growing up without a father nearly tripled between 1960 and the early 1990's. This has grave economic repercussions. Eighty percent of all poverty in the United States is linked to the breakdown of the family. The child poverty rate for intact married families who remain married is 7%. For children in households where their mother was never married the poverty rate is 51%. A child raised by a never-married mother is more than 7 times more likely to be poor than a child raised in an intact marriage. A child born and raised outside of marriage will receive some type of means-tested welfare aid (TANF, food stamps, Medicaid, WIC, or SSI) during 71% of his childhood; by contrast, a child born and raised inside marriage will receive some form of welfare assistance during 12% of his childhood.

Unfortunately, the old welfare regime compounded this problem by penalizing marriage. The program was based on a faulty system whereby benefits were reduced as non-welfare income increased. Single mothers received greater benefits if they remained single than if they married a working husband. The father's earnings were used against the mother's welfare eligibility. This caused the couple's welfare benefits to be reduced dramatically, thus decreasing the couple's combined income. The single mother was forced either to choose the child's emotional well-being

(living with a father) or financial security.

The Welfare Reform Act (P.L. 104-193) included purposes to "end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage." A number of states including Oklahoma and Arizona have experimented in the years since with practical efforts to encourage the formation and maintenance of two-parent families through marriage initiatives. The President's initiative seeks to build on these successful efforts to promote marriage and strengthen family relationships among low-income Americans. He proposes to devote \$300 million dollars a year to this effort to help state and local initiatives. The plan will also address the restrictions that keep poor women from marrying the fathers of their children. It will encourage poor parents to develop healthy and long-lasting marriages. Pre-marital counseling and responsible fatherhood programs are among the efforts to achieve this end. For every marriage that succeeds, a child is more likely to avoid welfare dependence. Healthy marriages do not just happen, they require commitment and work. People can be helped by supportive education, communication skills training, and mentoring.

We also have an obligation to continue providing the states resources and flexibility for other critical support efforts. Marriage is not a panacea for poverty--or a short-term fix--but the statistics overwhelmingly bear out that it is a long-term solution for many families and children. If we are objective in our commitment to the well-being of children, then we will embrace the benefits of healthy marriages and seek innovative approaches to encourage them. However, some opponents believe that President Bush's plan encourages women in particular to marry for the wrong reasons--or worse--encourages them to remain "enslaved" in unhappy or abusive marriages. Kim Gandy, President of the National Organization for Women (NOW), argues that it's an outrage to say that the path to economic stability for poor women is marriage. This protest is surprising since statistics have shown that marriage provides women with more than just financial security; it also decreases domestic violence. Research indicates that women who cohabitate with their boyfriends are twice as likely to experience domestic violence than married women.

The critics of Bush's plan fail to see the social ramifications of absentee fathers. The breakdown of the American family is a greater social problem than the national debt, Social Security insolvency and budget deficits--*precisely* because of the effects it has on children. According to *The Positive Effects of Marriage: A Book of Charts* by Patrick Fagan, Robert Rector, Kirk Johnson, and America Peterson (The Heritage Foundation, 2002), children who grow up in never-formed or broken families are at a greater risk of dropping out of school, experimenting with drugs, and engaging in violent behavior. Fatherless children are five times more likely to be poor, three times more likely to fail at school and two times more likely to experience emotional or behavioral problems requiring psychiatric treatment. The welfare of children should be society's main concern. As President Bush stated: "Strong marriages and stable families are incredibly good for children, and stable families should be the central goal of American welfare policy."

In the same way, the evidence shows that absent fathers hurt the well-being of children. The President includes funding for specific initiatives to encourage the absent fathers to become

active in the lives of their children. The evidence is also powerful on the positive impact for children, absent two-parent families, to have the active participation and support of fathers, whether married or not. I am pleased that the Committee mark includes an expansion of the President's responsible fatherhood initiatives. These provisions are strongly supported by Senator Bayh, Senator Domenici, and myself. This important initiative complements efforts to promote healthy marriages and the well-being of children.

I am also pleased that the Committee includes sensible incentives to strengthen work and expands flexibility for the states through inclusion of a 10 state demonstration to encourage innovation and improve program coordination and delivery, partial credit to the states for those who work 20 hours or more, builds on the President's proposal to allow 3 months of 24 months to focus on any relevant aspect of barrier removal by adding an additional 3 months if appropriate. I also support the inclusion of additional child care resources and the provision which allows the states to use surplus TANF funds for child care. According to a recent study by GAO, this may free up an additional \$5 billion dollars which can be used for child care. I also want to remind my colleagues that only a few months ago, we sent the states an additional \$20 billion dollars, \$10 billion of which we explicitly made clear could be used for child care needs over a 2- year period.

Again, I want to thank my colleagues for their efforts and look forward to building on the success of our work in 1996 to help those in need in their desire and efforts to gain independence and to experience the American dream. That is why we are here. Thank you.



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

Opening Statement of Sen. Chuck Grassley  
*Family Opportunity Act of 2003, S. 622*  
Finance Committee Mark-up  
Wednesday, September 10, 2003

I'm very pleased that the committee is holding a mark-up today on a bill I introduced over four years ago. I want to take just a few minutes to talk about the history of the *Family Opportunity Act*. For several years, Senator Kennedy and I have been promoting our bill called the *Family Opportunity Act* to help children with disabilities and their families. The bill became popular in short order. I attribute much its popularity to the hard work of families and child advocacy groups, many of whom are here today. Dozens of organizations have officially endorsed the *Family Opportunity Act*. More impressive than the list of organizations are the hundreds and hundreds of letters and calls sent by individual families to Congress. I have a stack of letters here, but this is just a small sample of the letters that families have written.

The combined efforts of individuals and advocacy organizations representing families with children with special health care needs have helped to persuade 62 senators to join as co-sponsors of this legislation. That number is extraordinary. I can't remember many pieces of legislation that attracted so much strong and enduring support. There is a budget reserve fund of \$7.5 billion. I wholeheartedly thank Senator Nickles for his willingness to include the *Family Opportunity Act* in the 2003 congressional budget.

It feels great to work on legislation that has such strong support from working families. Our bill is pro-family because it keeps families together. Our bill is pro-work because it lets parents work without losing their children's health care. And our bill is pro-taxpayer because it lets parents earn money and help pay their own way for Medicaid coverage for their child. Why is this legislation so necessary? As a parent, your main objective in life is to provide for your child to the best of your ability. Our federal government takes this goal and turns it upside down for the parents of children with special health care needs. The government forces these parents to choose between family income and their children's health care. That's a terrible choice. Families have to remain in poverty just to keep Medicaid. Obviously this affects entire families, not just the child with health care needs.

I became aware of the obstacles facing families from an Iowa family, the Arnolds. The Arnolds tell how their family was prevented from becoming self-sufficient and forced to stay impoverished so that Adam Arnold could maintain his Medicaid coverage. Without Medicaid, Adam – a young boy with multiple medical needs – would not have been able to get the health care

services he needed. Melissa Arnold, Adam's mother, has been forced to turn down promotions and raises in order to keep her earnings low enough for her son to qualify for Medicaid. What's more, her oldest son Daniel was also prevented from work. Like so many teen-agers, Daniel was eager to find a part-time job. But because any earnings Daniel would have made from a job would have counted against his family income and jeopardized Adam's Medicaid status, Daniel was not able to work. No hard-working family should have to choose between work and caring for a child. Why does the *Family Opportunity Act* choose Medicaid as the means of coverage? Because Medicaid services are so critical to the well-being of children with multiple medical needs.

Medicaid covers a lot of services that these children need on a regular basis, such as physical therapy and medical equipment. Private health plans often are much more limited in what they cover. Many parents can't afford needed services or multiple co-payments out of pocket. Our bill creates a state option to allow working parents who have a child with a disability to keep working and to still have access to Medicaid for their child. Parents would pay for Medicaid coverage on a sliding scale. No one would have to become impoverished or stay impoverished to secure Medicaid for a child. The *Family Opportunity Act* recognizes a universal truth. Everybody wants to use their talents to the fullest potential, and every parent wants to provide as much as possible for his or her children. The government shouldn't get in the way.

**Merulla, Bob (Finance-Rep)**

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**From:** Martin, Carla (Finance-Rep)**Sent:** Thursday, September 11, 2003 4:32 PM

**To:** Kozeny, Jill (Finance-Rep); Gerber, Jill (Finance-Rep); Kegler, Leah (Finance-Rep); Winchell, Robin (Finance-Dem); Angell, John (Finance-Dem); Aranoff, Shara (Finance-Dem); Birkes, Lara (Finance-Dem); Blum, Jon (Finance-Dem); Bousliman, Pat (Finance-Dem); Cohen, Alan (Finance-Dem); Cohen, Andrea (Finance-Dem); Dahle, Wendy (Finance-Dem); Dalton, Brittany (Finance-Dem); Dauster, Bill (Finance-Dem); Evans, Christine (Finance-Dem); Forbes, Jeff (Finance-Dem); Fowler, Liz (Finance-Dem); Gilliland, John (Finance-Dem); Hayes, Laura (Finance-Dem); Heck, Pat (Finance-Dem); HornRizek, Anita (Finance-Dem); Johnson, Renee (Finance-Dem); Jones, Matt (Finance-Dem); Kirbabas, Mark (Finance-Dem); Kirchgraber, Kate (Finance-Dem); Klouda, Tom (Finance-Dem); Levy, Dawn (Baucus); Liebschutz, Liz (Finance-Dem); Miller, Judy (Finance-Dem); Niedermann, Pascal (Finance-Dem); Pomper, Brian (Finance-Dem); Punke, Tim (Finance-Dem); Selib, Jonathan (Finance-Dem); Sinkfield, Rhonda (Finance-Dem); Steiger, Doug (Finance-Dem); Stein, Daniel (Finance-Dem); Sullivan, Russ (Finance-Dem); West, Anita (Finance-Rep); Clark, Carrie (Finance-Rep); Daly, Nova (Finance-Rep); Davis, Kolan (Finance-Rep); Eissenstat, Everett (Finance-Rep); Johanson, David (Finance-Rep); Paulsen, Zach (Finance-Rep); Schaefer, Stephen (Finance-Rep); Totman, Ted (Finance-Rep); Ziemiecki, Alicia (Finance-Rep); Howland, Diann (Finance-Rep); Robinson, Steve (Finance-Rep); Swearingen, Brett (Finance-Rep); Verdecchio, Jessica (Finance-Rep); Wellford, Carter (Finance-Rep); Williams, Amber (Finance-Rep); Blair, Mark (Finance-Rep); Burrell, Geoffrey (Finance-Rep); Harper, Jewel (Finance-Rep); Levasseur, Josh (Finance-Rep); Martin, Carla (Finance-Rep); McCaul, Julia (Finance-Rep); Merulla, Bob (Finance-Rep); Nugent, Erin (Finance-Rep); Smith, Shani (Finance-Rep); Steward, Debbie (Finance-Rep); Zito, Mollie (Finance-Rep); Bell, Jennifer (Finance-Rep); DiSanto, Emilia (Finance-Rep); Fishman, Linda (Finance-Rep); Hayes, Mark (Finance-Rep); Roskey, Colin (Finance-Rep); Shipp, Becky (Finance-Rep); Zerbe, Dean (Finance-Rep); Anderson, Michelle (Finance-Rep); Bopp, Charles (Finance-Rep); Donovan, Dan (Finance-Rep); Drake, John (Finance-Rep); Kerr, Robert (Finance-Rep); Wallace, Ed (Finance-Rep); Freed, Adam (Finance-Rep); McClellan, Ed (Finance-Rep); Mistr, Christy (Finance-Rep); Paris, Elizabeth (Finance-Rep); Prater, Mark (Finance-Rep)

**Subject:** Results of 9/10/03 Mark Up

Results of Markup  
September 10, 2003  
For Internal Committee Use Only

A substitute to H.R.4, entitled, Personal Responsibility and Individual Development for Everyone  
(PRIDE) Act  
and  
S.622, the Family Opportunity Act of 2003

Modification to Mark - accepted by UC

Chairman's Mark - accepted by UC

Bingaman #1, Amendment #48, Defeated by Roll Call Vote, 9 Ayes, 11 Nays

Ayes: Baucus, Rockefeller (proxy), Breaux (proxy), Graham (proxy), Jeffords (proxy),  
Bingaman, Kerry (proxy), Lincoln

Nays: Grassley, Hatch (proxy), Nickles, Lott, Snowe, Kyl (proxy), Thomas, Santorum, Frist  
(proxy), Bunning, Conrad

Bingaman #10, Amendment #57, Defeated by voice vote.

9/11/2003

Lincoln #1, Amendment #62. Defeated by voice vote

Santorum #1, Amendment #6. Withdrawn

Snowe #1, Amendment #5. Accepted by voice vote

Lincoln #3, Amendment #64. Defeated by voice vote

Jeffords #2, Amendment #43. Amendment Accepted.

Breaux #1, Amendment #35. Amendment accepted

Baucus #3, Amendment #13. Defeated by voice vote

Baucus #1, Amendment #11. Defeated by roll call vote, 10 ayes, 10 nays.

Ayes: Baucus, Rockefeller (proxy), Daschle (proxy), Breaux (proxy), Conrad (proxy), Graham (proxy), Jeffords (proxy), Bingaman, Lincoln (proxy)

Nays: Grassley, Hatch, Nickles (proxy), Lott (proxy), Snowe, Kyl (proxy), Thomas (proxy), Santorum, Frist (proxy), Bunning (proxy)

HR 4, final passage, approved by roll call vote of Members Present: 9 ayes, 8 nays

Vote including proxies: 10 Ayes, 10 Nays.

Ayes: Grassley, Hatch, Nickles, Lott, Snowe, Kyl, Thomas (proxy), Santorum, Frist, Bunning

Nays: Baucus, Rockefeller, Daschle, Breaux, Conrad, Graham (proxy), Jeffords, Bingaman, Kerry (proxy), Lincoln

S. 622, the Family Opportunity Act of 2003. Ordered reported by unanimous voice vote, as amended by Chairman's modification.