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COMMITTEE ON FINANCE
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1 EXECUTIVE COMMITTEE MEETING
2 FRIDAY, MAY 26, 1995
3 U.S. Senate,
4 Committee on Finance,
5 Washington, DC.

Gilmour
191 pp.

6 The meeting was convened, pursuant to recess, at 9:36
7 a.m., in room SD-215, Dirksen Senate Office Building, Hon.
8 Bob Packwood (chairman of the committee) presiding.

9 Also present: Senators Dole, Roth, Chafee, Grassley,
10 Hatch, Simpson, Pressler, D'Amato, Nickles, Moynihan,
11 Baucus, Rockefeller, Breaux, Conrad, Graham, and Moseley-
12 Braun.

13 Also present: Lindy L. Paull, Staff Director and Chief
14 Counsel; Lawrence O'Donnell, Jr., Minority Staff Director.

15 Also present: Wendell E. Primus, Deputy Assistant
16 Secretary for Human Services Policy, Health and Human
17 Services; Dr. Alexander Vachon, Legislative Assistant to
18 Senator Dole; Kathy Tobin, Income Security Analyst;
19 Margaret Malone, Minority Advisor for Income Maintenance
20 Policy; and John Tapogna, Welfare Analyst, Congressional
21 Budget Office.

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1 The Chairman. Before we call the committee to order,
2 I wanted to call just one thing to the committee's
3 attention, and to the press' attention, on a really shabby
4 trick by the administration in attempting to discredit this
5 bill, and it is the kind of thing that makes me have no
6 desire to deal with them on this, or anything else.

7 They have put out a list in which they called the
8 amount of money in this bill as a reduction to States. It
9 is entitled "Five-year State Losses Under the Senate
10 Finance Mark," and they list AFDC, then Title 2 immigrant
11 provisions, and SSI.

12 Neither the immigrant provisions nor SSI are in any way
13 funds to States now; SSI is totally federally funded. I
14 called the Secretary, Secretary Shalala, yesterday. She
15 defended it on the assumption, well, everything you cut,
16 the States will have to pick up. I said, first, it is not
17 true; second, it is not a reduction.

18 But, on that argument, anything the Federal Government
19 does, whether we cut defense spending, or change Social
20 Security, or whatever we might do, the administration would
21 argue, well, the State will have to pick up this cost.
22 First, it is not a reduction if they did have to pick it
23 up, and second, they do not have to pick it up.

24 But to put out a chart entitled "Welfare Funding Under
25 the Packwood Bill, here are the estimated reductions in

1 millions that State would experience," when I have never
2 seen a chart used like that before, is a shabby trick and
3 the administration ought to be ashamed of itself for doing
4 that kind of a chart.

5 Senator Breaux. Mr. Chairman?

6 The Chairman. Yes.

7 Senator Breaux. I noticed the chart, too, and I was
8 trying to figure it out. It seems to me that what they
9 were apparently doing was looking at reductions that would
10 occur as a result of the freeze.

11 The Chairman. Well, take a look at the pages attached
12 to it. The Post, when it printed it, did not bother to
13 print the second and third columns, it just took the total.
14 On your desk I have put it out, and you will see, in the
15 second and third columns--and the press table has it, too--
16 the Title 2 immigrant provisions and the Title 3 SSI, both
17 of which are totally federally-funded. The States do not
18 pick up that cost now. If we got rid of both those
19 programs, they are not reductions to the States.

20 Senator Breaux. I was just asking a question. I
21 mean, is it not correct though that the State would, in
22 fact, receive that amount less coming to their State?

23 The Chairman. Well, not under SSI. Unless you are
24 going to say that every payment to a citizen, if they do
25 not get it, is a payment to the State, and that the State

1 will lose that money and will have to pick up that money,
2 in which case that is a standard you ought to apply to
3 every federal program of any kind, whether it is a payment
4 to the State or a payment to the citizens. We have never
5 seen charts used like that before.

6 Senator Breaux. Mr. Chairman, would it be appropriate
7 to ask somebody, maybe from HHS, to explain why they came
8 up with it?

9 The Chairman. No, there is no need to explain it,
10 John. It is very clear what it is. I talked with the
11 Secretary yesterday and she told me why they put it out
12 this way. Her presumption, she said, was for every dollar
13 of SSI that is cut the States will have to pick up the
14 money, and that is, therefore, a reduction to the State.

15 Senator Moynihan. Mr. Chairman?

16 The Chairman. Yes.

17 Senator Moynihan. May I say, without certainty, I do
18 not believe there is any representative from the
19 administration here--none that I would recognize, and that
20 could be my mistake--none sent by the Secretary to speak
21 for the administration? Wendell, are you here to speak for
22 the administration?

23 Mr. Primus. Yes.

24 Senator Moynihan. Would you like him to speak to
25 this?

1 The Chairman. No, Senator Moynihan, I do not. I
2 talked to the Secretary about it, and she spoke for the
3 administration. She defended the way the chart was made.

4 Senator Moynihan. Well, if I could simply say, sir,
5 the Washington Post had an exceptional editorial this
6 morning called "Historic Choices on Welfare." It begins,
7 "The Senate Finance Committee today begins taking votes on
8 what, in historical terms, is likely to be viewed as the
9 most important issue before this Congress."

10 In that context, I think the administration is advised
11 to follow the most meticulous standards in assessing what
12 the effects are of a measure, and it would do no harm to
13 consult with you or other members of the committee before
14 putting out such a document to see if there is agreement,
15 because there are numbers and they are important.

16 The Chairman. Oh, there are numbers. There is a
17 difference of opinion between CBO and the administration on
18 the AFDC, but it is \$1.5 billion. I mean, I think it is an
19 honest difference of opinion. But, on the others, to call
20 it a reduction to the State of a totally federally-funded
21 program is just wrong. I have never seen it used like that
22 before.

23 Senator Moynihan. That is not appropriate.

24 The Chairman. Let me indicate now, on germaneness, as
25 this committee is aware, the germaneness rule in this

1 committee precludes the consideration of amendments that
2 are from outside of our jurisdiction, or amendments that
3 are within our jurisdiction that do not relate to the
4 specific issue before us, and welfare reform is the issue
5 before us. That precludes amendments in the following
6 areas: tax, trade, Medicare, Social Security, among others.
7 It takes a two-thirds vote to overrule the Chair on a
8 ruling of germaneness.

9 You have before you a list of amendments that are not
10 germane. It is entitled "Non-Germane Amendments," and it
11 says 1) Moynihan bill, 2) Conrad WAGE, and it lists the
12 ones that are not germane. There are any number that are
13 germane, but that is the list of non-germane amendments.

14 Senator Moseley-Braun. Mr. Chairman, not all of us
15 have that list.

16 The Chairman. It should be on your desk. I think I
17 see one on Senator Moynihan's and I thought I saw it passed
18 out to all members.

19 That is the list of amendments that are not germane.
20 There are many others that the members have offered that
21 are germane. When we finish ----

22 Senator Graham. Mr. Chairman?

23 The Chairman. Yes.

24 Senator Graham. Could I ask two questions? One,
25 using, for example, the non-germane items under number one,

1 the Moynihan bill, would that mean that those two items
2 would be ruled non-germane but the balance of the bill
3 would be germane?

4 The Chairman. Yes, that is correct, although Senator
5 Moseley-Braun has a Federal Reserve proposal that is
6 totally out of our jurisdiction. It is a Banking Committee
7 matter and we do not have any jurisdiction over it.

8 Senator Graham. The second question is, for those of
9 us who are new to the committee, what is the specific
10 provision in the rules of the committee that contain the
11 germaneness provision?

12 The Chairman. It is in the rules that we adopted when
13 we started this. It is the same rules we have used for a
14 number of years, but I will give it to you.

15 Senator Moseley-Braun. Mr. Chairman?

16 The Chairman. Yes.

17 Senator Moseley-Braun. I understand the germaneness
18 issue, and I understand that the Chair is going to rule in
19 this area. I also understand that germaneness does not
20 necessarily pertain to relevance.

21 But, in light of the fact that the provisions that have
22 been determined non-germane are the provisions of my bill
23 that have to do with job creation, I would hope that, at a
24 minimum, we could have some discussion about the need for
25 job creation in these areas where people may no longer be

1 eligible for welfare.

2 The Chairman. I do not plan, Senator Moseley-Braun,
3 to have much discussion on things that are not germane.

4 Senator Moseley-Braun. I just make the point,
5 germaneness and relevance are two different things. But
6 could we have a little discussion about something that I
7 think is very relevant to this issue?

8 The Chairman. Very little, because it is my intention
9 to get through with this bill this morning.

10 Senator Moseley-Braun. Yes, sir.

11 Senator Moynihan. Mr. Chairman, in order to do that,
12 and knowing ----

13 The Chairman. I am going to read this section. This
14 is Rule 2. "After the agenda for a committee meeting is
15 published and distribution, no non-germane items may be
16 brought up during the meeting unless at least two-thirds of
17 the members present agree to consider those items."

18 Senator Graham. I read that provision also and I
19 interpreted the germaneness to relate to the items which
20 were listed on the agenda that had been notified pursuant
21 to the 48-hour rule. Could you define what the committee
22 precedent has been in terms of what non-germanity refers
23 to?

24 The Chairman. You lost me there.

25 Senator Graham. If you read that sentence in the

1 context, the context is Rule 2 on committee meetings, and
2 it talks about notification of committee meetings.

3 It says, beginning in the middle of the paragraph,
4 "Members will be notified of committee meetings at least 48
5 hours in advance, unless the Chairman determines that an
6 emergency situation requires a meeting on shorter notice.
7 The notification will include a written agenda, together
8 with materials prepared by the staff relating to the
9 agenda.

10 After the agenda for a committee meeting is published
11 and distributed, no non-germane items may be brought up
12 during the meeting unless two-thirds of the members present
13 agree to consider those items."

14 When I read that, I assumed that the germanity referred
15 to the agenda, since that is the context of Rule 2, and
16 that if we have a printed agenda of what we are going to
17 consider today, that you could not bring up another issue,
18 whether it was in or out of the jurisdiction of the Finance
19 Committee, that was not listed on the agenda that had been
20 published pursuant to Rule 2.

21 You are saying that non-germanity has a different
22 meaning and refers not to items on the agenda, but subject
23 matter within items that are on the agenda, or might be
24 considered as amendments to items on the agenda.

25 The Chairman. Again, I am not sure I understand what

1 you are driving at. I am simply, at the moment, going to
2 rule as non-germane those on the list that you have. If
3 you do not see it on the list, unless somebody brings up
4 something we are not expecting, they are probably germane
5 amendments. But, as to the list, I will rule now that
6 those amendments are not germane.

7 Senator Moynihan. Mr. Chairman?

8 The Chairman. Yes.

9 Senator Graham. Mr. Chairman, again, as I say, I am
10 suffering from the disadvantage of being new to this
11 committee. But is there someplace we can look to for a
12 precedent for that definition of germanity in Rule 2?

13 The Chairman. I do not have one at hand. Whether or
14 not, in the annals of this committee, which is obviously
15 recorded, we can find a precedent, I will see if I can. We
16 have gone on the assumption that when we are on a topic--in
17 this case, welfare--and the agenda has been put out, that
18 amendments not germane to that are not to be considered.
19 The Chairman rules on the germaneness, and there can be an
20 appeal.

21 Senator Moynihan. The Chairman rules and the Ranking
22 Member appeals the ruling.

23 The Chairman. That is fair enough.

24 Senator Moynihan. That is the way we operate.

25 Mr. Chairman, I appeal the ruling, which I note is

1 bipartisan in the items determined non-germane.

2 The Chairman. Yes. Now, this is the entire list.
3 All those in favor of saying that the list is germane will
4 say aye.

5 [A chorus of ayes]

6 The Chairman. Those opposed will say no.

7 [A chorus of nays]

8 The Chairman. The no's appear to have it. The no's
9 have it.

10 We will do the substitute amendments first, the big
11 ones. Those are Senator Moynihan's, Senator Conrad's, and
12 Senator Moseley Braun's, which are total substitutes. I
13 will then lay down the modifications of the Chairman's
14 Mark, and we will be open for amendments.

15 At the outset, I will not announce a time limitation,
16 although if I sense that we are unduly dragging, I will.
17 I would ask that, as the amendments are offered, that you
18 please give--we asked for this--the CBO cost estimate on
19 your amendments, and realize we need an offset, and that
20 taxes are not germane.

21 Senator Moynihan. Mr. Chairman, in accordance with
22 that schedule, I would offer the measure which was
23 presented several days ago, the Family Support Act of 1995,
24 S. 8820. This is a complete bill, but it is a bill in
25 sequence with our legislation of 1988 which came out of

1 this committee, as members will recall, unanimously, and
2 which passed the Senate 97:1.

3 It is now almost exactly seven years since this
4 committee reported out the Family Support Act of 1988,
5 which was April 20th of that year. It seems almost
6 unimaginable today that there was a bipartisan consensus on
7 these matters back then. The final vote in the Senate--I
8 misspoke--was 96:1.

9 At the Rose Garden ceremony where Senator Dole, Senator
10 Bentsen, Speaker Foley, Mr. Michel, and then Governors
11 Clinton and Castle representing the National Governors'
12 Association, President Reagan told the assembled crowd that
13 we have achieved "a meaningful redirection of our welfare
14 system."

15 In large measure, he was right. The Family Support Act
16 has performed well where it was implemented seriously.
17 Every day a State official reports on some new success, or
18 there is an announcement of some new initiative funded
19 under that Act.

20 A week ago, Governor George Allen, Republican governor
21 of Virginia, announced such an effort. He said, "Virginia
22 is again making history. It has the most sweeping, and I
23 think the most compassionate, welfare reform plan anywhere
24 in the Nation." And it is taking place, he might have
25 added, under the Family Support Act of 1988. There are

1 now 29 States with waivers that continue the tradition of
2 innovation and evaluation that we set in motion seven years
3 ago.

4 The measure before you has been on your desks and in
5 your offices since the beginning of the week. It is an
6 extensive measure but it basically builds on what we began
7 in 1988, and builds in a manner in which we anticipated
8 would be done.

9 We take the participation rates under the Jobs Program,
10 which moved from seven to 20 percent under the last bill,
11 and moved them up to 50 percent by the year 2001. That is
12 50 percent of those eligible, and we must understand that
13 mothers with infant children are not, and there are
14 disabled persons, and such-like.

15 The Chairman's Mark anticipates a move in that
16 direction. We emphasize work by encouraging performance
17 measures and rewards by the staffs involved in the mode
18 that we heard from Livingston.

19 We prop-flied a job voucher program that uses non-
20 profit and private enterprises as a source of placing
21 recipients; we eliminate requirements, to give States
22 greater flexibility; we allow States to provide job
23 services to non-custodial parents who are unemployed.

24 We had a five-State Jobs Program demonstration project.
25 The term non-custodial parent means the absent father.

1 There has been no response to that. We now make it
2 available Nationwide, with an emphasis that we hope will
3 come out of the States themselves, as well as the Federal
4 Government.

5 We provide that mothers under 18 must stay with their
6 own parents, save in special circumstances, and generally
7 encourage States to seek waivers, requiring that waivers do
8 now get a decision up or down in 90 days.

9 There is no question--I think the Chairman agrees, and
10 I think all who have followed this agree--the departmental
11 process in examining waivers, up until the Family Support
12 Act, was labyrinthine and helpless.

13 You might apply for a waiver, but you could sure you
14 would not be governor by the time you got an answer, and
15 people did not. We say 90 days up or down.

16 Finally, we establish an interagency Welfare Review
17 Board. There are so many departments involved in aspects
18 of family welfare that to get a program together at the
19 State level requires waivers from as many as half a dozen
20 agencies in Washington; we can provide it through a single
21 board.

22 Mr. Chairman, this response to experience, absent the
23 last election, I can imagine we would be here today
24 considering a bill very much like this, that it would pass
25 out in this committee unanimously, be on the President's

1 desk by midsummer, and, in the same bipartisan spirit we
2 established, I hope we can do it again.

3 I am aware of our circumstances. I am particularly
4 aware that the key issue we are going to decide today, the
5 issue, is whether we will retain the status of Aid to
6 Dependent Children as a Social Security provision, which is
7 to say it is available to all children everywhere.

8 If any member of the administration would like to come
9 forward and say that retaining this Social Security
10 provision--I will use that dread term, entitlement--is a
11 fixed priority and condition of administration support, I
12 wish they would do so. I wish they would stop talking to
13 one another and let us know, is this something the
14 administration insists upon.

15 The Chairman. Senator Moynihan, I did not call the
16 administration here to testify. I am going to let him
17 answer this question, but we are not going to have them
18 testify.

19 Senator Moynihan. Fair enough, sir.

20 The Chairman. Fair enough.

21 Senator Moynihan. If we could have this one question.

22 The Chairman. You have put your finger on it. It is
23 one of the great privileges of dealing with you, you have
24 put your finger on the philosophical difference.
25 Philosophy is so much more important than the details.

1 Go right ahead.

2 Mr. Primus. Mr. Chairman, we strongly favor the
3 approach taken by the Ranking Member relative to the
4 Chairman's Mark.

5 The Chairman. Could you identify yourself for the
6 record?

7 Mr. Primus. Yes. I am Wendell Primus. I am a Deputy
8 Assistant Secretary at the Health and Human Services
9 Department.

10 We strongly favor Senator Moynihan's approach to
11 welfare reform for a number of reasons. One, it retains
12 the current funding structure which will enable States to
13 meet the needs of poor children as their unemployment rate
14 may rise, as population increases, and other demographic
15 shifts. We believe that is a very important feature of the
16 Senator's proposal. We also believe it is important that
17 there be adequate funding.

18 The Chairman. Mr. Primus, the question was, does the
19 administration basically favor this as an entitlement
20 program?

21 Mr. Primus. We basically favor the approach of
22 Senator Moynihan because it retains the current structure
23 of the program.

24 Senator Moynihan. Thank you, Mr. Chairman. That is
25 all you will get.

1 [Laughter]

2 Senator Moynihan. Thank you, Mr. Chairman.

3 The Chairman. Senator Moynihan and Secretary Primus
4 have put their finger on it. The President has indicated
5 that he will, perhaps, veto a bill that does not continue
6 the entitlement status.

7 It is a significant, fundamental political difference
8 between the parties; not everybody, but the bulk of the
9 people in the parties. The Republicans think that children
10 will be better served, that welfare will be better run, if
11 we turn this over to the States.

12 And the argument that we are abandoning
13 responsibilities does not wash, in my judgment, if we think
14 that those responsibilities can be better handled by the
15 States. That is not walking away from them, that is
16 enforcing them better. But it is an honest difference of
17 opinion. The Ranking Member is absolutely right that it is
18 the principal difference.

19 I might note, because taxes are not germane, the
20 offsets that he has are not germane and we have about a
21 \$13.7 billion further loss if this amendment were to be
22 adopted.

23 Senator Moseley-Braun. Mr. Chairman. Mr. Chairman?

24 The Chairman. Yes.

25 The Chairman. Pardon me?

1 Senator Moseley-Braun. May I ask you a question?

2 The Chairman. Yes.

3 Senator Moseley-Braun. Based on your statement just
4 now, is it not a fact that under the Chairman's Mark, as it
5 has been proposed, a State could decide to do nothing, a
6 State could decide to let poor children die in the streets
7 and we could do nothing?

8 The Chairman. When we argue this bill on the
9 floor ----

10 Senator Moseley-Braun. No. I mean, is that not what
11 the Chairman's Mark does? There is no requirement that a
12 State do anything. You said we are having an honest
13 discussing about the bill.

14 The Chairman. Well, let us put it this way. They
15 will get federal money which they must use for the purposes
16 defined in the bill, and if they choose to do nothing, they
17 cannot spend the money on airports or highways. But you
18 are right, they can just give the money back to us.

19 Senator Moseley-Braun. Right.

20 The Chairman. I have not seen that happen in a long
21 period of time.

22 Senator Moseley-Braun. So your answer to my question
23 is then yes, is it not?

24 The Chairman. If they want to give the money back to
25 us, they can do nothing.

1 Senator Moseley-Braun. That is correct. Thank you,
2 sir. I just wanted to clarify the record, since we were
3 having an honest discussion of what this bill does.

4 Senator Rockefeller. Mr. Chairman.

5 The Chairman. Senator Rockefeller.

6 Senator Rockefeller. Mr. Chairman, this is intended
7 to be an honest and open question. The Chairman is very
8 determined this morning and it is very clear to all of us
9 on this side of the aisle that the Chairman has the votes
10 to do whatever he wants to do. I am sure that that will be
11 the way things prevail.

12 But there is something in the tone, the way that you
13 handled the non-germaneness, the certainty there will not
14 be discussion, beyond the point where I think discussion is
15 useful, characterizing your phraseology, I am going to be
16 through by lunch.

17 When we are dealing with one of the most enormous
18 pieces of social legislation that we could possibly be
19 looking at, as it affects my State, I just wondered if it
20 was an ominous sign. Are you trying to suppress
21 conversation here, or cut off discussion?

22 The Chairman. No. We have had approximately close to
23 40 hours of hearings on this bill. We have not lacked for
24 discussion.

25 Senator Rockefeller. But, Mr. Chairman, do you know,

1 hearings are totally different than mark-ups. Hearings are
2 where you have sort of mute exchanges with people at
3 tables, and only at mark-ups do members talk with each
4 other, only at mark-ups do they discuss their differing
5 views.

6 I am not trying to be troublesome, I am just ----

7 The Chairman. I find that hard to swallow, Jay. You
8 and I have talked about this, Pat and I have talked about
9 this, members have talked to each other, our staffs have
10 talked to each other. For any of us to think that, as we
11 get to this mark-up, we are talking to each other for the
12 first time, it just is not true.

13 Senator Rockefeller. Well, you and I did talk to this
14 at our two-day retreat. Otherwise, we have not.

15 Senator Moseley-Braun. Mr. Chairman.

16 The Chairman. Yes.

17 Senator Moseley-Braun. Again, I am new to the
18 committee. But we just saw the bill Wednesday night. We
19 had no idea that there was no level of requirement for the
20 States, the kinds of things that I have raised with you.
21 I mean, unless I am missing something here, how would one
22 know what was in this bill if we just saw it Wednesday
23 night?

24 The Chairman. Are you saying that until Wednesday
25 night you did not know that there was no maintenance of

1 effort and, as you say, no requirement for the State to do
2 anything?

3 Senator Moseley-Braun. No, I did not.

4 Senator Chafee. Mr. Chairman, could I point out that
5 currently there is no requirement under the existing law?
6 If a State does not want to put up any money they will not
7 get a nickel from the Federal Government.

8 Senator Moynihan. If you do not want to have
9 Unemployment Compensation you do not have to have it. That
10 is right.

11 Senator Moseley-Braun. Well, that is true. But I
12 thought that this was welfare reform. I mean, if we are
13 fixing this, why are we building on the inequities and the
14 problems with the current system?

15 Senator Moynihan. I wonder if I could ask my
16 colleagues to talk about my bill. I am only going to have
17 about four minutes left.

18 [Laughter]

19 The Chairman. Senator Breaux.

20 Senator Breaux. Thank you very much, Mr. Chairman.
21 I think that the real challenge of this committee on this
22 bill is to try and see if we can reform welfare. I mean,
23 how many times have we talked about welfare reform? It has
24 almost become a cliché.

25 The problem that I see with the approach of the

1 Chairman's Mark, and the reason why I will support Senator
2 Moynihan's Mark, is the fact that I think we have an
3 obligation to do something other than just shift the
4 problem to the States.

5 I think that the Chairman's Mark is deficient because
6 we punt. We are saying with this approach that we do not
7 have either the intelligence, the courage, or whatever, to
8 really try and solve welfare; we hope somebody else can
9 solve it for us.

10 That is why we are going to put all of the welfare
11 problems in a box and Federal Express it to the States. I
12 am really afraid that when they open it there is going to
13 be a box full of problems, with less money to help solve
14 those problems. That is why I think it is so deficient.

15 And then when you add the point of eliminating the
16 maintenance of effort by the States, we will then have the
17 State spending somebody else's money. Boy, is that easy.
18 I could have a hell of a time and be really irresponsible
19 if I am spending your money. That is why we have always
20 had this concept of a federal/State partnership. There is
21 a maintenance of effort.

22 If you get a certain percentage from the Federal
23 Government you have to match it with State funds. The
24 States are involved in the process. They have an interest
25 in the decisions that are being made. They have an

1 interest in doing it right, and effectively, and
2 efficiently to help people get off of welfare. This
3 legislation says we are going to change that.

4 We are going to change a fundamental federal/State
5 partnership concept between the concept of matching
6 contributions by the States. We have it in the highway
7 program, we have it in just about all of the programs that
8 we have, the Corps of Engineers projects, the water
9 resources projects. It has always been a match by the
10 States; 75/25, 90/10, you name it.

11 My state, under the current welfare program, has to
12 come up with about 28 percent, probably the lowest, or one
13 of the lowest, in the Nation. But that maintenance of
14 effort is there. They know they have to participate and
15 they know they are going to have to help get it right.

16 This legislation says for the first time, we are going
17 to pay the bill and we are going to give the States the
18 right to do whatever they want, however they want; we hope
19 they get it right. That, I think, is a fundamental break
20 with the federal/State partnership concept that we have had
21 for so long.

22 I am going to have an amendment. I do not think it is
23 a Republican amendment, or a Democratic amendment, I think
24 it is a common sense amendment. It says there should be a
25 maintenance of effort by the States in this process. Give

1 them the maximum flexibility, absolutely, to come up with
2 innovative ideas, but do not say they can do it without
3 having to contribute anything.

4 Lauch Faircloth testified in one of our hearings here.
5 He said, if you are going to let the States do whatever
6 they want, whenever they want, and how they want, fine, but
7 let them raise the money. It was a good idea then, and it
8 is a good idea now. The amendment I will offer, I think,
9 incorporates that concept into the Chairman's Mark.

10 The Chairman. Further discussion on Senator
11 Moynihan's amendment?

12 Senator Conrad. Mr. Chairman.

13 The Chairman. Senator Conrad.

14 Senator Conrad. Mr. Chairman, I, too, intend to
15 support the offering of the Senator from New York. I think
16 we have got to put it in some perspective. There is one
17 person in this room who has been consistently right about
18 welfare, and that is the senior Senator from New York.

19 I can remember 30 years ago when he wrote a book that
20 was very controversial at the time, and he was roundly
21 criticized from the left, from his own party, as writing a
22 book that some even suggested perhaps was racially
23 motivated. I think all of us remember that.

24 He predicted at the time that a dynamic was developing
25 in this society that threatened the future of our

1 civilization, and that dynamic was children having
2 children, children being born out of wedlock, children
3 being born in a circumstance in which they did not have two
4 parents.

5 Some people said at the time, this cannot be true. We
6 cannot be headed for a time in which two-thirds of the
7 children in some of the inner cities of America are born
8 out-of-wedlock. That cannot be the case.

9 The tragedy is, all of it has come true. Everything
10 the senior Senator from New York wrote about, and
11 predicted, and brought to our attention 30 years ago has
12 come true.

13 So this is the one person that has got a track record
14 that has stood the test of time. He is sitting right here
15 with us, and he has a proposal before us. It seems to me,
16 that commands some respect and that commands some
17 deference, and that commands, in my judgment, some support.

18 I would just say, when I look at the Chairman's plan,
19 a plan that provides flat funding while we are telling the
20 States to make an increased effort at putting people to
21 work, and that flat funding goes for five years, it
22 directly contradicts what the Republican governor from
23 Wisconsin told us when he sat right at that table. He
24 said, that will not work. He told us, you cannot expect to
25 put people back to work without an up-front investment. We

1 are taking the investment away under the Chairman's Mark.

2 Second, the Chairman's Mark takes away the automatic
3 stabilizer. I have a proposal, and the Senator from New
4 York, I think, is of like mind, that we ought to provide
5 the States lots of flexibility to experiment because there
6 is a lot we do not know.

7 If there is one thing we can be certain about, it is
8 that none of us in this room knows what the answer is. So
9 we ought to let the States experiment so we can see what
10 they come up with. That makes sense as public policy.
11 Give the States enormous flexibility.

12 I have a proposal that will do that. But, at the same
13 time, we ought to keep some automatic stabilizer so that if
14 there is a sharp downturn in a State--like the flooding in
15 Mississippi, like the drought in North Dakota, like the
16 economic downturn in California--that there is some
17 automatic stabilizer so you just do not have X amount of
18 dollars that goes out to a State and they live with it, no
19 matter what the economic condition is. That does not make
20 sense to some of us, I say with great respect for the
21 Chairman.

22 So, for those reasons, among many others, I think the
23 Ranking Member has a superior proposal and one that we
24 ought to support.

25 The Chairman. Further discussion on Senator

1 Moynihan's substitute?

2 Senator Grassley. Mr. Chairman.

3 The Chairman. Senator Grassley, then Senator Moseley-
4 Braun.

5 Senator Grassley. The discussion in 1988 that the bill
6 passed 96 to one was a very serious discussion, a very
7 serious effort to bring real reform to welfare, to move
8 people from welfare to work. To save the taxpayers money,
9 I believe, would be one of the motivations of it. There
10 was a tremendous amount of work put into it and a
11 tremendous amount of deference to Senator Moynihan for his
12 leadership in that area.

13 I think what Senator Breaux said about, we just should
14 not avoid our responsibilities, the environment in 1995 is
15 very much different than it was in 1988. We have had a
16 further rise of people on welfare, to four million, we are
17 spending a lot more money, we are not moving people from
18 welfare to work. That is after there was a very sincere,
19 serious effort on the part of this committee and the
20 Congress as a whole to really solve the problem.

21 In the meantime, we have seen lots of States--and I
22 will not name them all, but you know they include my State
23 of Iowa and a lot of other States in the midwest, and even
24 in the northeast--that have been very successful at what
25 they are trying to do.

1 In our political system for 200--some years, the States
2 have been political laboratories where we in the Federal
3 Government can learn, and I hope that States have learned
4 from the Federal Government as well. But there has been
5 remarkable success by the few States that have ventured
6 forth.

7 Remember, the States have done this with having to
8 still come hat in hand and on bended knees to the Federal
9 Government to get waivers--sometimes it takes a lot of time
10 to get waivers--yet, they have succeeded.

11 So I think, at a time when we have seen the Federal
12 Government not accomplish what we sincerely thought we
13 would accomplish and we have seen States being very
14 successful in what they have tried to accomplish, it ought
15 to give us great confidence that moving this to the States
16 is the right thing to do based upon the track record and
17 upon the lack of success at the federal level.

18 The Chairman. Senator Moseley-Braun.

19 Senator Moseley-Braun. Thank you very much, Mr.
20 Chairman. Yesterday in a conference Senator Moynihan was
21 talking about this legislation, and other legislation of
22 this type. He was describing what we are going through as
23 a constitutional moment. This was at lunch yesterday that
24 Senator Moynihan said that.

25 The notion, of course, that I thought about after we

1 left was, he is right again. I want to associate myself
2 with Senator Conrad's remarks. He is right again, because
3 we really are in the process of deciding whether or not
4 these United States is one country or a conglomeration of
5 50 separate entities.

6 This is an issue, of course, that our country has faced
7 previously. We faced it in the Civil War, we faced it when
8 FDR became President, we are facing it again with welfare.

9 We are now the third generation of Americans to assume
10 that the United States--all of us all across the country--
11 had a responsibility to step in and provide for the
12 subsistence and support of poor children. That is why this
13 program that is so badly in need of repair--Aid to Families
14 with Dependent Children--was called that, it was about
15 protecting the children. It was about protecting the
16 children. We saw it as a national responsibility, even
17 though it was a collaborative effort with the States.

18 The Chairman's Mark, unfortunately, ends any national
19 responsibility whatsoever for children. If a State decides
20 to have no system of income support for those children,
21 there is nothing in this bill to stop it from happening.

22 If children wind up sleeping in the streets in one
23 State, there is nothing that the rest of the country can do
24 about that. If the economic cycle turns down below what it
25 was in 1994, which is the point at which the grant levels

1 are counted on, then there is nothing that this Federal
2 Government can do about that under the Chairman's Mark.

3 Now, we have had the discussion previously that
4 welfare--and I have made the point time and time again--is
5 simply a response to poverty. Certainly joblessness is the
6 largest cause of poverty. It seems to me that to fix
7 welfare we have to fix the cause, which is joblessness. We
8 do not do that in this bill, and that is another
9 conversation.

10 But until we do--and I am getting back to Senator
11 Moynihan's bill--fix the joblessness, until we can address
12 the issues of poverty, and until we have some answers, it
13 seems to me that Senator Moynihan's bill recognizes that we
14 have to have a safety net and that we, as a Nation, have an
15 obligation to see to it that the four million children who,
16 this estimate says, will lose income support under the
17 Chairman's Mark, will not go homeless, hungry, or die from
18 deprivation.

19 The Chairman's Mark, on the one hand, in my opinion,
20 turns our backs on those four million children while we
21 cross our fingers and hope the States will work it out
22 somehow.

23 Senator Moynihan's substitute, on the other hand, makes
24 the point that whether or not the States work this problem
25 out, we have an obligation and a responsibility to save the

1 children, with a guarantee of a safety net of support for
2 them.

3 It seems to me, Mr. Chairman, that it is a monumental
4 step backwards for us to turn away from that fundamental
5 responsibility as a Nation. As Americans, we are all in
6 this together. If children live in Oregon, I care about
7 them as much as if they live in Illinois. It seems to me
8 that that ought to be the starting point for whatever
9 welfare reform that we have.

10 Thank you.

11 The Chairman. I would ask Senator Moynihan to close
12 on his amendment.

13 Senator Moynihan. Three things, Mr. Chairman. First,
14 Senator Bradley would be here. He must be at a funeral in
15 Chicago. He has worked with us in this matter and supports
16 this measure.

17 Second, on finances, we can pay for the \$8 billion the
18 measure would provide. About half of it is left out of the
19 measure before us because of the germaneness rule. We
20 would offer it on the floor, to put the other half back.

21 Finally, I would simply like to say that we have a
22 moral issue before us, as well as a legislative one, and I
23 would hope to keep such issues to a minimum in government.
24 But the Catholic bishops have put it well. They said, "We
25 cannot support reform that will make it more difficult for

1 poor children to grow into productive individuals.

2 We cannot support reform that destroys the structures,
3 ends the entitlements, and eliminates resources that have
4 provided an essential safety net for vulnerable children or
5 permit States to reduce their commitments in this area."

6 I think that persons of good faith are on both sides of
7 the aisle. We have a difference of view. Thank you, Mr.
8 Chairman.

9 The Chairman. I would ask the Clerk to call the roll
10 on this important amendment.

11 The Clerk. Mr. Dole.

12 The Chairman. No, by proxy.

13 The Clerk. Mr. Roth.

14 The Chairman. No, by proxy.

15 The Clerk. Mr. Chafee.

16 Senator Chafee. No.

17 The Clerk. Mr. Grassley.

18 Senator Grassley. No.

19 The Clerk. Mr. Hatch.

20 The Chairman. No, by proxy.

21 The Clerk. Mr. Simpson.

22 Senator Simpson. No.

23 The Clerk. Mr. Pressler.

24 Senator Pressler. No.

25 The Clerk. Mr. D'Amato.

1 Senator D'Amato. No.
2 The Clerk. Mr. Murkowski.
3 The Chairman. No, by proxy.
4 The Clerk. Mr. Nickles.
5 Senator Nickles. No.
6 The Clerk. Mr. Moynihan.
7 Senator Moynihan. Yes.
8 The Clerk. Mr. Baucus.
9 Senator Baucus. No.
10 The Clerk. Mr. Bradley.
11 Senator Moynihan. Yes, by proxy.
12 The Clerk. Mr. Pryor.
13 Senator Moynihan. Yes, by proxy.
14 The Clerk. Mr. Rockefeller.
15 Senator Rockefeller. Yes.
16 The Clerk. Mr. Breaux.
17 Senator Breaux. Yes.
18 The Clerk. Mr. Conrad.
19 Senator Conrad. Yes.
20 The Clerk. Mr. Graham.
21 Senator Graham. Yes.
22 The Clerk. Ms. Moseley-Braun.
23 Senator Moseley-Braun. Yes.
24 The Clerk. Mr. Chairman.
25 The Chairman. No.

1 The Clerk. Nays 12, ayes eight.

2 The Chairman. The amendment fails. Thank you.

3 Senator Dole?

4 Senator Dole. Mr. Chairman, let me just say that much
5 of the jobs provisions in Senator Moynihan's bill, I
6 understand, are incorporated in yours. I have looked over
7 a number of the amendments to be offered by Senator
8 Bradley, Senator Conrad, Senator Graham, and I find a lot
9 of merit in some of the amendments they will offer. So, I
10 do not think this is going to be totally partisan.

11 But I recall back in 1979 we had another member on this
12 committee from Louisiana, Russell Long. We introduced a
13 bill in 1979 to block grant AFDC. That was a long time
14 ago. We thought then the 10th amendment was not too bad.
15 I am not certain we discussed that at the time, where you
16 give power back to the States, back to the people, back to
17 the governor of Illinois, back to the legislature in
18 Illinois. We believe they can probably better serve the
19 people than we can.

20 There are other parts of Senator Moynihan's bill that
21 may be offered separately, like the teen parents provision,
22 SSI provisions, and may be adopted, I would hope, so, I do
23 not see this as a totally partisan effort here.

24 There are a lot of things that I have looked at that
25 make sense to me that we will be voting on later, and the

1 fact that many of the job provisions are included in the
2 Chairman's Mark, I think, indicate cooperation with the
3 Chairman and Senator Moynihan. There are just a couple of
4 things I would raise. We have met with the governors a
5 lot. They have had a lot of input. They have been very
6 helpful to us, Democrats and Republicans.

7 There are a couple of areas that I think many of us are
8 concerned about, and one is population growth. Is there
9 some way we can take a look at that? I wonder if the staff
10 might take a look and maybe give us some options that would
11 provide protection for States who are experiencing real
12 growth without costing us too much money. That is the one
13 concern that many governors had. In fact, I met with
14 Governor Chiles briefly in Florida and he expressed that to
15 me, and there are other States the same as Florida.

16 The governors have a lot of concerns. There are a lot
17 of things they do not agree with in the Chairman's Mark.
18 But, in the case of the basis of the amount of the block
19 grant--I know the House has given the States an option of
20 what their base should be--at an appropriate time I would
21 like the staff to share with us what the differences are,
22 and if there are other options available to us.

23 Some States have made real reductions in recent years
24 and should not be disadvantaged as compared to others whose
25 expenditures have remained high. Again, this is a matter

1 of concern to governors like Governor Thompson of
2 Wisconsin, whom I think has been sort of the leader in
3 innovative welfare reform, and I would hope the staff might
4 give us some options there.

5 Senator Rockefeller. Mr. Chairman, could I just ask
6 a question of procedure?

7 The Chairman. Yes.

8 Senator Rockefeller. There was something that I
9 wanted very much to say prior to the vote on the Moynihan
10 bill which pertains to very strong and deep feelings that
11 I have. But after Carol Moseley-Braun was finished you
12 said, Senator Moynihan will now have the floor and then we
13 will vote.

14 So, without warning, you were dictating that I, who am
15 a full member of the committee, elected by my people, would
16 not be able to express my views. I, as a former governor,
17 and one of only three, I think, on this committee, who
18 knows something about welfare and have dealt with it at
19 first-hand in a State which is not Greenwich, Connecticut,
20 was precluded from saying anything. I just need to know
21 what the rules are.

22 Is it whenever the Chairman decides, or are we going to
23 be allowed to say something? I do not mean to say
24 something for the purpose of being disruptive, hostile, or
25 partisan, but something that we really feel.

1 The Chairman. Jay, what I am going to try to do--
2 unless somebody wants to move to table--allow all
3 discussions go on as it is on the floor. No, I do not want
4 to cut anybody off and I am prepared, and Senator Dole is
5 prepared, to stay here today and tomorrow, if necessary, to
6 finish this. But we are going to finish it before the
7 recess starts. To the extent that the discussion starts to
8 become repetitive or drift, I probably would be inclined to
9 suggest that it be tempered, not in tone, but in time.

10 But I did not mean to cut you off, and I think, because
11 I am going to recognize Senator Conrad next for his
12 amendment, that you can full well say on his amendment what
13 you would have liked to have said on Pat's, I think.

14 I will play this, as gently as I can, by ear. If the
15 committee wants to stay here till 2:00, 3:00, 4:00, 5:00,
16 and on through tomorrow, that is all right with me. I have
17 not made any plane reservations for Oregon until Sunday.
18 But we will finish the bill.

19 Senator Conrad.

20 Senator Conrad. Well, Mr. Chairman, on that subject,
21 I would just say, before I get into my amendment, Senator
22 Graham sought recognition and was denied recognition before
23 Senator Moynihan had a chance to sum up, and I have not
24 seen that before on this committee, that Senators seeking
25 recognition do not get recognized to have a chance to have

1 their say before a vote. It just seems to me that maybe it
2 was inadvertent, I do not know. I hope it was inadvertent.
3 I do not think that is the way the business of this
4 committee should be conducted.

5 The Chairman. No. And I did not see, Senator Graham,
6 and I apologize. He has some good amendments, some of
7 which we have accepted already in the amendments of the
8 Chairman's Mark. But, Kent, I will say this.

9 If I sense that there is an effort to delay the
10 reporting of the bill, then I will have somebody, or I
11 will, move to table, which is a legitimate move, and that
12 does cut off any further debate.

13 Senator Conrad. Mr. Chairman, I would just say, you
14 have a perfect right, or anybody has a right, to move to
15 table. The thing that I find a little disturbing is I get
16 a feeling here that this is kind of a railroad job, and
17 that people are not given a chance to express themselves
18 after they have sought recognition.

19 That is not right. That is not the way this committee
20 has been conducted in the past, and it is not the way the
21 committee should be conducted now. And I, for one, am
22 going to object if people are not going to be accorded the
23 right to express themselves. That is not fair play.

24 The Chairman. Thank you, Senator Conrad.

25 I might say, this is a substitute. On the matters that

1 were ruled non-germane: the portions of this bill that
2 relate to the child care block grant, include Labor
3 Committee jurisdiction, on immigrants and the
4 enforceability of affidavits of support, its judiciary,
5 and the deeming rules, food stamps and other nutrition
6 reforms are not ours in this committee, and the Earned
7 Income Tax Credit is not germane to this bill.

8 With that, Senator Conrad.

9 Senator Conrad. I thank the Chairman.

10 I am going to offer my second substitute instead of the
11 first one, given the germaneness rulings of the Chair. So
12 that will be the focus of my remarks. It will be my second
13 substitute.

14 The WAGE Act, what I call the Work and Gainful
15 Employment Act, gives States unprecedented flexibility to
16 design and administer work programs to move individuals off
17 of welfare.

18 The legislation is based on four principles: work,
19 protecting children, State flexibility, and family. This
20 Act totally reforms our welfare system, while protecting
21 the children of America against an abdication of federal
22 responsibility.

23 The purpose of the Work and Gainful Employment Act is
24 to transform welfare into an employment-based transition
25 program while retaining a safety net for children in an

1 automatic economic stabilizer for States.

2 Mr. Chairman, members of the committee, there are three
3 elements, principally, to what I am offering my colleagues
4 today. I think this encompasses the best of what the
5 Republicans have proposed and, at the same time, retains
6 those features of the current system that provide a safety
7 net for children and a safety net for States.

8 The WAGE Act includes a Work and Gainful Employment
9 block grant. This block grant will give the States the
10 flexibility to provide job placement and supportive
11 services to move individuals into jobs as quickly as
12 possible. The WAGE services would be available for all
13 persons qualifying for the transitional aid program and, at
14 State option, non-custodial parents.

15 This provision provides significant State flexibility.
16 I would just refer my colleagues to a letter I have
17 received signed by three governors, the governor of
18 Delaware, the governor of Missouri, and the governor of
19 West Virginia.

20 Those governors have endorsed my proposal, and I would
21 quote from their opening, "We are writing to commend you
22 for developing a thoughtful, comprehensive welfare reform
23 proposal. We applaud your bill's serious focus on work.

24 The litmus test for any real welfare reform is whether
25 or not it adequately answers the following three questions:

1 1) does it prepare welfare recipients for work; 2) does it
2 help welfare recipients find a job; 3) does it enable
3 welfare recipients to maintain a job? Your bill meets this
4 test."

5 Mr. Chairman and members of the committee, the States,
6 as I have said, are given enormous flexibility under my
7 proposal, and the idea behind that is, what the Senator
8 from New York has said to us repeatedly, there is a lot we
9 do not know here.

10 So let us let all the States experiment, to the maximum
11 extent possible, to see if they can find better solutions
12 than we have been able to find operating with a strictly
13 federal program.

14 States, under my proposal, have complete flexibility to
15 design employment programs. They provide monetary
16 incentives to case managers for successful job placement.
17 States determine eligibility criteria and participant
18 requirements.

19 States may establish time limits. Instead of us saying
20 what the time limit ought to be, let us let the States
21 experiment with time limits. But we do say, if people are
22 playing by the rules, if they are training for work or if
23 they have work, they should not be summarily bumped from
24 the program. States, under our offering, may also
25 establish participation rates at any level above the

1 required WAGE rates and may establish specific rates for
2 targeted groups.

3 In addition to the work block grant, we have also
4 established a transitional aid program that completely
5 replaces AFDC. Again, it is work-related. Again, it is a
6 program that retains a safety net for children and an
7 automatic stabilizer for States.

8 The States, again, have significant flexibility to
9 determine eligibility criteria, earned income disregards,
10 resource and asset limits, time limits, and sanctions.
11 Compared to the current AFDC program, which we totally
12 replace, that AFDC program has 45 State plan elements. The
13 transitional aid program that I am suggesting reduces that
14 to 14, allowing States wide latitude to design a program
15 that meets their specific needs.

16 In terms of eligibility, the transition aid program
17 does provide that a family must meet the following criteria
18 to be eligible. They have got to have a needy child, they
19 have got to comply with the WAGE employability plan, and
20 they have got to cooperate and comply with paternity and
21 child support measures.

22 The States do have substantial flexibility, but there
23 are certain minimum federal requirements. Just as our
24 colleague, Senator Faircloth, said, just sending out a
25 blank check is not good enough. If we are going to be

1 taking the responsibility to raise the money we ought to
2 have some obligation on how it is spent, at the same time
3 giving the States dramatic flexibility.

4 So we have limited requirements. One, it has got to
5 serve all families with needy children uniformly, as
6 defined by the State; they have got to operate a WAGE
7 program; they have got to have a program that is directed
8 at moving people from welfare to work; they have got to
9 operate a child support enforcement program; they have got
10 to also maintain assistance in some form to needy children
11 and families in which the parent is complying fully with
12 all work-related requirements.

13 Mr. Chairman, the final provision of this substitute is
14 a teenage pregnancy prevention element that includes a
15 national campaign, headed by the President, against teen
16 pregnancy that involves business, schools, religious
17 institutions, and community organizations.

18 Second, we focus on living at home. Minor parents must
19 remain in their parents' or a guardian's household in order
20 to receive transitional aid benefits, with certain
21 exceptions in abusive situations.

22 We also provide for Second Chance houses. Second
23 Chance houses will be available to minor custodial parents
24 with children who require special assistance and a
25 structured living environment in order to succeed.

1 The idea of a Second Chance house is to provide a
2 structured program that provides early childhood
3 intervention and development. This follows up, I might say
4 to the Ranking Member, on the wonderful woman we had here,
5 the nun.

6 Senator Moynihan. Yes. Sister Mary Rose McGeady.

7 Senator Conrad. Yes. Sister Mary Rose. What a
8 compelling witness she was. Her advice to us that, by
9 having these young mothers who cannot be at home in a
10 structured situation, that they have prevented additional
11 children from being born.

12 They have created an environment in which they are able
13 to educate people, train people, and have a chance to have
14 them in a structured environment that prevents additional
15 pregnancies.

16 Fourth, we have a provision for staying in school.
17 Teenaged custodial parents on transitional aid who have not
18 finished high school must participate in educational or
19 training programs leading to a high school diploma.

20 Finally, a teenage pregnancy prevention program
21 providing grants to States to implement promising teen
22 pregnancy prevention strategies.

23 Mr. Chairman and colleagues, I would say, as Senator
24 Breaux said, this is not a Republican plan, this is not a
25 Democratic plan, this is a plan for America. This is a

1 plan to emphasize work, to emphasize State flexibility, to
2 emphasize family values, but, at the same time, to retain
3 a safety net for children and to also retain an automatic
4 stabilizer for States.

5 I would be happy to answer any questions.

6 The Chairman. Further discussion on the amendment of
7 Senator Conrad?

8 Senator Dole. Could I just ask a question?

9 The Chairman. Senator Dole.

10 Senator Dole. Kent, if the substitute fails are you
11 going to offer certain parts of it separately?

12 Senator Conrad. Well, what I have done, Senator Dole,
13 is I have not offered my large substitute, which was my
14 whole welfare reform bill, in deference to the ruling of
15 the Chair with respect to germaneness, so I have broken it
16 down into these constituent elements that I think really
17 hold together and make sense. I will have some other
18 provisions with respect to SSI, and a couple of other less
19 comprehensive amendments.

20 Senator Nickles. Mr. Chairman.

21 The Chairman. Senator Nickles.

22 Senator Nickles. Along the same lines as Senator
23 Dole, I am interested in several of the provisions that you
24 mentioned in trying to reduce illegitimacy. So, if your
25 substitute does not pass, I will be happy to work with you.

1 Maybe we can incorporate some of those on the floor.

2 Senator Conrad. I thank the Senator from Oklahoma.

3 The Chairman. Further discussion? If not, the Clerk

4 will call the roll.

5 The Clerk. Mr. Dole.

6 Senator Dole. No.

7 The Clerk. Mr. Roth.

8 The Chairman. No, by proxy.

9 The Clerk. Mr. Chafee.

10 Senator Chafee. No.

11 The Clerk. Mr. Grassley.

12 Senator Grassley. No.

13 The Clerk. Mr. Hatch.

14 The Chairman. No.

15 The Clerk. Mr. Simpson.

16 Senator Simpson. No.

17 The Clerk. Mr. Pressler.

18 Senator Pressler. No.

19 The Clerk. Mr. D'Amato.

20 Senator D'Amato. No.

21 The Clerk. Mr. Murkowski.

22 The Chairman. No.

23 The Clerk. Mr. Nickles.

24 Senator Nickles. No.

25 The Clerk. Mr. Moynihan.

1 Senator Moynihan. Aye.
2 The Clerk. Mr. Baucus.
3 Senator Baucus. No.
4 The Clerk. Mr. Bradley.
5 Senator Moynihan. Aye, by proxy.
6 The Clerk. Mr. Pryor.
7 Senator Moynihan. Aye, by proxy.
8 The Clerk. Mr. Rockefeller.
9 Senator Rockefeller. Aye.
10 The Clerk. Mr. Breaux.
11 Senator Breaux. Aye.
12 The Clerk. Mr. Conrad.
13 Senator Conrad. Aye.
14 The Clerk. Mr. Graham.
15 Senator Graham. Aye.
16 The Clerk. Ms. Moseley-Braun.
17 Senator Moseley-Braun. Aye.
18 The Clerk. Mr. Chairman.
19 The Chairman. No.
20 The Clerk. The nays are 12, the ayes are eight.
21 The Chairman. The amendment fails.
22 The Chair will recognize Senator Moseley-Braun for her
23 substitute.
24 Senator Moseley-Braun. Thank you, Mr. Chairman.
25 Mr. Chairman, my first substitute is the Economic

1 Opportunity and Family Responsibility Act of 1995.
2 Recognizing the Chair's previous ruling, I would like to
3 take a moment and describe the proposal.

4 In the first instance, it does retain and maintain the
5 safety net for poor families, while at the same time
6 providing State flexibility and adequate funds and support
7 to move recipients into work, and also to reduce
8 recidivism.

9 I would point out at the outset, Mr. Chairman, that I
10 come out of State government from the State of Illinois,
11 and I recognize the interest of the States in having
12 flexibility with regard to these plans. This legislation
13 provides for State flexibility.

14 At the same time, Mr. Chairman, abandonment of children
15 under the guise of State flexibility, it seems to me, is
16 just cowardice. It says that we at the federal level, as
17 a national community, have thrown up our hands and are not
18 prepared to address the very real needs of poor children
19 everywhere in this country. So, this legislation does
20 provide for a bottom line safety net for poor children.

21 Additionally, this legislation emphasizes job creation,
22 and in that regard the job creation component calls for
23 equity investment to allow for the incentives for the
24 development of private sector employment in areas of high
25 unemployment and in high poverty communities. I believe

1 that this provision is designed to get at the heart of the
2 major welfare-related problem, which is the lack of private
3 sector jobs.

4 Many communities with large welfare populations have
5 unemployment rates, in both good times and bad, that are at
6 or above levels last seen nationwide in the Great
7 Depression of the 1930s.

8 This provision is similar in some respect to the
9 empowerment Enterprise Zone program, but instead of tax
10 credits, it creates a mechanism to get equity investment
11 into those communities, investments that will create
12 permanent private sector jobs.

13 It uses the banking system--and this is the part that
14 I know has been ruled non-germane--and what it essentially
15 does is allow the sterile reserves in the Federal Reserve--
16 some \$22.6 billion of those sterile reserves--to be used by
17 way of a credit mechanism to incentivize the development of
18 businesses and jobs in these areas of high unemployment.

19 The result of the equity investment program is a non-
20 bureaucratic private sector focused approach to economic
21 development and job creation in these low-income
22 communities.

23 Additionally, the legislation calls for a job support
24 demonstration program to be worked out at the State level,
25 it calls for increased funding and participation in the

1 jobs program that already exists, and also for the
2 development of individual development accounts so that
3 recipients can save money for education, for work-related
4 expenditures, or for housing.

5 The legislation also eliminates the current marriage
6 disincentives that currently exist in some States' welfare
7 programs. It does provide for State flexibility, again, as
8 I mentioned, the Jobs Program and child care programs are
9 consolidated into a child care block grant, and it
10 liberalizes the earned income disregards.

11 The legislation also--and I think this is an important
12 point that is somehow missed in some of the other
13 alternatives, or the Chairman's Mark, certainly--requires
14 both parents to take responsibility for their children.
15 Welfare reform should not be an assault on poor women and
16 their children; indeed, it takes two people to make a baby
17 and those two people should both take responsibility for
18 that child.

19 It establishes federal locator systems, a child support
20 order registry, it strengthens paternity establishment, it
21 calls for a child support assurance demonstration, it gives
22 access to parents for visitation, and it allows the States,
23 again, to set up demonstration programs for child support.

24 The legislation also addresses the issue of recidivism,
25 that is, people coming on and off of welfare. In the

1 previous testimony we heard how most people flow in and out
2 of these assistance programs.

3 In that regard, to reduce recidivism it allows States
4 to extend transitional child care and Medicaid, it
5 increases the child care funding for low-income families,
6 and it also allows for the non-custodial parent to use
7 State job funds. The funds are available to establish
8 programs for non-custodial parents who are under-employed
9 or who are unemployed.

10 Essentially, Mr. Chairman, this Economic Opportunity
11 and Family Responsibility Act, I believe, allows for the
12 kinds of reforms that we would like to see in the welfare
13 program as we know it, but, at the same time, reform does
14 not result in our turning our backs, as a national
15 community, on the children, and I ask for the support of
16 the committee.

17 The Chairman. Further discussion on the amendment of
18 Senator Moseley-Braun? Senator Rockefeller.

19 Senator Rockefeller. Mr. Chairman, I just have a
20 question of the Senator on the Federal Reserve aspect of
21 it. Why is it that she brings the Federal Reserve into
22 this?

23 The Chairman. I might say, that is a non-germane
24 portion of it.

25 Senator Rockefeller. Oh, I am sorry.

1 The Chairman. That is a Banking Committee matter and
2 it was non-germane. I am presuming that when these
3 amendments are now offered--and I can clarify it each time
4 if necessary--any of the things that are non-germane are
5 simply not part of the offering.

6 Further discussion?

7 [No response]

8 The Chairman. If not, the Clerk will call the roll.

9 The Clerk. Mr. Dole.

10 Senator Dole. No.

11 The Clerk. Mr. Roth.

12 The Chairman. No.

13 The Clerk. Mr. Chafee.

14 Senator Chafee. No.

15 The Clerk. Mr. Grassley.

16 Senator Grassley. No.

17 The Clerk. Mr. Hatch.

18 The Chairman. No.

19 The Clerk. Mr. Simpson.

20 Senator Simpson. No.

21 The Clerk. Mr. Pressler.

22 Senator Pressler. No.

23 The Clerk. Mr. D'Amato.

24 Senator D'Amato. No.

25 The Clerk. Mr. Murkowski.

1 The Chairman. No.
2 The Clerk. Mr. Nickles.
3 Senator Nickles. No.
4 The Clerk. Mr. Moynihan.
5 Senator Moynihan. Aye.
6 The Clerk. Mr. Baucus.
7 Senator Baucus. No.
8 The Clerk. Mr. Bradley.
9 Senator Moynihan. Aye, by proxy.
10 The Clerk. Mr. Pryor.
11 Senator Moynihan. Aye, by proxy.
12 The Clerk. Mr. Rockefeller.
13 Senator Rockefeller. Aye.
14 The Clerk. Mr. Breaux.
15 Senator Breaux. Aye.
16 The Clerk. Mr. Conrad.
17 Senator Conrad. No.
18 The Clerk. Mr. Graham.
19 Senator Graham. Aye.
20 The Clerk. Ms. Moseley-Braun.
21 Senator Moseley-Braun. Aye.
22 The Clerk. Mr. Chairman.
23 The Chairman. No.
24 The Clerk. The nays are 13, the yeas are seven.
25 The Chairman. The amendment is not adopted.

1 You have before you the modifications to the Chairman's
2 Mark.

3 Senator Moseley-Braun. I have two more amendments,
4 Mr. Chairman.

5 The Chairman. You have two more amendments?

6 Senator Moseley-Braun. Yes, sir.

7 The Chairman. Just a minute. What I did, first, was
8 to take the amendments that were basically major
9 substitutes, and then we are going to open it up. There
10 are lots more amendments. Other people have amendments.
11 But, as I understand your other two amendments, they are
12 not total substitutes, are they?

13 Senator Moseley-Braun. No, sir.

14 The Chairman. All right. Well, then we will get to
15 those.

16 Senator Moseley-Braun. All right.

17 The Chairman. You have the modification of the
18 Chairman's Mark before you. With that before you, the bill
19 is now open to other amendments. I will try to recognize
20 everybody, and if there are amendments on each side I will
21 go back and forth. But I will start with any amendments on
22 the Democratic side.

23 Senator Breaux. Mr. Chairman, I have an amendment
24 that deals with State maintenance of effort. I said
25 earlier that I did not think it was a Democratic or a

1 Republican amendment, I think it is a common sense
2 amendment.

3 The Chairman's Mark is deficient, in my opinion, not
4 because it grants flexibility to the States. I think most
5 everyone understands that if we are going to change the
6 status quo when it comes to welfare, that we are going to
7 have to allow States to experiment, to do different things
8 that are tailored to the people in their State; what is
9 good in Rhode Island may not work in California, and what
10 is good in Louisiana may not work in New York, or any of
11 our other States.

12 So the concept of allowing the States to have
13 flexibility to innovate and to create new ideas and new
14 ways of solving problems is a good idea. That idea is in
15 the Chairman's Mark.

16 But what is not there, and what I think makes it very
17 deficient, is that we, for the first time, are saying that
18 we are going to let the States do whatever they want, and
19 we are going to pay for it totally if the States do not
20 want to pick up a nickel.

21 That is wrong. That violates the longstanding
22 federal/State partnership in solving problems that we have
23 had for so long, whether it is the highway program where we
24 ask States to pay a little bit, or whether it is the water
25 resources projects where we require the States to

1 participate in a matching type of program, that is the
2 traditional between joint federal/State partnerships.

3 That has been the history of how we have tried to work
4 with welfare. Therefore, I would suggest that if we are
5 going to have the States be allowed to do more we should
6 not allow them to shirk any responsibility when it comes to
7 the question of helping to pay for these programs that they
8 are going to innovate.

9 The Chairman's Mark says, come up with whatever you
10 want to do, essentially, State, and we are going to pay for
11 it. Not only are we going to pay for it, you do not have
12 to maintain any effort whatsoever if you so decide. My
13 State of Louisiana could take the normal 28 percent
14 contribution that we put into welfare programs and say, we
15 are not going to put up any of it.

16 We are going to use it to give the State employees a
17 raise, or we are going to use it to build more bridges,
18 more roads, or maybe we will use it to build a monument to
19 the governor, but we are not going to use it for taking
20 care of the people of this State because, guess what,
21 Washington has gone haywire and they are going to pay for
22 it all.

23 The Chairman. I thought you already built the
24 monument to the governor.

25 Senator Breaux. This is a new governor.

1 The Chairman. All right.

2 [Laughter]

3 Senator Breaux. We have taken the position firmly
4 that all governors deserve a monument. While that may be
5 fine, it should not come out of the money being used to
6 feed children and to take care of teenage mothers. That is
7 why this approach is deficient.

8 It is not deficient because it gives flexibility to the
9 States; heaven help us, they should have it. But it is
10 extremely deficient by saying that the States do not have
11 to maintain any effort at all. I am talking about any
12 effort at all.

13 We are not talking about the States reducing their
14 contribution by one percent, they can reduce it by 100
15 percent under the Chairman's Mark if they so desire. And
16 I will assure you, if they have a chance to spend your
17 money as opposed to spending their money, they will not do
18 as well if it is not a partnership.

19 Therefore, my amendment simply says that, is this bill
20 says the Federal Government is going to maintain our effort
21 for the next five years, which it does, that a State should
22 also have to maintain their effort.

23 If the State does very well and reduces their welfare
24 population and the program is successful because they have
25 gotten people off of welfare and into work, they will need

1 less money, they will contribute less money. But should we
2 on the federal level not contribute less money if the
3 program is working? If they reduce the welfare load next
4 year by 10 percent and have to spend 10 percent less,
5 should we not have to spend 10 percent less? Of course.

6 But if they decide we are going to spend 10 percent
7 less because we want to build that monument, should we have
8 to continue to spend 100 percent? I would suggest, no.
9 The one way to require the States to be involved in this
10 process is to say to them that they have to be part of the
11 process, not only running the programs, but helping us pay
12 for the programs.

13 So my amendment says that they shall maintain their
14 effort. If they reduce their effort because they are
15 successful we will reduce, by a corresponding amount, our
16 effort. I think that that makes sense. It is a true
17 partnership. It is what we have always supported, and it
18 should be bipartisan.

19 Senator D'Amato. Mr. Chairman.

20 The Chairman. Further discussion? Senator D'Amato.

21 Senator D'Amato. I believe that runs right contrary
22 into the face of what we are attempting to do. I want to
23 give States the opportunity to do the kind of job to help
24 get people off the rolls and not penalize them for that.

25 Can you imagine, here is a State that comes up with

1 innovative programs, they are able to get people into
2 workfare, are able to reduce the rolls, and then you are
3 going to penalize them for it? That does not make sense.
4 That really flies in the face of what we should be about.
5 We really should be about giving people the opportunity to
6 be innovative, to be creative, to reduce the rolls, and let
7 them keep those dollars.

8 When we become so obsessed with the idea that somehow
9 they are going to build monuments, I do not know Democratic
10 governors or Republican governors today who are going to be
11 doing that. I think that would be ridiculous.

12 And to say that they do not have the interest of poor
13 people, of children, of families at heart, that somehow
14 they are going to take these dollars and divert them into
15 other areas when these areas are areas of great need, are
16 we saying they do not have compassion? Are we saying that
17 they lack the integrity or the ability to discern those
18 programs that are necessary, that should be strengthened?

19 I suggest maybe they will do a lot more and a lot
20 better. What we are attempting to do is to give States
21 that opportunity instead of coming here begging, waitings
22 for months and months, and years in some cases, to get the
23 ability to bring in innovative programs.

24 My State now is besieged with budget crises. We are
25 attempting to reduce cost factors. We think we can do it.

1 What do we have to do? We have to come here and wait for
2 many, many months to get a sign-off to get Big Brother
3 government to give us the ability to do what we should
4 have, inherently, the right to do, in attempting to make a
5 system that is absolutely broken down, ineffective,
6 inefficient, because we are being strangled by rules and
7 regulations from Washington.

8 What this does would be to give no incentive to be
9 innovative, to be creative, when I think we want to reward
10 people for being effective and for reducing the rolls and
11 putting people into the mainstream.

12 The Chairman. Further discussion?

13 Senator Rockefeller. Mr. Chairman.

14 The Chairman. Senator Rockefeller, and then Senator
15 Moseley-Braun.

16 Senator Rockefeller. Mr. Chairman, I think this is
17 one of the really crux and crucial amendments. I think it
18 has to happen; I hope it will. Let us say that Senator
19 D'Amato was governor of New York. Some might say that he
20 is governor of New York.

21 Senator D'Amato. You had better talk to George
22 Patacki about that, and Mrs. Patacki.

23 Senator Rockefeller. I doubt very much that he would
24 write checks from the State to county commissioners if this
25 were being played out in this fashion and say, here is \$35

1 million for whatever county in New York; do good things for
2 children. It does not work that way. It has got to be a
3 partnership.

4 People are very, very misled. I mean, again, those who
5 have not been governors do not see this. People who think
6 that States are in a position to avoid the bureaucracy that
7 the Federal Government has avoided, maybe there are some
8 around here that have, but there are a lot that have not.
9 I have talked many times with the social worker/
10 administrator people in our State, and they are so
11 overwhelmed by paper work.

12 Yes, part of it is from the Federal Government, which
13 they resent, which we need to work on, but a lot of it is
14 just simply insufficient people, underpaid people,
15 overwhelmed, short-staffed, unable to deal with their case
16 loads.

17 The State maintenance of effort is part of making sure
18 that they are on the job, that there are enough of them,
19 they are getting paid, and they are doing their
20 partnership. I strongly support the amendment.

21 The Chairman. Senator Moseley-Braun.

22 Senator Moseley-Braun. Thank you very much, Mr.
23 Chairman. I strongly support the amendment also, and I
24 would encourage my colleagues to recognize that the Breaux
25 amendment really is the only thing we have to stop the race

1 to the bottom.

2 It says to the States that, in spite of the fact that
3 the funding is cut, in spite of the changes you have, you
4 now have State flexibility, but you must at least continue
5 the level of effort that we are paying you for with regard
6 to this revised program.

7 I would point out that CBO pointed out, at least in an
8 article in The Wall Street Journal yesterday, that the
9 proposal's work requirements of the Chairman's Mark were so
10 stringent that most States could not meet them and, if they
11 did comply, they would have to spend their money on those
12 programs as opposed to direct assistance to poor children.
13 We know that the Chairman's Mark has a total reduced
14 spending of some \$32 billion over five years.

15 This maintenance of effort proposal would see to it
16 that the funds that were turned over to the State were not
17 used not only just for monuments, but were not used in a
18 way to give us a non-functioning program at the State
19 level, and would in some regard provide, again, a floor--a
20 floor, not a ceiling, Senator D'Amato, on what the States
21 can do; in fact, I think this suggests that the States will
22 continue to have flexibility in the development of their
23 programs--and stop the race to the bottom so that we would
24 maintain some semblance of support for poor children.

25 The Chairman. Senator Pressler.

1 Senator Pressler. Mr. Chairman, I will not take the
2 time of the committee, but I wish to place in the record
3 letters from my State in support of the concept and some
4 initiatives that the State of South Dakota wants to take if
5 they are allowed to do so. I have two or three letters
6 from the Department of Social Services and the Office of
7 the Governor in support of our position.

8 The Chairman. Without objection.

9 [The letters appear in the appendix.]

10 Senator Nickles. Mr. Chairman.

11 The Chairman. Senator Nickles.

12 Senator Nickles. Mr. Chairman, just a point of
13 clarification. I want to make sure that under your Mark,
14 or under your proposal, that a State is not eligible to
15 take money set aside for welfare and use that for
16 monuments, use it for roads, use it for education.

17 The Chairman. That is correct. I think what Senator
18 Breaux is saying is, if there is no maintenance of effort,
19 let us say we put up \$20 million and the State was putting
20 up \$20 million, you are saying they could use their \$20
21 million for the monuments and whatnot. They cannot use the
22 money that we give them, they have to use it for the
23 purposes stated in the bill.

24 Senator Nickles. Thank you.

25 Senator Dole. Mr. Chairman.

1 The Chairman. Senator Dole.

2 Senator Dole. Well, this does sunset in five years.
3 Plus, there are a lot of reporting requirements to find out
4 how the money is being spent that some of the governors do
5 not like, and to find out if people are being covered.
6 That is one of the problems we have in the President's
7 bill, is we do not have good data.

8 So there are precautions in, as you say, the race to
9 the bottom. If that happens, I assume we will be back here
10 in a year or two doing the opposite of what we are trying
11 to do today.

12 Senator Chafee. Mr. Chairman.

13 The Chairman. Senator Chafee.

14 Senator Chafee. I would like to echo that. We are
15 not involved in something that is written in stone here
16 that is going to last forever. This is something that we
17 are going to revisit. If it does not work out, we can be
18 back here again. There is no time limit on this.

19 Just as with Senator Moynihan's welfare bill, I think
20 it was in 1988 ----

21 Senator Moynihan. Yes.

22 Senator Chafee. [continued]. And here we are seven
23 years later, we could be back here two years from now if
24 what we are doing does not succeed.

25 But I think what we are trying to do, at least the

1 approach I believe is the right one here, is we are giving
2 a mammoth experimental effort on behalf of the States to
3 see if they can do a better job, or if the results are
4 better, than currently are being achieved. The trouble is,
5 the current system clearly is not working; we all
6 acknowledge that.

7 Senator Breaux. Would the Senator yield?

8 Senator Chafee. Yes.

9 Senator Breaux. It sounds like the Senator is denying
10 his product before it passes.

11 Senator Chafee. No, I am not. I am saying, those are
12 raising warning signs that this is not going to work, or
13 that is not going to work. All I am saying is, we can be
14 back here and try again. I think this is a worthwhile
15 bill, and I am supportive of it.

16 The Chairman. Senator Graham?

17 Senator Graham. There is a basic issue of federalism
18 that this amendment raises, and that is, where are we going
19 to require some State participation in order to be eligible
20 for federal funds, and where will we just send the check
21 without any commensurate requirement? It seems to me odd
22 that the effect of what we did yesterday with Medicaid is
23 going to be to require the States to pay a larger share of
24 Medicaid funds. We are going to be the committee that will
25 cement that, but there is no question that that is going to

1 be the consequence of a \$175 billion cut in Medicaid. So,
2 we are asking the States to pay more in Medicaid.

3 We are asking the States to pay more in highway funds
4 in order to draw down the federal share. We are going to
5 be asking the States to pay a larger share of sewer grants
6 as a result of an amendment that was defeated yesterday.

7 We are asking the States, in a whole array of hardware
8 areas, to pay a larger share in order to participate in
9 federal programs, and here, in a basic human program, we
10 are saying they do not have any requirement to participate.
11 That is a philosophy of government that I find hard to
12 rationalize.

13 The reality is, if you do not have this maintenance of
14 effort with the extreme diversity that we already see in
15 this program, which is going to be the subject of an
16 amendment that I will offer later, you will have even
17 greater disequalization in terms of the conditions of poor
18 people from State to State, and even greater incentives for
19 mobility from State to State, for exactly the wrong
20 reasons.

21 So, I think this is a fundamental issue. It is one
22 that we are going to face here and it is one that we are
23 going to face on a whole array of other issues, and I think
24 we ought to have some philosophic context in which we make
25 this judgment.

1 The Chairman. Senator Conrad.

2 Senator Conrad. Thank you, Mr. Chairman.

3 I would just say, without the Breaux amendment, my own
4 conclusion is that we transform a block grant to States
5 into a blank check to States. The words that were shared
6 with us by our colleague from North Carolina, Senator
7 Faircloth, still ring in my ears.

8 What are we doing to just send money out to the States
9 without having some requirement attached to it? If that is
10 going to be the case, let us just tell the States, if they
11 want to decide everything, let them raise the money, let
12 them impose the taxes.

13 I remember the LEAA program. I think a lot of people
14 in this room probably do. I was a State official at the
15 time. It was not pretty, because when the State gets a
16 blank check from the Federal Government it gets viewed in
17 a different way than money they have to go to their
18 taxpayers to raise. It is seen differently in some cases.
19 Not all. I mean, there are a lot of responsible people out
20 there in the States, but it is human nature, it is free
21 money, and it is treated differently than if you have got
22 to impose the taxes to raise the money.

23 So I really hope, before we are done, that something
24 along the lines of the Breaux amendment will be adopted.

25 The Chairman. Further discussion?

1 Senator Baucus. Mr. Chairman.

2 The Chairman. Senator Baucus.

3 Senator Baucus. Mr. Chairman, I think that Senator
4 Breaux, Senator Conrad, and others who have spoken in favor
5 of this amendment make a very good point, and I support it,
6 the basic point being that this partnership we are trying
7 to encourage here between the States and the Federal
8 Government is responsibility which, after all, is the
9 driving force of welfare reform and has encouraged more
10 individual responsibility. We are all in favor of that.

11 The thrust of the Breaux amendment is to encourage more
12 State responsibility, and I think he has put his finger
13 onto something that is very important here. Frankly, I see
14 this as perfectly consistent with, in fact, building upon
15 the basic contents and the provisions of the Chairman's
16 Mark.

17 I sense that not many on this side are going to support
18 this, but I do think that it does help provide a better
19 partnership than currently existed, encourages more
20 responsibility. The bill encourages more individual
21 responsibility, and I think the amendment encourages more
22 State responsibility, and I support it.

23 The Chairman. Further discussion?

24 [No response.]

25 The Chairman. If not, the clerk will call the roll.

1 Do you want a roll call vote on this, John?
2 Senator Breaux. Oh, why not?
3 The Chairman. Why not? Clerk, call the roll.
4 The Clerk. Mr. Dole.
5 Senator Dole. No.
6 The Clerk. Mr. Roth.
7 The Chairman. No.
8 The Clerk. Mr. Chafee.
9 Senator Chafee. No.
10 The Clerk. Mr. Grassley.
11 Senator Grassley. No.
12 The Clerk. Mr. Hatch.
13 The Chairman. No.
14 The Clerk. Mr. Simpson.
15 Senator Simpson. No.
16 The Clerk. Mr. Pressler.
17 Senator Pressler. No.
18 The Clerk. Mr. D'Amato.
19 Senator D'Amato. No.
20 The Clerk. Mr. Murkowski.
21 The Chairman. No.
22 The Clerk. Mr. Nickles.
23 Senator Nickles. No.
24 The Clerk. Mr. Moynihan.
25 Senator Moynihan. Aye.

1 The Clerk. Mr. Baucus.
2 Senator Baucus. Aye.
3 The Clerk. Mr. Bradley.
4 Senator Moynihan. Aye, by proxy.
5 The Clerk. Mr. Pryor.
6 Senator Moynihan. Aye, by proxy.
7 The Clerk. Mr. Rockefeller.
8 Senator Rockefeller. Aye.
9 The Clerk. Mr. Breaux.
10 Senator Breaux. Aye.
11 The Clerk. Mr. Conrad.
12 Senator Conrad. Aye.
13 The Clerk. Mr. Graham.
14 Senator Graham. Aye.
15 The Clerk. Ms. Moseley-Braun.
16 Senator Moseley-Braun. Aye.
17 The Clerk. Mr. Chairman.
18 The Chairman. No.
19 The Clerk. The nays are 11, the ayes nine.
20 The Chairman. The amendment fails.
21 The bill is open for further amendment.
22 Senator Grassley. Mr. Chairman.
23 The Chairman. Senator Grassley.
24 Senator Grassley. Yes. I would, first of all, thank
25 you for including an amendment on an issue that I raised

1 the other day on the cost neutrality under those States
2 that have waiver agreements. You accepted that, and I
3 thank you.

4 The second point I would make is in an area that is so
5 highly technical, Mr. Chairman, that I cannot offer an
6 amendment today, but I want to take just a little while to
7 explain a problem I have and reserve the right to offer
8 such an amendment on the floor. This is another issue that
9 I had previously brought up.

10 I am very concerned about proposed changes in the child
11 support distribution and funding. It appears that these
12 highly technical changes may be very costly to the States
13 and the Federal Government.

14 The child support distribution changes would cause a
15 decrease in the funds available to provide cash assistance
16 to needy families. This decrease is above and beyond the
17 limits of funding agreed to in the block grant concept.
18 Under current law, States are able to recover up to the
19 full amount of cash assistance which has been invested in
20 families.

21 The Chairman's proposal would greatly decrease this
22 amount. This would make it more difficult for taxpayers
23 to maintain their current level of investment in helping
24 needy families with children. My State of Iowa would lose
25 \$11 million, or 32 percent, of its child support recovery;

1 I am told that Wisconsin would lose \$60 million. If Iowa's
2 experience held true for the Nation as a whole, the total
3 decrease to the federal and State governments is estimated
4 to be more than five- and six-tenths billion over seven
5 years.

6 The proposal also changes the way that the Federal
7 Government pays incentives to the States for doing a good
8 job with child support enforcement. The changes remove the
9 current flexibility that States have in using the incentive
10 funds to pay for innovations which improve the programs.

11 The changes require careful study, I am willing to
12 admit, to see that we are getting the results that we want
13 with the child support program, and I think that these can
14 be corrected. I hope that there is no philosophical
15 objection to correcting them. I hoped that they would be
16 technical and not fully understood when the Mark was put
17 together, and that we could work something out.

18 The Chairman. I appreciate that.

19 Senator Dole?

20 Senator Dole. Mr. Chairman, I just want to ask a
21 question for the record. I think it is something that
22 maybe has not been discussed, which is whether or not the
23 committee might be willing to increase their allocation in
24 Puerto Rico. They have been flat since 1988, as the former
25 Chairman knows. We did increase their Medicaid in 1993.

1 It would seem to me that there ought to be some adjustment
2 upward.

3 The Chairman. I think it would be fair to consider
4 that, and will try to do so.

5 Senator Moynihan. Mr. Chairman, I very much
6 appreciate that, and thank Senator Dole.

7 Senator Graham. Mr. Chairman.

8 The Chairman. Senator Graham.

9 Senator Graham. Mr. Chairman, the amendment that I
10 would like to offer goes directly to that question and
11 would have the effect of benefitting Puerto Rico and other
12 States commensurate with the number of their poor children.

13 One of the theories under which we are operating is
14 that we are going to change welfare as we have known it.
15 Yet we are continuing in this bill one of the most
16 discriminatory aspects of welfare as we have known it, and
17 that is the fact that there are such extreme differences in
18 the amount of funds available from State to State for poor
19 children.

20 I commented a couple of days ago that, here in the
21 District of Columbia, a poor child receives three times as
22 much federal money per year--three times--as does the same
23 poor child a few hundred yards across the Potomac in
24 Virginia. That is an irrational difference.

25 How did we arrive at that difference? We arrived at it

1 because the basic distribution today is set by States
2 determining how much they wish to set as their benefit
3 standards, and then the Federal Government, using the
4 Medicaid formula, matches an appropriate amount of federal
5 funds, and no State receiving less than 50 percent.

6 So a wealthy State that can set a high benefit standard
7 can qualify for a substantial amount of funds, and a less
8 wealthy State or a State that has large numbers of poor
9 children will have a lower standard and, therefore, less
10 federal funds.

11 To me, what we are trying to do is to end welfare as we
12 have known it, and those extreme differentials, and the
13 most direct way to do so would be to say that we will put
14 the federal funds that we have available into a national
15 pool and distribute those funds where the poor children of
16 America happen to be.

17 That would then take care of a Puerto Rico situation,
18 if they have a higher proportion of poor children than they
19 have had in the past. It would take care of growth States
20 which were adding poor children because their population
21 was growing.

22 It would not penalize States whose populations were
23 declining in a discriminatory way, but they would be
24 receiving less money because they would have less children
25 to provide support to.

1 The Chairman. Let me ask, if I could. Is this a
2 reallocation formula within the amount of money we have
3 and, therefore, some States will lose some money and some
4 States will gain some money as we re-estimate the
5 populations?

6 Senator Graham. It establishes, if this is going to
7 be a totally federal program--and the defeat of the Breaux
8 amendment established it is going to be a totally federal
9 program--that we ought to, as a national policy, distribute
10 money where poor children are and that poor children in
11 Virginia are not worth one-third of poor children in the
12 District of Columbia.

13 Senator Dole. Would the Senator yield?

14 The Chairman. Senator Dole, and then Senator Moseley-
15 Braun.

16 Senator Dole. I just wanted to ask a question. I
17 mean, a lot of us are not familiar with it. Is it
18 necessary to offer it here, or could you offer it on the
19 floor, to give us an opportunity to take a look at it so we
20 do not have to judge it right now?

21 Senator Graham. Well, the amendment I have is stated
22 in policy terms and it is Graham Amendment Number 1 in the
23 package of amendments that have been distributed, and it
24 just states that "For purposes of subsection A, which is
25 the Aid to Families with Dependent Children, a State family

1 assistant grant for any State for a fiscal year is an
2 amount determined by the Secretary to be the State's
3 proportionate share of funds based on the number of
4 children in poverty in the State as a percentage of the
5 total number of children in poverty among all the States.
6 This proportion shall be adjusted annually to reflect
7 changes in the number of children in poverty in each
8 State." That is the principal that this amendment would
9 address.

10 The Chairman. Senator Moseley-Braun.

11 Senator Moseley-Braun. Thank you, Mr. Chairman. I
12 strongly support Senator Graham's effort, and I frankly
13 want to co-sponsor it with him because, particularly in
14 light of the fact that the Chairman's Mark eliminates
15 maintenance of effort.

16 We did not pass the maintenance of effort amendment
17 that Senator Breaux had, therefore, under this Mark,
18 benefits to poor children could be theoretically comprised
19 solely of federal funds.

20 Unlike the present system where the discrepancies, in
21 large part, depend on how much the State decides to
22 provide, under the Chairman's Mark the State could provide
23 nothing and it would be purely federal funds.

24 If that is the case, then children's welfare should not
25 depend on the circumstance of geography. If this is the

1 case, then I believe that spending the federal dollars
2 based on the location of poor children is a more equitable
3 formula and that is essentially what this amendment will
4 do.

5 I would encourage support of the members, because this
6 proposal, I think, gets away from the problem that Senator
7 Graham raised that we all know exists in terms of the
8 difference of the State. It would, at least, moderate the
9 effects of not having a maintenance ----

10 The Chairman. I might say, I understand the
11 frustration, although I think it is probably true of all
12 distribution formulas that we freeze in law, I would have
13 to ask for a vote against this at the moment.

14 I am willing to consider it on the floor, but if we are
15 going to use the same amount of money we have and come into
16 a reallocation formula, I would like to have some idea of
17 how it affects everybody on this committee, and everybody
18 in the Congress, and I just do not know right now.

19 Senator Moynihan?

20 Senator Moynihan. Mr. Chairman, I would simply make
21 the point that we are dealing here with the subject of
22 dependent children. That is a different thing altogether
23 from children below certain income levels, or above certain
24 income levels, and to transform this program from one that
25 began as aid to dependent children into simply a per capita

1 grant would be a transformation, indeed.

2 I have a table with the estimated effects that has been
3 produced by HHS which I would like to put in the record at
4 this point, without pressing the details.

5 The Chairman. Without objection.

6 [The table appears in the appendix.]

7 The Chairman. Senator Rockefeller.

8 Senator Rockefeller. Mr. Chairman, I strongly support
9 the amendment. To follow on what Senator Graham said, and
10 this goes again, I guess, to the philosophical difference
11 between the two parties, States can decide, and only States
12 can decide, what the eligibility level will be for AFDC.
13 That is something that only a governor can do. A President
14 cannot do that, the Finance Committee cannot do that, only
15 a governor can do that.

16 States have shown, in fact, their willingness to
17 neglect children, either by lack of resources or by the
18 choice to spend those resources on things which they
19 consider more important. About five years ago, during
20 something called the National Commission on Children, we
21 looked at the State of Alabama, which I have referred to in
22 this committee before. To qualify for AFDC in Alabama, you
23 had to be at 17 percent of the national poverty level.
24 Now, the national poverty level for a family of four is
25 approximately \$13,800, \$13,900. So, 17 percent of that,

1 let us say, would be less than \$2,000.

2 So what Alabama is saying--and I hope that my
3 Republican colleagues are hearing this--is that you have
4 got to make less than \$2,000 before we will consider you to
5 be eligible for AFDC, and hence, the tremendous power of
6 the States to deny children coverage and the States'
7 willingness, and demonstrated willingness to so do.

8 I looked up the figures a couple of days ago on Alabama
9 because I was just sure that they had reconstructed their
10 views, and, in fact, 17 percent had dropped to 16 percent.
11 So I think that the points that the Senator from Florida
12 makes are very valid and should be supported.

13 The Chairman. Further discussion?

14 Senator D'Amato. Mr. Chairman.

15 The Chairman. Senator D'Amato.

16 Senator D'Amato. Mr. Chairman, let us get right down
17 to what the practical impact of this would be. Those
18 States that have been making a substantial effort as it
19 relates to dealing with the children that I hear so many of
20 my colleagues talking about, States that have been putting
21 up their money to have a real maintenance of effort, they
22 would be savaged.

23 So you would be penalizing them, you would be giving
24 them far less. They would actually be penalized as a
25 result of what they are doing. If you take a look at the

1 numbers--and I am not going to go into them--you would be
2 rewarding them, in essence.

3 And we talk about maintenance of effort and being
4 cooperative, you have got to start on some basis. We say,
5 take an historical basis upon which people have been doing
6 so that those who have not been do not get a pot of gold,
7 and those who have been find themselves cut dramatically.
8 So I just ----

9 Senator Breaux. Would the Senator yield for a
10 question?

11 Senator D'Amato. Well, I mean, I did not interrupt.

12 Senator Breaux. I was just asking to yield for a
13 question.

14 Senator D'Amato. Well, I want to finish.

15 Senator Breaux. After he finishes, would he yield for
16 a question?

17 Senator D'Amato. I will yield for a question.

18 The fact of the matter is, I hear people on one side
19 talking about, let us take care of the poor children. We
20 had better take a look and see what this proposal will do
21 in many States and disadvantage those poor children who are
22 getting desperately the kind of help that they need, and in
23 some cases our States are not able to give them even more.
24 I did not think we were going to be going around trying to
25 change formulas and figures.

1 If we are going to say that we are going to give the
2 opportunity to States to manage the resources that we have
3 made available to take care of poor families because we can
4 do it better, and on the other hand now we are going to say
5 that those States that have not been making a real effort,
6 we are going to give them a bonanza to do it, I just find
7 an inconsistency.

8 Senator Breaux. Would the Senator yield?

9 Senator D'Amato. Certainly.

10 Senator Breaux. I was just confused. I was
11 wondering, because the Senator, I think, properly praised
12 the State maintenance of effort, that this committee bill
13 has no maintenance of effort at all?

14 Senator D'Amato. If a State is able, as a result of
15 giving it flexibility to reduce the cost of a particular
16 program, why then they should be encouraged to use those
17 resources?

18 Let us take an area that no one has talked about; very
19 easy. I heard one of my colleagues talking about the paper
20 work, and the fact that they are burdened. If a State
21 begins to make an investment in computerizing and
22 technology, et cetera, so that it is able to reduce the
23 number of workers in a particular area from 1,000 to 200,
24 thereby saving X dollars, should that State not then decide
25 how to reallocate those dollars? Should they not begin to

1 say, well, now we can use more of those funds to help the
2 handicapped, we can use more of those funds to help teenage
3 mothers who are pregnant?

4 Why should we assume that they are going to take those
5 savings, if they are innovative, if they are creative, if
6 they have had a certain maintenance of effort up till now,
7 that they are now going to take those funds and put them
8 into some terrible program? I mean, let us understand,
9 this system that we have today is broken down. It is
10 horrible. People admit it.

11 The welfare system has to be revamped. And I have seen
12 Democratic governors, Republican governors, saying, give us
13 that opportunity, give us that flexibility; where do we
14 start? If we say a State has been getting X millions of
15 dollars essentially for these programs, you say it can do
16 it better, you say you can afford savings, you say you can
17 be more efficient in helping people. Then let us give them
18 those dollars. That is where we are starting off from.
19 But this amendment would play mischief with that.

20 The Chairman. Further discussion?

21 Senator Graham. Yes, I might.

22 The Chairman. Senator Graham. It is his amendment.

23 Senator Graham. When Senator Moseley-Braun and
24 whoever else would like to speak has finished, I would like
25 to close.

1 The Chairman. All right. Senator Moseley-Braun.

2 Senator Moseley-Braun. Yes. On the contrary, to the
3 Senator from New York, the fact is, by building on what is
4 part of the broken system we just perpetuate the
5 inequities. The formula that is used now is a State-based
6 formula. In the absence of maintenance of effort we are
7 saying, let us use a child-based formula. That will allow
8 for the dollars to follow the need.

9 Indeed, in the Senator's own State of New York, you
10 have 1,148,536 children estimated as poor. That is based
11 on the chart that I am sure Senator Moynihan has and that
12 I hope is part of the record.

13 The question is, are we going to provide the federal
14 support for those million children or are we going to go
15 based on a formula that, quite frankly, does not, in my
16 opinion, address their needs very directly at all.

17 Admittedly, New York has done very well by its poor
18 children up to now, and I think your State is to be
19 complimented for its innovation and for its help. This
20 will not get in the way of this, it will simply say that
21 the amount of support from the Federal Government will
22 follow the child.

23 I think that if you take a look at the numbers, I think
24 everybody will be able to conclude that it works to the
25 benefit of their State, but, more importantly, to the

1 benefit of the children who are poor who live there.

2 The Chairman. Senator Graham.

3 Senator Graham. Mr. Chairman, if that is the closing
4 over there, I am learning fast.

5 The Chairman. Senator Simpson before that.

6 Senator Graham. Then I want to say something.

7 The Chairman. Senator Simpson and Senator Moynihan,
8 both, and Senator Graham last.

9 Senator Simpson. Yes. Well, I followed that argument
10 there about that closing.

11 [Laughter]

12 Senator Simpson. Anyway, I just cannot help but
13 comment because this is my first extensive mark-up on this
14 committee. I have never been part in the past, back
15 through the days of Russell Long as Chairman, and Bob Dole
16 as Chairman, and Pat Moynihan, and Bob Packwood, so I do
17 not have the institutional memory.

18 But, in following it from other vantage points of 16
19 years here, I have always thought that this committee did
20 some very fine bipartisan work, except for a time or two
21 when the Chairmen on both parties just finally hammered
22 stuff through. That happened. It happened under both
23 Democrat and Republican Chairs.

24 So it would not be the first time where we have all
25 lined up and done amendments. I always thought in other

1 committees I had amendments that were as pure and white as
2 fresh powdered snow, and they were voted down in a genial,
3 and sometimes less than generous way.

4 Sometimes it must be done and sometimes you go to the
5 floor and do it there, which is another option. I just
6 cannot get this through my crew, this prevalence that
7 somehow the State legislators care less about children than
8 we do.

9 No wonder we are where we are. There are a lot of us
10 in this room who have been State legislators. I have, Bob,
11 Kent, maybe, Bob Graham, Carol. We have all been in the
12 State legislature. Well, what do you think we do in the
13 State legislature? We respond to the people of the State.

14 The reason things have gone awry is because they come
15 out here 1,500 miles away to see us when they could go
16 three blocks and talk to somebody and say, Jane, or Fred,
17 I have known you for 20 years; something has gone wrong
18 with child support in this State and we need to correct it.
19 I think there is an insipid paternalism which is really
20 quite disturbing.

21 And to think, I guess, that somehow States care less
22 about the poor, or children, or seniors, and if you really
23 want to go save a few bucks for the kids, there is a
24 wonderful opportunity for you, you get aboard on the Carey-
25 Simpson proposal to do something with Social Security, and

1 then you will have all ----

2 The Chairman. Al, I do not want to interrupt you
3 here.

4 [Laughter]

5 Senator Simpson. [continued]. You will have all the
6 bucks you can choke down.

7 The Chairman. We are talking about Senator Graham's
8 redistribution formula.

9 Senator Moseley-Braun. Will the Senator yield?

10 The Chairman. Senator Moynihan.

11 Senator Moynihan. Briefly, Mr. Chairman, to repeat,
12 this transforms a program for dependent children to a per
13 capita grant based on population. It has nothing to do
14 with dependency. I do not want to be crass, although am
15 perfectly capable of being crass. It would increase the
16 provision for Mississippi by 248 percent and cut that for
17 New York State by 46 percent, and it is not going to
18 happen.

19 [Laughter]

20 The Chairman. Senator Moseley-Braun, and then we will
21 close with Senator Graham.

22 Senator Moseley-Braun. Thank you.

23 In response to Senator Simpson, in these United States
24 geography should not have to mean destiny for poor
25 children. That is all that this amendment says, that a

1 poor child, wherever that child lives, that there is at
2 least a bottom level, a floor, under which we will not
3 allow that child to fall.

4 That is the effect of Senator Graham's amendment, and
5 I would encourage the members to support it without regard
6 to the existing formula of the broken system that Senator
7 D'Amato, and I think everybody on this committee, wants to
8 fix.

9 The Chairman. Senator Graham.

10 Senator Simpson. Mr. Chairman, may I just add one
11 note? I think it is true that my remarks were a little bit
12 out of context, but it certainly felt good getting them off
13 my chest.

14 [Laughter]

15 The Chairman. Senator Graham.

16 Senator Graham. Thank you, Mr. Chairman. Mr.
17 Chairman, we start with the cry of this legislation, which
18 is to end welfare as we have known it. One of the aspects
19 of welfare as we have known it are these tremendous
20 differentials from State to State, and those differentials
21 have real consequences.

22 It is not by happenstance that, for instance, the
23 States that have the highest level of infant mortality also
24 tend to be the States that have the lowest level of support
25 to poor children because the mothers of poor children have

1 had less access to the kinds of support that are necessary
2 in order to assure that a healthy, full-term baby is born.

3 The children have less access to those things that help
4 assure that a child is ready to learn when they arrive at
5 kindergarten and the first grade. So, we are talking about
6 issues here that are at the core of what we do not like
7 about the current system, one of those being the wide
8 differentials in consequences for children from State to
9 State.

10 We have made the decision that we are de-linking the
11 availability of federal funds from local effort, but that
12 we are going to make this a national program. Thus, the
13 logical extension of that is that all poor children ought
14 to be treated as of equal value wherever they happen to
15 reside in the United States. That is not the case today.
16 We have tremendous differentials.

17 These differentials, in large part, are a function of
18 the relative poverty of States. States like Mississippi do
19 not have the resources to be as forthcoming as other
20 States, and that has contributed to the fact that they have
21 consistently had these low levels of support for poor
22 children. Now, that we are no longer asking the State of
23 Mississippi to make a contribution, should we continue to
24 say that their children are less valuable, that they are
25 less of a national treasure than children from more

1 affluent States?

2 Of course we want all States to do these innovative,
3 creative things to help people move from dependence to
4 independence, but is it realistic to say that a State which
5 is getting four or five times less than another State in
6 federal funds for poor children is going to have the same
7 range of options available to it to be creative?

8 We are imposing major new requirements on the States in
9 terms of preparing people to move from dependence to the
10 independence of work. We ought to be providing an
11 equivalent opportunity for States financially with equal
12 resources to be as creative.

13 So, Mr. Chairman, I think this is a fundamental
14 amendment which goes, and is compatible with, the core
15 philosophy of this legislation. I urge its adoption.

16 The Chairman. The Clerk will call the roll, please.

17 The Clerk. Mr. Dole.

18 Senator Dole. No.

19 The Clerk. Mr. Roth.

20 The Chairman. No.

21 The Clerk. Mr. Chafee.

22 Senator Chafee. No.

23 The Clerk. Mr. Grassley.

24 Senator Grassley. No.

25 The Clerk. Mr. Hatch.

1 The Chairman. No.
2 The Clerk. Mr. Simpson.
3 Senator Simpson. No.
4 The Clerk. Mr. Pressler.
5 The Chairman. No.
6 The Clerk. Mr. D'Amato.
7 Senator D'Amato. No.
8 The Clerk. Mr. Murkowski.
9 The Chairman. No.
10 The Clerk. Mr. Nickles.
11 Senator Nickles. Aye.
12 The Clerk. Mr. Moynihan.
13 Senator Moynihan. No.
14 The Clerk. Mr. Baucus.
15 Senator Baucus. Aye.
16 The Clerk. Mr. Bradley.
17 Senator Moynihan. No, by proxy.
18 The Clerk. Mr. Pryor.
19 Senator Moynihan. Yes, by proxy.
20 The Clerk. Mr. Rockefeller.
21 Senator Rockefeller. Aye.
22 The Clerk. Mr. Breaux.
23 Senator Breaux. Aye.
24 The Clerk. Mr. Conrad.
25 Senator Conrad. Aye.

1 The Clerk. Mr. Graham.

2 Senator Graham. Aye.

3 The Clerk. Ms. Moseley-Braun.

4 Senator Moseley-Braun. Aye.

5 The Clerk. Mr. Chairman.

6 The Chairman. No.

7 The Clerk. The nays are 12, the ayes are eight.

8 The Chairman. The amendment fails.

9 Further amendments? Senator D'Amato.

10 Senator D'Amato. Mr. Chairman, I have an amendment
11 that is basically in the nature of a clarification
12 amendment and it deals with the use of the revolving loan
13 fund that has been set up, the \$1.7 billion, known as
14 Supplemental Assistance for Needy Families.

15 This amendment clarifies that a State may use loan
16 funds for welfare anti-fraud activities, such as electronic
17 finger imaging of welfare beneficiaries and computerized
18 data record matching.

19 These kinds of measures have been used effectively in
20 some States to prevent multiple case enrollments. It is
21 estimated in New York that we could save something in the
22 area of \$46 million a year with the adoption of the finger
23 imaging system.

24 So, I would hope that we could adopt this so that there
25 is no question if a State attempts to use these monies for

1 this purpose.

2 The Chairman. Discussion on the amendment?

3 [No response.]

4 The Chairman. If not, all those in favor say aye.

5 [A chorus of ayes.]

6 The Chairman. Opposed, no.

7 [A chorus of nays.]

8 The Chairman. The amendment is adopted.

9 Senator Conrad?

10 Senator Conrad. Mr. Chairman, I would like to offer
11 my amendment on SSI at this point, if that would be
12 appropriate.

13 The Chairman. That is in order.

14 Senator Conrad. Mr. Chairman, I am offering my
15 Children's SSI Eligibility Reform Act, which I introduced
16 earlier with Senators Chafee, Jeffords, Bradley, and
17 Rockefeller. The Conrad-Chafee bill is an attempt to
18 repair the defects of the SSI program without working harm
19 on deserving children with severe disabilities.

20 The proposal clarifies the purpose of the program which
21 critics have argued was never sufficiently defined, and it
22 modifies SSI medical listings and Individual Functional
23 Assessment to ensure that only children with severe
24 disabilities are drawing SSI benefits.

25 Unlike the Chairman's Mark, it includes anti-fraud

1 measures such as enhanced civil penalties for those who
2 coach children to feign a disability, or advise a parent to
3 conduct such coaching. It also funds additional continuing
4 disability reviews and, like the Chairman's Mark, it better
5 targets those reviews to children whose condition is
6 expected to improve.

7 Unlike the Chairman's Mark, it promotes the future
8 independence of children with disabilities by allowing
9 families to retain lump sum payments in a dedicated savings
10 account to be used specifically for items related to the
11 child's disability.

12 Again, unlike the Chairman's Mark, it promotes the use
13 of standardized testing so that there need be less reliance
14 on anecdotal evidence in assessing the disabilities of
15 children. It also requires families to demonstrate that
16 they are seeking appropriate treatment for their children.

17 Unlike the Chairman's Mark, it reduces the amount of
18 SSI benefits that are paid to families with more than one
19 child who receive SSI.

20 On Wednesday, Senator Nickles of Oklahoma distributed
21 a Baltimore Sun article about a family in Louisiana that
22 had 11 children all receiving the maximum SSI benefit.
23 That would not be possible under my proposal.

24 Mr. Chairman, the most significant difference between
25 what we have offered and the Chairman's Mark, is where we

1 draw the line on children with severe functional
2 impairments.

3 I think it is safe to say that neither the Chairman,
4 nor I, nor anyone in this room, can say with any degree of
5 certainty what the correct standard should be. There is
6 much we do not know about this subject. That is why the
7 Chairman has included a study provision in this bill, which
8 I strongly support.

9 But I believe it is inappropriate to leave functionally
10 disabled children out in the cold. That is not to say that
11 the current functional system is now flawed; I believe it
12 is flawed. That is why our proposal eliminates the so
13 called three moderate standards currently used and requires
14 that any child deemed eligible for SSI have a marked
15 impairment.

16 Mr. Chairman, this is a bill that has gone through a
17 great deal of scrutiny. I would draw my colleagues'
18 attention to a letter that we have received from the
19 Bazelon Center of Mental Health Law, the National Mental
20 Health Association, and Martha Ford of the ARC, indicating
21 the support of more than 40 national organizations for this
22 legislation. I hope my colleagues will give it serious
23 attention.

24 The Chairman. Senator Dole.

25 Senator Dole. Well, I want to thank Senator Conrad.

1 I think this is a program that obviously needs to be
2 changed. We had a 300 percent growth in the program over
3 a five-year period. But I would like to know the
4 difference between Senator Conrad's proposal and the
5 proposal in the Chairman's Mark, and I wonder if Dr. Vichon
6 might comment on that.

7 The Chairman. Doctor?

8 Dr. Vichon. Thank you, Senator Dole. A couple of
9 points. The Chairman's Mark is silent on the purposes of
10 the children's SSI program. Senator Conrad provides three
11 talking points, or three purposes. The reason why the
12 Chairman's Mark is silent is that the committee has not
13 really had an opportunity to look in detail at what the
14 purposes of the program are.

15 Senator Conrad's bill would imply that this becomes a
16 general welfare program by allowing them to pay for the
17 basic necessities of children. Going on to the eligibility
18 standards, the Chairman's Mark detaches the definition of
19 childhood disability from the definition of adult work
20 disability in the current statute.

21 This has been a longstanding drafting problem; the
22 Chairman's Mark corrects it for the first time. Senator
23 Conrad's bill would continue to link childhood definition
24 to adult work disability. Now, we do not expect, in our
25 society, children to work. We do not think of a child's

1 inability to work as a disability.

2 Senator Nickles. Could I interrupt you? Is that the
3 court decision right now?

4 Dr. Vichon. Excuse me, sir?

5 The Chairman. The Zebly decision.

6 Dr. Vichon. The Zebly decision, in fact, was based
7 upon the fact that they were trying to interpret what
8 Congress meant.

9 The Chairman. What I think they did, and correct me
10 if I am wrong, Doctor, is we had these three standards for
11 adults and we said nothing about children. There was not
12 much argument about the first two standards. We said
13 nothing about children, and they interpreted the third
14 additional adult standard as applying to children because
15 we had said nothing.

16 I do not think that is what we intended, and the court
17 made it very clear that if we wanted to change it we could.
18 They were not being harsh with us, they just said, they
19 presumed we intended to apply that also. I do not think we
20 did.

21 Senator Nickles. So you clarified that in Senator
22 Packwood's proposal. What did Senator Conrad's proposal do
23 on this?

24 Dr. Vichon. Senator Conrad maintains the status quo,
25 sir.

1 Senator Nickles. The status quo as of the court
2 decision?

3 Dr. Vichon. Yes, sir.

4 Senator Nickles. So the children would have to meet
5 the adult standards.

6 Senator Conrad. Whoa, whoa. Wait. No, no. That is
7 not an accurate description of what my legislation does.
8 I mean, to relate this to the status quo is just
9 fallacious. The only way you can say this relates to the
10 status quo is that we maintain an Individualized Functional
11 Assessment. That is precisely what the Slattery Commission
12 is recommending, and what the National Academy of Social
13 Insurance is recommending. But we alter that Functional
14 Assessment to try to address the problems that have been
15 identified. It is certainly not the status quo.

16 Senator Chafee. Mr. Chairman.

17 The Chairman. Senator Chafee.

18 Senator Chafee. I do not want to interrupt. Are you
19 through, Doctor?

20 Dr. Vichon. Maybe I can clarify that distinction. It
21 is true that Senator Conrad does make some changes in the
22 definition, but that definition is still the one that was
23 the Zebly decision was decided on the basis of. He then
24 goes on to make some eligibility changes that, in fact, are
25 somewhat tighter than the current regulatory determination

1 procedures. So, in that sense, Senator Conrad's bill, in
2 fact, is somewhat tighter on eligibility than the current
3 situation.

4 Senator Chafee. Mr. Chairman.

5 The Chairman. Senator Chafee.

6 Senator Chafee. Mr. Chairman, first of all, your Mark
7 here is a vast improvement over the House bill, and I want
8 to thank you for that. Here we retain the cash assistance,
9 which is not in the House bill, and your bill does not
10 impose such a severe test as exists in the House bill for
11 disability.

12 My concern is, as has been mentioned by Senator Conrad,
13 that you abolish the Individual Functional Assessment,
14 which was, I believe, a critical point in the so called
15 Zebly decision. I recognize there are problems with the
16 Individual Functional Assessment and I think that Senator
17 Conrad has addressed those in the amendment that he has
18 submitted.

19 So I think that the Conrad proposal is a common sense
20 proposal. This is a group, like many of us, I have worked
21 together with for a considerable time. It all gets down to
22 the eligibility. That is what we are dealing with here,
23 who is eligible?

24 Mr. Chairman, you have gone a long way and, again, I
25 want to thank you for that. But I think we should retain

1 some vestige of the individual functional assessment which
2 is ruled out under the Mark you have sent us.

3 The Chairman. Senator Breaux.

4 Senator Breaux. I would like to ask a question.
5 Perhaps the staff can give me a response on this. I would
6 suggest that the question is more than just, who is deemed
7 to be eligible for a medical disability if they are
8 children. That is a very important question. I think all
9 of the members try to address that.

10 But a second defect in the article and the case we have
11 heard about a couple of days ago is, there is no
12 requirement that the money that is given to the family for
13 disabled children with medical disabilities be used in
14 treating the child.

15 I mean, you could use it to buy groceries, you could
16 use it to pay rent, you could use it to do whatever you
17 want to do. There are no restrictions on how the money was
18 used after the child was determined to be medically
19 disabled.

20 So, in any of the amendments is there any requirement
21 that, once that determination is made, that any of the
22 money be used to treat the child?

23 Dr. Vichon. Actually, in the Moynihan package there
24 was. The Chairman's Mark is silent, sir, because we could
25 not ---

1 Senator Moynihan. It was in the first bill offered.

2 Senator Breaux. How about the Chairman's Mark?

3 Dr. Vichon. The Chairman's Mark is silent, sir,
4 because we could not find a system to do that at this time.
5 We are still looking at that question.

6 Senator Breaux. How about just a statement that the
7 money should be used to treat the child? I mean, is that
8 possible?

9 Ms. Malone. The provision that was in Senator
10 Moynihan's bill required that a parent develop, or have
11 developed by a physician, a treatment plan for a child
12 within three months of eligibility and then they would be
13 required to show that they had followed that treatment
14 plan.

15 Senator Breaux. And I take it that is also in Senator
16 Conrad's suggestion?

17 Ms. Malone. Not to my knowledge.

18 Senator Breaux. Not to your knowledge.

19 Let me just finish. I am not trying to be
20 argumentative, but I think it is very important that we
21 decide who is disabled. But the second step we should take
22 is assuring that the money we give for the disabled child,
23 in fact, is used for the child. That is not too much to
24 ask.

25 The Chairman. Further discussion? Senator Conrad.

1 Senator Conrad. Let me just say, we do not have the
2 same treatment provision that is in Senator Moynihan's
3 bill, but we do have a treatment requirement. It is not
4 tied to the money in the same way Senator Moynihan's is,
5 but we have a treatment requirement.

6 One other thing that I think should be said is, we
7 have, in the Conrad-Chafee bill, gone through all of the
8 criticisms of the current SSI program and have tried to
9 address each and every one of them. We have done it in
10 broad consultation with the groups that have some
11 expertise.

12 I would just point out to my colleagues, this has been
13 endorsed by the American Association on Mental Retardation,
14 the American Association for Partial Hospitalization, the
15 American Academy of Child and Adolescent Psychiatry, the
16 American Family Foundation, and 35 other groups who have
17 some expertise in this area and who say this is the right
18 approach to reform this program.

19 Senator Dole. I wonder if we might accept a
20 modification to the Chairman's Mark, the Moynihan provision
21 on required treatment plans.

22 The Chairman. Tell me the effect and the cost, if you
23 can, Dr. Vichon.

24 Ms. Malone. Mr. Chairman, there would be no cost to
25 that. That is simply a requirement on the parent to follow

1 the treatment plan.

2 The Chairman. All right.

3 Senator Chafee. That is the point raised by Senator
4 Breaux.

5 The Chairman. Any objection to accepting Senator
6 Moynihan's amendment and adding it?

7 [No response.]

8 The Chairman. Further discussion?

9 Senator Simpson. Mr. Chairman.

10 The Chairman. Senator Simpson.

11 Senator Simpson. I was privileged to Chair one of
12 these hearings on this issue which was very fascinating to
13 me, and I think Senator Conrad is on the right track and I
14 would like to help work with that in the future because I
15 think it seems to me you have eliminate the phrase
16 "persistent maladaptive behavior," which was really an
17 extraordinary adventure in itself, and you have raised the
18 severity of disability required for eligibility.

19 I hear Senator Chafee speak, because he has retained
20 the child protection standards as an entitlement, and I,
21 too, feel that that was important. That has been done in
22 the Chairman's Mark.

23 I will regretfully vote against this, but I will be
24 very pleased to work with you. I think this Mark has come
25 a long way with eligibility. Multiple conditions are

1 addressed, diagnosis alone does not assure that the child
2 has a substantial disability. The spectrum varies greatly.
3 But I think you are on the right track and I would like to
4 work with you on that.

5 The Chairman. The Clerk will call the roll.

6 The Clerk. Mr. Dole.

7 Senator Dole. No.

8 The Clerk. Mr. Roth.

9 The Chairman. No.

10 The Clerk. Mr. Chafee.

11 Senator Chafee. Aye.

12 The Clerk. Mr. Grassley.

13 Senator Grassley. No.

14 The Clerk. Mr. Hatch.

15 The Chairman. No.

16 The Clerk. Mr. Simpson.

17 Senator Simpson. No.

18 The Clerk. Mr. Pressler.

19 The Chairman. No.

20 The Clerk. Mr. D'Amato.

21 Senator D'Amato. No.

22 The Clerk. Mr. Murkowski.

23 The Chairman. No.

24 The Clerk. Mr. Nickles.

25 Senator Nickles. No.

1 The Clerk. Mr. Moynihan.
2 Senator Moynihan. No.
3 The Clerk. Mr. Baucus.
4 Senator Baucus. Aye.
5 The Clerk. Mr. Bradley.
6 Senator Moynihan. Yes, by proxy.
7 The Clerk. Mr. Pryor.
8 Senator Moynihan. Yes, by proxy.
9 The Clerk. Mr. Rockefeller.
10 Senator Rockefeller. Aye.
11 The Clerk. Mr. Breaux.
12 Senator Breaux. Aye.
13 The Clerk. Mr. Conrad.
14 Senator Conrad. Aye.
15 The Clerk. Mr. Graham.
16 Senator Graham. Aye.
17 The Clerk. Ms. Moseley-Braun.
18 Senator Moseley-Braun. No.
19 The Clerk. Mr. Chairman.
20 The Chairman. No.
21 The Clerk. The nays are 12, the ayes are eight.
22 The Chairman. The amendment fails.
23 The bill is open to further amendment.
24 Senator Rockefeller. Mr. Chairman.
25 The Chairman. I am going to go back and forth if

1 there is any more over here.

2 Senator Nickles?

3 Senator Nickles. Mr. Chairman, I have an amendment
4 and will distribute it, and hopefully it will be agreed
5 upon. This amendment adds a little clarifying language on
6 page six, line four of the Chairman's Mark. We require
7 that States, in order to receive funds under the new
8 Temporary Assistance for Needy Families Program, to submit
9 a written document to the Federal Government that describes
10 how they will take action to prevent and reduce the
11 incidence of out-of-wedlock pregnancies, with a special
12 emphasis on teenage pregnancies.

13 What I would do is take that language and add a couple
14 of additional lines. The new language would state, "To
15 take action to prevent and reduce the incidence of out-of-
16 wedlock pregnancies through activities other than pregnancy
17 terminations, with special emphasis on teenage
18 pregnancies," and then also add, "establish annual goals
19 for reducing the incidence of out-of-wedlock births."

20 The Chairman. This amendment obviously gets onto the
21 sensitive subject of abortion. I had hoped that we could
22 keep that subject out of this and leave it to the States.
23 When we have the language "through activities other than
24 pregnancy terminations" that is obviously talking about
25 abortions.

1 I would oppose this amendment and I would hope that we
2 would put none of these restrictions in that the House had,
3 or anything similar to it. But I understand the
4 controversy, and I understand it is close.

5 Senator Nickles. Mr. Chairman?

6 The Chairman. Senator Nickles.

7 Senator Nickles. Just a final comment. One, everyone
8 going back to Senator Moynihan's statements, and the facts
9 that we have, show a real problem with an increasing number
10 of kids born out-of-wedlock.

11 Senator Conrad, in part of his substitute, had several
12 sections. I mentioned to you, Kent, at that time, I would
13 be happy to work with you; maybe we can incorporate some of
14 those. I know the House has gone further. The House says,
15 no funds. We did not do that in this amendment.

16 But this amendment says we want to do what we can to
17 encourage a reduction in out-of-wedlock births, but we do
18 not want to encourage an increase in abortions to
19 accomplish that goal. So that is what this language would
20 state. We want to take action to prevent and reduce the
21 incidence of out-of-wedlock pregnancies through activities
22 other than pregnancy terminations.

23 An illegitimate child may be handicapped in the fact
24 that they are born outside of a normal family structure,
25 but certainly we do not want to increase abortions; that

1 child has no future whatsoever. So, I would hope that we
2 could agree to this amendment.

3 The Chairman. Further discussion?

4 Senator Chafee. Mr. Chairman.

5 The Chairman. Senator Chafee.

6 Senator Chafee. Mr. Chairman, as you know, a few
7 years ago we were deeply involved with the so called "gag
8 rule," which is that when one entered a family planning
9 clinic, the woman was found to be pregnant, and when she
10 asked what her options were, under the gag rule the
11 attending nurse, or whoever it might be there, was
12 prohibited from outlining what her options were.

13 Mr. Chairman, I think we are getting into this whole
14 business again with this suggestion here. I am not sure
15 what the preceding sections to (e) that Senator Nickles is
16 referring to, but I think it is unfortunate that we even
17 get into this area.

18 The Chairman. Further discussion?

19 Senator Grassley. Mr. Chairman.

20 The Chairman. Senator Grassley.

21 Senator Grassley. Yes. Once again, I want to remind
22 everybody on the committee that lack of both parents in the
23 home--and that is not directly the key to what Senator
24 Nickles is talking about--was basic to every problem that
25 we face with the welfare issue, and basic social problems

1 in America.

2 I just want to quote, and then I am going to quit, from
3 a study by the Annie E. Casey Foundation, Kids Count. I am
4 quoting from a newspaper report on this. "A recent study
5 compared two groups of Americans, those who finished high
6 school, got married, and reached age 20 before having their
7 first child, and those who did not.

8 Of those in the first group, only eight percent were
9 living in poverty in 1992. In the second group, the
10 poverty rate was 79 percent." That speaks better than
11 anything why it has got to be very core to any welfare
12 reform to do something about the issue of out-of-wedlock
13 births.

14 The Chairman. Further discussion? If not, the Clerk
15 will call the roll.

16 Senator Moseley-Braun. I just have a quick question,
17 Mr. Chairman.

18 The Chairman. Yes.

19 Senator Moseley-Braun. Actually, Senator Nickles, I
20 think you have touched on what Senator Moynihan has been
21 talking about, what all of us are concerned about, which
22 is, how can we begin to address and reduce out-of-wedlock
23 births? I mean, Senator Grassley is right, it is a core
24 question here.

25 My question to you is, assuming for a moment that all

1 of us want to have out-of-wedlock births reduced to an
2 absolute minimum, how is this supposed to work? We are
3 giving the States all this flexibility, and then turning
4 around and asking them to establish annual goals? How do
5 you establish a goal for reducing out-of-wedlock births
6 without getting into some of the problems? I mean, I do
7 not know how this would have worked.

8 Senator Nickles. Well, Senator Conrad had several
9 suggestions. There are a lot of different ideas and
10 incentives on trying to reduce or to encourage, I am going
11 to say, more of a family unit, but this is a real growing
12 problem.

13 Senator Moseley-Braun. It is a problem.

14 Senator Nickles. There are two things that we try to
15 do in this amendment. One, we say, let us recognize this
16 as a problem. When you have over 30 percent of the babies
17 born every year in the United States out-of-wedlock, you
18 have serious problems.

19 Senator Grassley mentioned the fact that their
20 likelihood of being on welfare, et cetera, grows
21 dramatically. By putting this language in, I did two
22 things. One, let us try to reduce it. One way to reduce
23 it, I guess, would be to increase the number of abortions.
24 I do not think that is a good alternative.

25 The second is, let us set some goals. Let us try to

1 reduce it. We have this growing every year. Senator
2 Moynihan had a chart. I was impressed because it proved
3 that people were paying attention when we had some of these
4 hearings, and I compliment the Chairman, the Ranking
5 Member, and others for all the hearings they have had.

6 One of the hearings showed this almost straight-line
7 increase on kids born out-of-wedlock increasing every year,
8 to where we are going to hit something like 50 percent by
9 the year 2015.

10 We want to try to reverse that trend, so this says, let
11 us set some targets, let us try and reverse it, let us
12 identify it. Maybe one of the solutions to the problem is
13 identifying how significant and serious the problem is.

14 Senator Moseley-Braun. I think we are absolutely on
15 the same page. That may amaze some people, but we are on
16 the same page about trying to reduce out-of-wedlock births.
17 That is not my question.

18 It is just that I am reading this on page six, line
19 four, subsection (e), requires the States, "in order to
20 receive funds under the new Temporary Assistance for Needy
21 Families Program, to submit a written to the Federal
22 Government that describes," and then (f), "annual goals for
23 reducing the incidence of out-of-wedlock birth."

24 So, essentially we have a mandate to the States to
25 establish annual goals for reducing the incidence of out-

1 of-wedlock births. The State could just put a zero on it
2 and send it in, or not. I mean, I am trying to get at,
3 what do you mean by this?

4 Senator Nickles. Well, so you can better understand,
5 the top of the language is language that is already in the
6 bill.

7 Senator Moseley-Braun. Yes, I understand that.

8 Senator Nickles. So the underlying language is the
9 language that I am inserting.

10 Senator Moseley-Braun. Right.

11 Senator Nickles. So, basically, we are saying, yes,
12 those are goals, but let us try and do it other than
13 through abortion.

14 Senator Moseley-Braun. So if somebody put a zero in,
15 that would be fine?

16 Senator Nickles. No. It says, "establish annual
17 goals for reducing the incidence of out-of-wedlock births."
18 They would have goals. They would probably have programs,
19 such as abstinence and others, that would try to reduce
20 out-of-wedlock births.

21 The Chairman. The Clerk will call the roll.

22 The Clerk. Mr. Dole.

23 Senator Dole. Aye.

24 The Clerk. Mr. Roth.

25 The Chairman. Aye, by proxy.

1 The Clerk. Mr. Chafee.
2 Senator Chafee. No.
3 The Clerk. Mr. Grassley.
4 Senator Grassley. Aye.
5 The Clerk. Mr. Hatch.
6 The Chairman. Aye.
7 The Clerk. Mr. Simpson.
8 Senator Simpson. No.
9 The Clerk. Mr. Pressler.
10 The Chairman. Aye.
11 The Clerk. Mr. D'Amato.
12 Senator D'Amato. Aye.
13 The Clerk. Mr. Murkowski.
14 The Chairman. Aye.
15 The Clerk. Mr. Nickles.
16 Senator Nickles. Aye.
17 The Clerk. Mr. Moynihan.
18 Senator Moynihan. No.
19 The Clerk. Mr. Baucus.
20 Senator Baucus. No.
21 The Clerk. Mr. Bradley.
22 Senator Moynihan. No.
23 The Clerk. Mr. Pryor.
24 Senator Moynihan. Aye, by proxy.
25 The Clerk. Mr. Rockefeller.

1 Senator Rockefeller. No.

2 The Clerk. Mr. Breaux.

3 Senator Breaux. No.

4 The Clerk. Mr. Conrad.

5 Senator Conrad. No.

6 The Clerk. Mr. Graham.

7 Senator Graham. No.

8 The Clerk. Ms. Moseley-Braun.

9 Senator Moseley-Braun. No.

10 The Clerk. Mr. Chairman.

11 The Chairman. No.

12 The Clerk. The nays are 11, ayes eight.

13 The Chairman. The amendment is rejected.

14 Senator Moynihan. Mr. Chairman.

15 The Chairman. Senator Moynihan.

16 Senator Moynihan. May I say, on the previous

17 amendment of my distinguished friend, Senator Conrad, I was

18 trying to get the proxies from several Senators who are

19 absent and inadvertently voted no. I meant aye, so I

20 believe the final tally would be 11:9.

21 The Chairman. That is correct. The record will be

22 corrected.

23 Senator Moynihan. I apologize and thank the Chair.

24 Senator Rockefeller. And we all knew that.

25 The Chairman. Further amendments? Senator

1 Rockefeller, and then we will go to Senator Graham if there
2 is no Republican amendment.

3 Senator Rockefeller. Mr. Chairman, it has been
4 distributed, the so called Good Cause Exemption. In the
5 Chairman's Mark it gives States a hardship waiver of the
6 time limit, which is five years, for 10 percent of the case
7 load. I have a strong predilection not to be arbitrary
8 unless we know we are right.

9 When I asked about this yesterday, actually, during the
10 walk-through of this bill, Ms. Paull, at the table,
11 acknowledged that the 10 percent figure was, in fact,
12 arbitrary. It was sort of arbitrarily drawn.

13 Let me just cut to the chase. Last year, Hank Brown
14 and Senator Dole, in their welfare reform proposal, offered
15 an exemption from work requirements for a very limited
16 group. That is, parents who are ill or incapacitated, or
17 parents who must devote their full time to caring for a
18 disabled child, should qualify for a waiver so they would
19 not be punished by the system.

20 So what my amendment would do is simply pick out two
21 categories of people and say they should be able to have a
22 hardship waiver. Parents who are ill, parents who are
23 incapacitated, or of advanced age. That is one category.

24 And then parents who must provide full-time care for a
25 disabled child. This is an extremely limited exemption

1 list. I think it each is a good cause--that is why I
2 called this a Good Cause Exemption--and I really think that
3 it is modest. It has had Republican support in the past,
4 and I think is fair, in view of its limitations.

5 The Chairman. Discussion? Senator Chafee.

6 Senator Chafee. Mr. Chairman, I thought the whole
7 purpose of what we were trying to do here was to give a
8 great deal of flexibility to the governors.

9 Indeed, in the Senate version we did not have those
10 particular restrictions on aliens, for example, and unwed
11 mothers that the House had, and it seems to me now we are
12 going backwards if we go with what is suggested by the
13 Senator from West Virginia.

14 If the governors want to do it, I can only assume that
15 they are not going to send some very ill and incapacitated
16 or advanced age individual into the work force. We assume
17 that. But to set these arbitrary 10 percent figures in
18 there, I do not ----

19 Senator Rockefeller. But, Mr. Chafee, that is not
20 done by me, that is done by the Chairman's Mark. The 10
21 percent is set by the Chairman's Mark. What I am trying to
22 do, is to get these two groups exempted from the Chairman's
23 Mark, otherwise the Chairman's Mark, which is set at 10
24 percent, would stand.

25 The Chairman. Further discussion?

1 [No response.]
2 The Chairman. If not, the Clerk will call the roll.
3 The Clerk. Mr. Dole.
4 Senator Dole. No.
5 The Clerk. Mr. Roth.
6 The Chairman. No.
7 The Clerk. Mr. Chafee.
8 Senator Chafee. No.
9 The Clerk. Mr. Grassley.
10 Senator Grassley. No.
11 The Clerk. Mr. Hatch.
12 The Chairman. No, by proxy.
13 The Clerk. Mr. Simpson.
14 Senator Simpson. No.
15 The Clerk. Mr. Pressler.
16 The Chairman. No.
17 The Clerk. Mr. D'Amato.
18 Senator D'Amato. No.
19 The Clerk. Mr. Murkowski.
20 The Chairman. No.
21 The Clerk. Mr. Nickles.
22 Senator Nickles. No.
23 The Clerk. Mr. Moynihan.
24 Senator Moynihan. Aye.
25 The Clerk. Mr. Baucus.

1 Senator Baucus. Aye.
2 The Clerk. Mr. Bradley.
3 Senator Moynihan. Aye, by proxy.
4 The Clerk. Mr. Pryor.
5 Senator Moynihan. Aye, by proxy.
6 The Clerk. Mr. Rockefeller.
7 Senator Rockefeller. Aye.
8 The Clerk. Mr. Breaux.
9 Senator Breaux. Aye.
10 The Clerk. Mr. Conrad.
11 Senator Conrad. Aye.
12 The Clerk. Mr. Graham.
13 Senator Graham. Aye.
14 The Clerk. Ms. Moseley-Braun.
15 Senator Moseley-Braun. Aye.
16 The Clerk. Mr. Chairman.
17 The Chairman. No.
18 The Clerk. The nays are 11, the ayes are nine.
19 The Chairman. The amendment fails. We have a vote
20 going right now. Just let me ask, so the members can get
21 an idea, how many more amendments do people have? Senator
22 Baucus has one. How many, one? Max, you have one?
23 Senator Baucus. One.
24 The Chairman. Senator Conrad, two? Or Senator
25 Graham?

1 Senator Graham. One or two.

2 The Chairman. One or two. How many, Senator
3 Grassley? One? Senator Simpson?

4 Senator Simpson. Excuse me, Mr. Chairman.

5 The Chairman. Oh, I am sorry.

6 Senator Simpson. Is yours on the immigration issue?

7 Senator Graham. Yes.

8 Senator Simpson. Great.

9 The Chairman. All right.

10 Senator Simpson. No, I have nothing further.

11 The Chairman. All right. We have six.

12 Senator Dole. We can do Senator Baucus right now. It
13 is going to be quick, I think.

14 The Chairman. I think so. Senator Baucus, do you
15 want to offer yours right now?

16 Senator Baucus. Yes. Basically it is just to raise
17 the 10 percent hardship provisions in your Mark up to 15
18 percent, essentially, and give States a little more
19 flexibility. There are parts of some States where
20 unemployment is very high and they are having a lot of
21 hardship, and also across some States. I just think, just
22 to be fair about all of this, that it should be 15.

23 Senator Dole. I suggest we take it.

24 The Chairman. Yes. I would recommend we take it.
25 Any objection?

1 [No response.]

2 The Chairman. We have about six to eight, as I
3 understand it, amendments to go. Let us go vote and come
4 back and see if we can finish up in the early afternoon.

5 Mr. Leader, do you know if we have more votes other
6 than this one?

7 Senator Dole. It is my intention to have more votes.
8 We will see what the absentee list looks like.

9 The Chairman. Senator Conrad?

10 Senator Conrad. Mr. Chairman, I would like unanimous
11 consent to change a vote that was recorded in the negative
12 on the earlier Moseley-Braun amendment. I had just come
13 back in the room and did not realize the germaneness
14 provision ruling affected the provision that concerned me.
15 I would like to be recorded as an aye.

16 The Chairman. Without objection.

17 Senator Moseley-Braun. And since we are doing that,
18 Mr. Chairman, I would like to change my vote on Senator
19 Conrad's bill.

20 [Laughter]

21 The Chairman. We will be back in about 20 minutes.

22 [Whereupon, at 12:06 p.m., the meeting was recessed.]

23

24

25

1 AFTER RECESS

2 [12:28 p.m.]

3 The Chairman. The committee will come back to order,
4 please.

5 Senator Graham, I believe you have an amendment. What
6 we will do is take amendments from people and we will stack
7 the votes until we have an adequate number.

8 Senator Graham. Mr. Chairman, I would like to make a
9 comment on an amendment that I will not offer, and then
10 offer an amendment.

11 The amendment that I am not offering is numbered four
12 in my list of amendments, and it has to do with striking
13 the requirement that States continue to operate the current
14 AFDC program for purposes of determining Medicaid
15 eligibility.

16 We have a provision on page 30 and 31 that essentially
17 requires the State to maintain their current AFDC system,
18 regardless of what they, in fact, do, as a means of
19 determining eligibility for Medicaid.

20 I understand the rationale behind that provision, which
21 is to not disturb the current Medicaid eligibility, but
22 there has got to be a better way to do it than requiring
23 States to essentially run a parallel, dual eligibility
24 system.

25 My suggestion would be that when we get to the Medicaid

1 reform bill, that is the right place to decide how we are
2 going to determine eligibility for Medicaid in the post-
3 AFDC era.

4 The Chairman. I agree, and I can see rationality for
5 de-linking the formulas as we are moving forward.

6 Senator Graham. I am sorry?

7 The Chairman. I can see the rationality for de-
8 linking the formulas for Medicaid versus AFDC as we move
9 into what are basically separate directions.

10 Senator Graham. So I just raise that issue. I
11 appreciate the Chairman's comments and look forward to
12 working with him to deal with that issue.

13 The area in which I would like to offer an amendment is
14 my amendment number two, which relates to the provision
15 that would allow States to prohibit assistance for certain
16 aliens, particularly the legal immigrants who are in the
17 country. My feeling is that this should be a national
18 standard and should not be a State-to-State determination
19 as to whether you were going to cover this particular
20 population.

21 Legal aliens are in this country due to United States
22 national standards. Their status of eligibility for
23 benefits is, in large part, a function of the sponsorship
24 standards which, again, are national sponsorship standards,
25 subject to national enforcement.

1 I believe that there would be a number of unfortunate
2 consequences of taking what has been a national issue of,
3 who is a legal alien, under what conditions they are in
4 this country, and converting it into State-to-State
5 determinations as to whether those persons, who pay taxes,
6 who, for all intents and purposes, with the exception of
7 their eligibility to vote, are indistinguishable from
8 citizens, and allowing a State to deny them benefits.

9 One, you are going to create tremendous tendencies for
10 mobility of this population. This is not an issue of where
11 there is a differential in benefits, this is a situation
12 where there are either benefits, or zero benefits. That
13 cliff effect, particularly for States that are
14 geographically proximate, I think, is going to create
15 tremendous magnet effects.

16 Number two, the whole purpose of this legislation is to
17 encourage movement of people from dependence to
18 independence. If a State elects to cut this population
19 off, they are also cutting them off from job training,
20 child care, all of the things that we have identified as
21 being necessary to move from dependence into independence.

22 So we are going to be creating almost a permanent
23 under-class of people who will be ineligible for the kinds
24 of assistance that we have determined to be appropriate to
25 get them into an independent status.

1 A third issue is, we apparently are going to allow this
2 to be made retroactive. People who have been in the
3 country for a long time under the old standards would be
4 treated.

5 Finally, I believe that we are going to be setting up
6 very nasty conflicts between States and local communities.
7 The fact is, most of these people are concentrated in a few
8 places within a State. In my State of Florida, 70 percent
9 of the legal immigrants are in one of our 67 counties.

10 The counties are the ones which typically have the
11 ultimate responsibility, whether it is through a general
12 welfare program or the operation of a public hospital for
13 these people.

14 So you are going to create the temptation for the State
15 to want to cut them off because it will save the State
16 money, but shift the burden to one community within the
17 State where a disproportionate number of these people tend
18 to be located. I do not think that is good national
19 policy, to be creating those kinds of internal political
20 conflicts.

21 Finally, Mr. Chairman, I think there is an alternative
22 way to deal with this issue. The whole subject of
23 immigration reform is being dealt with in the Judiciary
24 Committee, led by our colleague, Senator Simpson. I think
25 it would be more appropriate to have this issue dealt with

1 in the broader context of immigration reform rather than in
2 the specific issue of this welfare reform bill.

3 I believe that one of the proposals that the Judiciary
4 Committee ought to, and I anticipate will, look at, is
5 whether, as we strengthen sponsorship requirements, as we
6 lengthen deeming provisions, we make the people who have
7 undertaken the financial responsibility for these legal
8 immigrants more responsible, and those responsibilities
9 more enforceable, that we could draw a distinction between
10 those persons who come under these new heightened rules
11 prospectively than those persons who have arrived under the
12 rules that we have established in the past.

13 So, Mr. Chairman, I would offer my amendment number
14 two, which would strike the ability of States to make a
15 determination to prohibit child care assistance to legal
16 aliens.

17 The Chairman. What we have done in this bill is,
18 there is a difference between the way the Supreme Court
19 views actions of the Federal Government and the States. It
20 is apparently constitutional for the Federal Government to
21 distinguish between legal aliens and citizens.

22 It is not apparently constitutional--or at least
23 without our authority, and that is even arguable, but
24 certainly not without our authority--to distinguish if they
25 have a program. They do not have to have a program for

1 anybody, but, if they do have a program, then it must
2 include legal aliens also. That requirement does not
3 adhere to actions that we take at the federal level.

4 Now, they make this distinction in affirmative action
5 cases where they hold the State to strict scrutiny and they
6 do not hold us to the same standard. So, in the bill we
7 put in a provision that said the States, in essence, could
8 exercise the same degree of discretion that we can
9 exercise, assuming that is a constitutional delegation, but
10 clearly without it they have problems.

11 Senator Simpson wants to talk on your amendment, and if
12 anybody else wants to talk on it now, that is fine, but I
13 think we will wait until we get most of our members back to
14 vote on things, and he also wants to comment on it when he
15 gets here.

16 Other amendments to be offered and discussed? We are
17 going to vote when the members get back. We will vote,
18 more or less en bloc.

19 Senator Conrad?

20 Senator Conrad. Mr. Chairman, would it be appropriate
21 for me to call up my work amendment at this point?

22 The Chairman. Your number four, work amendment? Yes.

23 Senator Conrad. I thank the Chairman.

24 This amendment, for the purposes of the participation
25 rates in Section 404 that will be in effect during fiscal

1 years 1996 and 1997, would require that a minimum of half
2 of the participants must be engaged in actual work. Under
3 the Chairman's Mark it is possible for a State to meet its
4 work participation rate for fiscal years 1996 and 1997
5 without any participants actually working; participants
6 could all be engaged in educational activities.

7 This amendment would only allow educational activities
8 to count toward half of the participation rate.
9 Consequently, under the fiscal year 1996 participation rate
10 of 20 percent, a minimum of 10 percent must be in actual
11 work. In fiscal year 1997 when the participation rate
12 rises to 30 percent, a minimum of 15 percent must be in
13 actual work.

14 Mr. Chairman, I wonder if we could have a CBO analyst
15 at the table. I have three quick questions I would like to
16 put to them to put in context this amendment.

17 The Chairman. One seems to be coming forward.

18 Senator Chafee. He is a plant.

19 The Chairman. Can you identify yourself?

20 Mr. Tapogna. Sure, Mr. Chairman. I am John Tapogna,
21 with the Congressional Budget Office.

22 The Chairman. Thank you.

23 Senator Conrad. I would like to ask the following
24 questions, if I could. What is CBO's estimate of the funds
25 necessary in child care and training to meet the Packwood

1 Mark's work requirement?

2 Mr. Tapogna. The Congressional Budget Office has
3 taken a look at the requirements in the Chairman's Mark.
4 After 1998 when the denominator, which is used to set the
5 work requirement, changes from one that includes exemptions
6 to one that includes the entire case load, there would be
7 a considerable increase in the number of individuals who
8 would have to work under the plan.

9 Assuming that case load would not decline under these
10 block grants, assuming that the case load would be roughly
11 where it is today, CBO estimates that States and localities
12 would have to contribute an additional \$10 billion in their
13 own funds to pay for those work activities in the year
14 2000.

15 Now, one could also assume that the States are going to
16 be more successful than having a flat case load over the
17 course of the next five years. I took a look at that to
18 see how far the case load would have to go down. Clearly,
19 if the case load falls, both your Jobs Program costs fall,
20 and you liberate some benefit dollars to help pay for that.

21 By my estimates, in the year 2000, the case load would
22 probably have to fall by about 25 percent relative to
23 today's levels in order for the States to have enough funds
24 to finance the work activities in the Chairman's Mark.

25 Senator Conrad. If I could follow-up, what is the

1 amount of the additional expenditures CBO has estimated to
2 meet the Packwood Mark's work requirement as a percentage
3 of the total block grant?

4 Mr. Tapogna. Again, it depends on what you assume
5 about case load, and I have not made assumptions about it.

6 Senator Conrad. Taking your first assumption on case
7 load.

8 Mr. Tapogna. If you take the assumption that the case
9 load would not decline at all, again, that would be a \$10
10 billion cost divided by 16.779.

11 Senator Conrad. So 60 percent, roughly of the block
12 grant would be soaked up, if you will, in terms of the need
13 for funding for just child care and training.

14 Mr. Tapogna. Correct. However, the Congressional
15 Budget Office would not assume that the States would make
16 such a dramatic switch in spending. I think it is the
17 Congressional Budget Office's opinion--and I need to confer
18 with Dr. O'Neill before this becomes a formal opinion--that
19 States would probably opt out of the work program and face
20 whatever sanctions that the Secretary might send their way.

21 Senator Conrad. Well, let me pursue that, if I can.
22 I hear you saying that, in CBO's estimation, States,
23 instead of attempting to meet the work requirements, would
24 simply take the five percent penalty for failing to comply;
25 is that what you are saying?

1 Mr. Tapogna. I certainly would not say that all
2 States would. There are some States, I think including
3 yours, that might be in fair shape to meet the Chairman's
4 work requirements. However, not all States would be.

5 Those States that have the largest hill to climb, it
6 would be my best guess based on discussions with
7 individuals in the States, that the States would not
8 attempt to meet those work requirements and would deal with
9 the penalties that the Secretary would dole out.

10 Senator Conrad. Well, if I could ask a final
11 question. Let me just say, my observation with respect to
12 that answer is, you have got a work requirement in the
13 Chairman's Mark that cannot be achieved. I mean, it is a
14 work requirement that is not going to happen and it is not
15 going to happen because 60 percent of the amount that is in
16 the block grant would be necessary to meet the Packwood
17 Mark's work requirement.

18 In CBO's estimation, States would, instead of requiring
19 work, simply take the five percent penalty, or at least
20 some number of States would just take the penalty instead
21 of having the work requirement. Is that an appropriate
22 conclusion?

23 Mr. Tapogna. That is correct. In our preliminary
24 estimate of the Chairman's Mark there is a line explicitly
25 noted as "State penalties for failure to meet work

1 requirements." We do not estimate that those penalties
2 would be large, because the Secretary has not shown the
3 willingness in the past to sanction the States heavily for
4 failing Jobs participation rates.

5 Senator Conrad. So what we would be left with is a
6 work requirement that did not really require work because
7 the States would not impose the work requirement because
8 they could not afford to.

9 Let me ask this question. In CBO's estimation, how
10 many States would be able to meet the Packwood work
11 requirement in the absence of additional resources for
12 child care and training? You have said some States would
13 be able to. Do you have any estimate of how many States
14 would not be able to?

15 Mr. Tapogna. Again, it hinges primarily on a State-
16 by-State guess of what is going to happen to the case load
17 in those States, so it is very difficult for me to say at
18 this point.

19 However, assuming that there is no decline in case
20 load, it would appear that there are about a half a dozen
21 States that are in fair shape to meet the Chairman's work
22 requirements.

23 Senator Conrad. A half a dozen?

24 Mr. Tapogna. Correct. Six.

25 Senator Conrad. Only a half dozen?

1 Mr. Tapogna. Correct.

2 Senator Conrad. Six States would be able to, and you
3 are saying 44 States would not be able to?

4 Mr. Tapogna. Without a significant decline in case
5 load, yes, that is what I am saying.

6 Senator Conrad. Well, Mr. Chairman, I just think this
7 series of questions and answers points out one of the major
8 defects in the Chairman's Mark. We have got a work
9 requirement here that is unlikely to be realistic, unlikely
10 to be realistic because 60 percent of the money that the
11 States are getting would have to go for child care and
12 training, and the CBO is telling us that, more likely, many
13 States would simply not impose the work requirement, they
14 would take the five percent penalty rather than have a work
15 requirement.

16 So we have got a hollow work requirement, one that
17 suggests that we are going to be insisting that people
18 work, but when you do the numbers, it is highly unlikely
19 that many States will actually be able to have such a work
20 requirement.

21 Senator Rockefeller. I would be interested in any
22 response from the Chairman, or any of those who support the
23 bill, to the line of questioning that Senator Conrad has
24 posed.

25 The Chairman. Lindy?

1 Ms. Paull. Well, the emphasis of this program is
2 clearly intended to turn the program more into a work
3 program than into the continuing program that it had been
4 in. So there is a three-year period under which the
5 current exemptions can continue on.

6 The current exemptions, as you have pointed out, have
7 led to only 10 percent of the case load nationwide--really
8 nine percent of the case load nationwide--participating.
9 Much of that is education rather than work, as you point
10 out in your amendment.

11 This program is intended for a number of reasons,
12 because after you are receiving benefits for two years
13 there is another part of the sanctions that basically you
14 have got to be participating in a work requirement for up
15 to 20 hours a week. Also, there is another sanction that
16 could go to that for failing to meet that on your case load
17 as well.

18 So the emphasis of this program is intended to be work,
19 it is intended to be changing the mix of dollars so that
20 more is spent on training and getting people into the work
21 force.

22 Senator Conrad. Well, I would just say, I know that
23 is the intention, but what CBO has just told us is that, in
24 reality, it will not happen. It will not happen because
25 there are not sufficient resources to make it happen.

1 CBO has just told us that 60 percent of the block grant
2 would have to go for just child care and training in order
3 to impose these work requirements, and that States are
4 highly unlikely--44 out of the 50 States, we have just been
5 told--to make that kind of commitment of resources to make
6 the work requirement a reality.

7 So what we have got here is something that suggests it
8 is work-oriented, suggests it is going to require work,
9 but, in fact, does not deliver the resources to make that
10 happen.

11 I mean, if CBO is right here and 44 of the 50 States
12 are not going to be able to have the child care and
13 training necessary to make a work program effective, what
14 have we got here? We have got the words but we do not have
15 what is really a work requirement.

16 I know Senator Graham had a question for CBO.

17 Senator Graham. Yes. I would like to ask a
18 collateral series of questions relative to child care.
19 Today, States have the option of utilizing their child care
20 to support children who are on AFDC, as well as the
21 children of the working poor. Is that a correct statement?

22 Mr. Tapogna. Correct.

23 Senator Graham. Do you happen to know what the
24 current national distribution, in terms of federal child
25 care funding, is as between those who are AFDC children as

1 opposed to those who are children of the working poor?

2 Mr. Tapogna. I think you might be referring to two
3 pieces of this block grant, about \$700 million of which is
4 for jobs and AFDC-related child care and transitional child
5 care, so those would be AFDC recipients, and then at-risk
6 child care is roughly \$300 million.

7 Senator Graham. There is concern that the consequence
8 within the resources that this legislation will make
9 available of requiring child care to be made available for
10 all children of mothers who are participating in either the
11 training or the work that is required under this
12 legislation will be such that no funds will be available
13 for the children of the working poor. Have you assessed
14 that concern?

15 Mr. Tapogna. I have not. But, again, it would be my
16 opinion that if the burdens of the work requirements are so
17 great, that the State would opt not to implement them. But
18 I do not know how States would choose between trying to
19 implement them and making those trade-offs with the working
20 poor.

21 Senator Graham. I wonder if CBO could do this
22 analysis. Assuming that the States legitimately tried to
23 meet the requirements of this legislation under the
24 resources that are going to be available in providing child
25 care to those children of mothers who are participating in

1 the mandatory work program, what would be the effect of
2 that on the funds available for children of the working
3 poor who are currently being served?

4 And if the result of this was a determination that it
5 was likely that a significant number of the working poor
6 children will be without child care, what effect would that
7 have on increasing the number of mothers who would now be
8 back under AFDC because they could no longer work without
9 the child care available.

10 Mr. Tapogna. It is certainly an analysis we can look
11 into. It is not one that I can do here on the spot.

12 The Chairman. Kent, I wonder if we might do this,
13 because I think you raised good points. I do not think we
14 are going to get the answer to this today in terms of the
15 facts. I would be willing to work with you, and see if
16 there is a floor amendment, if there is a big problem. I
17 would like to have a little more from CBO, and a little
18 more specifics, but I would be happy to attempt to work
19 with you on it.

20 Senator Conrad. Well, I appreciate that, Mr.
21 Chairman, because I think we have uncovered here a real
22 serious flaw. When CBO tells us it would require 60
23 percent of the block grant just to have the child care and
24 training money necessary to have a work requirement that
25 had any meaning, and that 44 of the 50 States would be more

1 likely to take the penalty than to actually impose a work
2 requirement, we have got welfare reform here that would be
3 welfare reform in terms of emphasizing work in six States
4 out of the 50 States of the United States.

5 I do not think that is most people's idea of welfare
6 reform. If we are going to emphasize work in this country,
7 I think we want to be emphasizing work in 50 States, not in
8 just six States. At least, that would certainly be my
9 intention. I would very much hope that we could do that.

10 Mr. Chairman, after this testimony I would withdraw my
11 amendment because, very clearly, the money is not there to
12 have a work requirement.

13 The Chairman. I would appreciate it if you would
14 withdraw it. I will work with you and see what we can work
15 out. I think CBO will have a little time to maybe give us
16 a little better State-by-State analysis than what you are
17 able to give us off the top of your head now. Obviously,
18 it is not our intent that the States just take the five
19 percent penalty and drop out of the program.

20 Senator Rockefeller. Mr. Chairman?

21 The Chairman. Jay.

22 Senator Rockefeller. You may rule this out of order,
23 but the administration is here and I just personally would
24 be curious if they had any views on the exchange between
25 Kent Conrad and CBO that has taken place.

1 The Chairman. We can accommodate that.

2 Senator Chafee. Mr. Chairman, while he is getting
3 seated, at our backs we always hear time's winged chariot
4 drawing near. How are we doing here?

5 The Chairman. We have about, oh, six or seven
6 amendments to go. I am going to let everybody talk on
7 them, then we will vote.

8 Senator Chafee. All right. I am not sure how many
9 more votes there are going to be on the floor. There are
10 a lot of people missing. If we could press along with
11 this, that would be helpful.

12 The Chairman. The administration. Mr. Primus?

13 Mr. Primus. Mr. Chairman, I will be very brief.

14 The administration has done an independent analysis of
15 the work requirements in your proposal, and in our analysis
16 we suggest that, by the year 2000, the States would have to
17 spend an additional \$9.6 billion to meet the work
18 requirements, while they are going to be receiving \$4
19 billion less funds relative to current law.

20 The child care cost alone of just meeting the work
21 requirements in the year 2000, we estimate to be
22 approximately \$6 billion, so in terms of the percentage of
23 the block grant that would have to be spent, we think it is
24 somewhere in the area of 60-70 percent of the block grant
25 funds would have to be spent. We are concerned that this

1 is going to put a lot of pressure on States to throw
2 families off the rolls well before the five-year time
3 limit.

4 The Chairman. Further discussion?

5 Senator Graham. Mr. Chairman, I just want to
6 underscore the ripple effect of this. In my State, about
7 40 percent of the children who are on federally-subsidized
8 child care are children of the working poor.

9 As we increase the obligation to provide child care to
10 more of the children of those who are covered by the former
11 AFDC program, I think we run the very great risk of pushing
12 those working poor children off the rolls, therefore,
13 making it impossible for their mother to be a mother of a
14 working poor child because she cannot work anymore, and you
15 will be adding, through the back door, to the welfare
16 rolls.

17 So I think it is very important that we be realistic in
18 terms of, what are the requirements we are imposing on
19 States, and the resources that we are making available for
20 them to carry that out.

21 The Chairman. I think the point is well raised, and
22 I promise to work with Senator Conrad on this.

23 Senator Grassley. Mr. Chairman, for an amendment.

24 The Chairman. Yes.

25 Senator Grassley. If you get two copies of my

1 amendment, there was one passed out this morning because my
2 staff thought I was going to offer one when I gave these
3 other two speeches, but they are both the same. You will
4 get a new one now.

5 The Chairman. I am confused. Are you offering the
6 one that you were not going to offer this morning?

7 Senator Grassley. No.

8 The Chairman. Oh.

9 Senator Grassley. I am going to offer the one I did
10 not offer this morning.

11 The Chairman. All right.

12 Senator Grassley. I am sorry, Mr. Chairman. I spoke
13 about complimenting you on one that you included, and I
14 spoke about one that was so technical that we will not be
15 able to work it out till the floor, then I had one that I
16 was actually going to offer. This is the only amendment
17 that I am offering today.

18 The Chairman. All right.

19 Senator Grassley. I have an amendment to address the
20 issue of moving people from welfare to work without undue
21 prescriptions on States about how they meet that goal. I
22 have specific legislative language, which is before you.

23 The whole philosophy behind this bill is that the
24 Federal Government can trust States to design their own
25 systems to meet the needs of low-income Americans and

1 should give States greater flexibility to do so. With that
2 in mind, we should set clear objectives for the States, but
3 not be prescriptive in how the State meets those
4 objectives.

5 While the goal of the committee Mark is to require
6 States to have a work program that moves people from
7 welfare to work, the committee Mark mandates that the work
8 program must be the current Jobs Program.

9 One of the concerns raised by the administration about
10 the House bill was that it was not tough enough on work
11 because States were not specifically required to have a
12 work program, and work programs are considered expensive.

13 The administration concern was that some States might
14 simply let the time run out for difficult-to-place
15 recipients, and then their benefits would end. My
16 amendment maintains the goal of requiring States to have a
17 work program, without mandating that it must be the
18 existing federal Jobs Program.

19 States will have the opportunity to choose a Jobs
20 Program which they know and are currently implementing, or
21 create their own innovative work program to achieve the
22 goal of moving people from welfare to work. States must
23 certify, under my amendment, that they are doing Jobs or
24 creating their own work programs.

25 To assure that this is not a shell program, if a State

1 would set up an alternative to the Jobs Program, I included
2 one exception in the State option. The States, under my
3 amendment, must meet the participation rates and the hour
4 rates as outlined in the committee Mark, including the
5 requirement to provide child care for any recipient
6 required to participate.

7 It is important under this exception to ensure that
8 there is some means of measuring State success in involving
9 recipients in work-related programs.

10 I hope that you will see that I am giving a State an
11 option, but not an option without some of the requirements
12 that are in the existing Jobs Program, but it would not
13 have to be just this program, and, as you heard me say, I
14 think we ought to give States the option.

15 This would do what Senator Packwood says to do, or
16 something else, which would have to be certified, would
17 have to meet minimum hours, minimum pay, and requirements
18 for the child care.

19 The Chairman. Chuck, let me ask you, is that the part
20 of your amendment that says, "as defined by the State, must
21 meet the provisions of Section 404, with the exception of
22 404A-1, C-2?

23 Senator Grassley. Yes. Yes.

24 The Chairman. All right. In other words, I think I
25 understand what he is saying. We have got basically the

1 Jobs Program broadly expanded and flexible as the basis o
2 the work requirement.

3 I think, if I read what you are saying, you say, all
4 right, the States have to do that or they can have any
5 other work program that they want, so long as they certify
6 it is a work program and it meets these standards.

7 Senator Grassley. Yes.

8 Senator Rockefeller. Mr. Chairman?

9 The Chairman. Senator Rockefeller.

10 Senator Rockefeller. In the current law, I believe it
11 is said that if somebody comes through the Jobs Program,
12 that they cannot displace a worker holding a job that that
13 person who came through the Jobs placement program might go
14 into.

15 The Chairman. Say that again.

16 Senator Rockefeller. I will try. The Jobs Program
17 should not be used to displace workers already there.

18 The Chairman. All right.

19 Senator Rockefeller. And I need to ask Senator
20 Grassley if his amendment would in any way do that, because
21 the effect of that, if that is the case, is that the
22 displaced worker is substituted to make another.

23 Senator Grassley. The answer is, yes. My amendment
24 will allow to happen what you fear. Senator D'Amato has
25 raised that same issue with me, and I would be happy to

1 modify my amendment to that extent, that you would not
2 replace an existing worker. If there is a vacancy, though,
3 that these people could be put in them.

4 The Chairman. Senator Moseley-Braun.

5 Senator Moseley-Braun. Thank you, Mr. Chairman.

6 The Chairman. Excuse me, Jay.

7 Senator Rockefeller. That is all.

8 The Chairman. Go ahead.

9 Senator Moseley-Braun. 4049A-1, C-2. I am trying to
10 find A-1, C-2 in the bill, and I cannot.

11 The Chairman. I do not even know if that section is
12 in the bill.

13 Senator Grassley. That is a different place in the
14 law. My staff says it is here.

15 Ms. Paull. Yes, it is. It has actually been removed
16 by the modification to the Chairman's Mark.

17 The Chairman. Can somebody, in lay English, explain
18 this again? Are we talking about making the work program
19 even more flexible than just the Jobs program by saying to
20 the State, you can have some other program if you want, so
21 long as it meets these 404A-1, C-2 standards? Do I read it
22 right?

23 Ms. Paull. I believe that whatever work program the
24 State wants to design, so long as it meets section 404,
25 without 404 A, which we have already eliminated out of the

1 bill. So the "except for" clause does not have any meaning
2 because it has already been taken out of the bill.

3 That provision that has been eliminated out of the bill
4 in the Chairman's modification related to families with
5 children under the age of six. The bill said that, as
6 under current law, States had to guarantee child care for
7 them. That remains in the bill.

8 But this section that you see with the long amount of
9 numbers behind it also had a requirement that you could not
10 require somebody with a child under the age of six to work
11 more than 20 hours a week. That was stricken out of the
12 bill. That is a current law provision, however.

13 There are a few States, it was brought to our
14 attention, that are currently guaranteeing child care for
15 those families but requiring them to work more than 20
16 hours a week. We felt that was too restrictive. But this
17 work program that Senator Grassley is talking about,
18 Section 404, is where all the participation requirements
19 are; is that correct?

20 Ms. Tobin. Yes.

21 Ms. Paull. And the work activities for meeting the
22 participation requirements are referenced in there as well.
23 They may reference back and forth to the Jobs Program as
24 well, but that is what that is about.

25 Senator Rockefeller. Mr. Chairman, I am even more

1 confused.

2 Ms. Paull. Oh, you are? I am sorry.

3 Senator Rockefeller. Has the modification which the
4 Chairman suggested been suggested?

5 The Chairman. Which modification did I suggest?

6 Senator Rockefeller. That was that there would not be
7 displacement of currently held jobs.

8 Senator Grassley. Without having the exact legal
9 language, by concept I agree with you, and I accept that
10 and incorporate it. Do I have that right, Mr. Chairman?

11 The Chairman. That is correct.

12 Senator Grassley. Yes.

13 Senator Rockefeller. That is fine.

14 Senator Grassley. All right.

15 Senator Moynihan. Mr. Chairman, if I could just say
16 something.

17 The Chairman. Senator Moynihan.

18 Senator Moynihan. What we know about the Jobs Program
19 is that, where effort is put into it, it has shown results.
20 It works. I do not know that there has been any call
21 whatever for amending those arrangements. I wish we did
22 not.

23 The Chairman. Further comment?

24 [No response.]

25 The Chairman. We will lay it aside and go on to the

1 next amendment.

2 Senator Conrad, I would like to call up my amendment,
3 the Conrad-Bradley amendment. This is a modification of
4 the amendment that was provided previously.

5 It simply provides that if States choose to serve
6 unmarried teenage mothers under the Temporary Assistance
7 Block Grant, that unmarried teenage mothers must live with
8 a parent, legal guardian, or other adult relative, or if
9 they are unable to reside in such settings, the teenage
10 parent must reside in a foster home, maternity home, or
11 other adult-supervised supported living arrangement such as
12 a Second Chance house, as a condition of receiving
13 assistance.

14 The Temporary Assistance Block Grant is increased by a
15 total of \$300 million over seven years to phase in the
16 requirement for adult-supervised living arrangements. If
17 States choose not to serve unmarried teenage mothers under
18 the Temporary Assistant Block Grant, the State's block
19 grant funds would be reduced by the State's allocation of
20 the \$300 million to be used for adult-supervised living
21 arrangements.

22 The rationale for this amendment is that teenage
23 parents need to live at home or in an adult-supervised
24 setting, or with a guardian, in order to be in a setting in
25 which they are nurtured and are able to grow.

1 I think the testimony that we have heard has been
2 overwhelming on this subject. One of the worst things we
3 do is allow people to go up and set up their own living
4 arrangements, get their own apartment, and be in a
5 circumstance in which the cycle continues. For that
6 reason, I would offer this amendment.

7 The Chairman. Comments?

8 [No response.]

9 The Chairman. No comments.

10 Senator Rockefeller?

11 Senator Rockefeller. Mr. Chairman, my amendment has
12 to do with ----

13 Senator Chafee. Mr. Chairman, could I just say one
14 word about the previous one of Senator Conrad's?

15 The Chairman. Yes.

16 Senator Dole. Have we adopted that one?

17 The Chairman. No, we are putting them aside until
18 everybody who was here gets back.

19 Senator Dole. All right.

20 Senator Chafee. What do we say about our efforts to
21 give flexibility to the States in all of this? I mean, I
22 think what you are suggesting makes sense, but it is a
23 mandate on the States, what to do with the cash grant.

24 Senator Conrad. We provide the money, so it is not an
25 unfunded mandate.

1 Senator Chafee. Oh, no. No, I am not suggesting
2 that. I just thought one of the whole theories that we are
3 trying to do here is give great discretion, flexibility--
4 those are the buzz words--to the governors, without levying
5 specific requirements on them. Anybody care about this?

6 The Chairman. I kind of share the same feelings you
7 do, if we are going to say, teenage mom, you have got to
8 live at home--or not at home; who knows what the
9 relationship is between the teenage mom and dad--or if not
10 that, you have got to have a guardian. I am not sure.

11 Senator D'Amato. I would tell you, I share that
12 concern. I think that the goal is absolutely laudable to
13 attempt to provide an environment that is going to break
14 this tragic kind of cycle of dependency that we see
15 entrapping these young people. But I believe, if you get
16 into the business of providing the kind of structure called
17 for, it just makes it impossible.

18 Again, I think we have to rely on the good faith
19 efforts of the leadership in the State. This circumscribes
20 them. And, while the goal is laudatory, I do not believe
21 we should be prescribing. It moves in the wrong direction.

22 Senator Conrad. Mr. Chairman, if I might just
23 respond, briefly.

24 The Chairman. Senator Conrad.

25 Senator Conrad. Let me just say, I want to make it

1 clear that we are saying that, for a child in this
2 circumstance to get assistance, that they need to be living
3 at home, they need to be living with a legal guardian or
4 other adult relative. If they are unable to reside in such
5 a setting, the teenage parent must reside in a foster home,
6 a maternity home, or other adult-supervised supportive
7 living arrangements.

8 Now, we provide the money. If the States choose not to
9 serve teenage mothers under this Temporary Assistance Block
10 Grant, the State's block grant funds would be reduced by
11 the State's allocation of that amount. So if the State
12 does not want to do this, they do not have to do it and
13 they do not get the money to do it.

14 But I think the testimony has been so clear, so
15 compelling, so persuasive, that we should not be giving
16 assistance to young mothers and setting them up in separate
17 living arrangements where this cycle just continues, they
18 need to be in a setting in which they can be nurtured, and
19 grow, and educated, and trained if we are going to have any
20 chance of breaking this cycle. Again, I would point to
21 that wonderful testimony of Sister, was it Mary Rose?

22 Senator Moynihan. McGeady. Yes. Covenant House in
23 Brooklyn.

24 Senator Conrad. She told us she has got thousands of
25 young women who have been under her charge, many of them

1 who had a child. Yet, when they were in a supervised
2 setting, the problem of additional children went away
3 because there was some supervision, there was some
4 discipline, there was some ability to get them on a
5 different track. I just think we would be remiss if we did
6 not put this in as part of our attempt to change a system
7 that clearly does not work.

8 Senator Dole. Could I ask a question?

9 The Chairman. Senator Dole.

10 Senator Dole. How does Senator Moynihan handle this
11 in his earlier substitute?

12 Senator Moynihan. Margaret Malone could specify the
13 difference. We addressed the subject, and we do not think
14 persons under 18 should be living on their own.

15 Ms. Malone. That is right. Senator Moynihan's bill
16 does require teen parents to live at home, or in another
17 adult-supervised arrangement. It does put a burden on the
18 State, if no appropriate arrangement is available to that
19 teen, to help the teen find a home.

20 Senator Dole. Does it have a cost to it?

21 Ms. Malone. There is a cost to it, yes.

22 Senator Moynihan. Oh, there is a cost to it. Oh,
23 yes.

24 Ms. Malone. It is not a large cost. It was on the
25 order of about \$30 million a year.

1 Senator Dole. \$30 million?

2 Ms. Malone. Yes.

3 Senator Dole. As opposed to \$300 million.

4 Ms. Malone. A year.

5 Senator Moynihan. The \$30 million, if I can say, sir,
6 goes to when you have to provide a group home setting.
7 That is costly.

8 Senator Conrad. The \$300 million, if I might, is a
9 five-year number under ours, and we have provided these
10 Second Chance houses, because one of the things we have
11 heard from the witnesses is, you know, you have got some
12 circumstances where there is not a parent, there is not a
13 legal guardian, there is not some other adult relative, and
14 we need to have a circumstance where they are supervised.
15 I am sorry. The \$300 million is a seven-year cost.

16 Senator Chafee. Could I just ask a quick question?

17 The Chairman. Sure.

18 Senator Chafee. Two things. One, and I do not say
19 this facetiously, but teenage does not stop at 18, it goes
20 right up through 19. Anything less than 20, I assume, by
21 definition, is that right?

22 Ms. Malone. Under Senator Moynihan's bill it was
23 under 18.

24 Senator Chafee. Under 18. Well, under Senator
25 Conrad's bill ----

1 Senator Conrad. 18.

2 Senator Chafee. Oh. It is 18 and under.

3 Senator Conrad. Yes.

4 Senator Chafee. All right. The other question was,
5 if you do not do this for 100 percent of this population,
6 for one percent you do not do it, do you lose your grant?

7 Senator Conrad. No, I do not think we would want to
8 be in that circumstance. The idea that if the States
9 choose not to serve unmarried teenage mothers under a
10 Temporary Assistance Block Grant, then they would lose
11 their portion of the \$300 million of funding.

12 So States would be in a position to make a decision,
13 but if they are going to do it, they have to have a
14 circumstance that provides that these teenage parents not
15 be out on their own.

16 I just think every expert we have had has said to us
17 that that is one of the real problems with this current
18 system. We give people assistance and go set them up, in
19 many cases, in public housing, a 16-year-old mother, and
20 she is surrounded by other 16-year-old mothers, and we have
21 created a cycle that does not easily get broken.

22 Senator D'Amato. Have we gotten any testimony from
23 the governors and from the State officials as to the
24 impact? I share a concern that Senator Chafee has brought
25 forward. We just have such a huge burden.

1 Let us suppose the States are attempting to do it, but
2 is not in the position to do this as it relates to 20
3 percent of that population, or 30 percent. Are they cut
4 off? Are they going to lose benefits as it relates to this
5 program then? You see, I am sympathetic towards attempting
6 to do something.

7 I am wondering, Mr. Chairman, rather than have a vote
8 on this at this time, if we could not have a little study
9 on this. I tell you, I would be strongly supportive of
10 this endeavor if we do not just take that plunge right now,
11 if we can see that we have a time to implement it and get
12 some suggestions from our State social service
13 commissioners, et cetera, and try to see what the impact
14 would be. I would just as soon exercise some caution.

15 The Chairman. I wonder if we might do this. Senator
16 Moynihan has suggested perhaps we might vote on some of
17 these.

18 Senator Rockefeller. Yes.

19 The Chairman. Or we are going to have them all
20 stacked on top of each other. But I know Senator Simpson
21 wanted to talk on Senator Graham's amendment on immigrants,
22 I believe.

23 Senator Simpson. Yes, Mr. Chairman. Wait. I have
24 been wandering in the subterranean caverns.

25 The Chairman. On legal aliens, excuse me, not

1 immigrants.

2 Senator Simpson. Which amendment was it? There were
3 three on immigration you had.

4 The Chairman. Well, let me see if I state it right.

5 Senator Simpson. I just wanted to comment.

6 The Chairman. In the bill we gave to the States the
7 right to have discretion to exclude legal aliens. It is
8 questionable whether they have the constitutional right to
9 do so now.

10 Whether or not this delegation gives it to them, I am
11 not sure, but without it they do not have, whereas, at the
12 federal level, on a federal program, we can distinguish
13 between legal aliens and citizens.

14 Senator Graham's amendment would delete from the bill
15 the delegation we are giving to the States to make that
16 distinction. Do I state it right, Bob?

17 Senator Graham. Correct.

18 Senator Simpson. Yes, and I followed that. I worked
19 with Senator Graham when he was governor on these issues
20 because he comes from a State which is most deeply impacted
21 by federal failures in immigration. It is a federal
22 obligation.

23 I think it is clear that Congress has the jurisdiction
24 to determine the rights and benefits that non-citizens will
25 receive, and the Supreme Court, of course, has said that we

1 cannot treat permanent resident aliens any differently than
2 regular citizens without some kind of Congressional
3 activity.

4 But in this case you prohibit publicly-funded benefits
5 to permanent resident aliens, so allowing the States to
6 prohibit assistance for certain aliens would not appear to
7 be inconsistent with that.

8 But I just wanted to say, it is my personal view that
9 permanent resident aliens should not be restricted by
10 States or the Federal Government from a limited--I use the
11 word limited--access to the safety net of benefits,
12 provided that the access is, indeed, limited, and provided
13 we enforce our deportation laws if these people become a
14 public charge. So, I just wanted to make that statement.

15 I am concerned that we take care also to avoid anything
16 that will encourage immigrants to naturalize for the wrong
17 reasons, i.e., to obtain access to welfare. In other
18 words, if you say, if you will just now become a U.S.
19 citizen you are going to get into the kitty, that is a
20 pretty poor reason to get people to naturalize.

21 Then, finally, I would say that in my years of working
22 with this issue for many years, immigrants have always
23 figured out what States to move to. This will continue
24 forever.

25 The network, the communication system, in illegal

1 immigration and legal immigration makes Ma Bell look like
2 a can or two with strings in between. These people know
3 this game and they will move where the benefits will be
4 more generous.

5 That issue of secondary migration of refugees has been
6 a serious problem for all the problems I have been dealing
7 with it and I do not think we are going to aggravate the
8 problem with this amendment.

9 The Chairman. I wonder if we might do this. I want
10 to work with Kent on how much of this money is going to be
11 taken up solely with ----

12 Senator Graham. Excuse me, Mr. Chairman. I think Ms.
13 Malone wanted to make some comment.

14 The Chairman. Margaret?

15 Ms. Malone. I just wanted to make a clarification,
16 and correct me if I am wrong. I think what we are talking
17 about here is not use of State and local funds, but use of
18 federal funds in this amendment. It is not what States do
19 with their own money, but what States can do with the
20 federal block grant money.

21 Senator Simpson. But the selection process will be by
22 the States.

23 Ms. Malone. That is right.

24 Senator Simpson. Right. And I would not support
25 Senator Graham's amendment.

1 The Chairman. I am going to suggest this. We have
2 three amendments. I am going to work with Kent on his 60
3 percent of the cost for child care and training and see if
4 we cannot work something out on that, and whether or not
5 that ties into Senator Grassley's Jobs Program and opening
6 this up so that, by and large, the States can determine
7 their own Jobs Program, I do not know where that quite fits
8 in and how much money goes for child care and training. I
9 might suggest we put them both together and see what we can
10 do, but Chuck is entitled to ----

11 Senator Rockefeller. Oh, I hope you do not. Not for
12 this purpose.

13 The Chairman. No, not for this purpose. If I have to
14 vote now I will vote against it, but I am willing to work
15 on it.

16 Senator Moseley-Braun. Mr. Chairman?

17 The Chairman. I am sorry. Senator Moseley-Braun.

18 Senator Moseley-Braun. Yes. With regard to the child
19 care amendment.

20 The Chairman. Which one?

21 Senator Moseley-Braun. The child care one. You
22 mentioned the whole issue of child care for the working
23 poor. I have an amendment on that; I am very concerned
24 about it also. But if you are going to work in that area
25 then I would like very much to be able to participate in

1 that conversation.

2 The Chairman. Good.

3 Are we ready to vote on Senator Graham's amendment?
4 Senator Graham's amendment would strike from the bill the
5 permissive authority to the States to make a distinction
6 between legal aliens and citizens.

7 Senator Graham. Mr. Chairman?

8 The Chairman. Yes.

9 Senator Graham. Since most of the folks were not here
10 when I made my eloquent opening statement, I would just
11 like to close briefly by saying what I think are some of
12 the consequences of having a checkerboard system, that we
13 are going to encourage mobility from State to State, we are
14 going to leave this subgroup of the population unserved
15 with child care, training, and other services, and we are
16 making this apply retroactively to people who came into the
17 country as legal aliens under the set of standards that
18 then existed. If you are going to do this, I think, at
19 least it ought to be done on a prospective basis.

20 The Chairman. The Clerk will call the roll.

21 Senator Dole. Mr. Chairman, can I just ask, why is it
22 a prospective basis, is that a problem?

23 The Chairman. Big money.

24 The Clerk. Mr. Dole.

25 Senator Dole. No.

1 The Clerk. Mr. Roth.
2 The Chairman. No.
3 The Clerk. Mr. Chafee.
4 Senator Chafee. No.
5 The Clerk. Mr. Grassley.
6 Senator Grassley. No.
7 The Clerk. Mr. Hatch.
8 The Chairman. No.
9 The Clerk. Mr. Simpson.
10 Senator Simpson. No.
11 The Clerk. Mr. Pressler.
12 The Chairman. No.
13 The Clerk. Mr. D'Amato.
14 Senator D'Amato. No.
15 The Clerk. Mr. Murkowski.
16 The Chairman. No.
17 The Clerk. Mr. Nickles.
18 Senator Nickles. No.
19 The Clerk. Mr. Moynihan.
20 Senator Moynihan. Aye.
21 The Clerk. Mr. Baucus.
22 Senator Moynihan. No.
23 The Clerk. Mr. Bradley.
24 Senator Moynihan. Aye, by proxy.
25 The Clerk. Mr. Pryor.

1 Senator Moynihan. Pass.
2 The Clerk. Mr. Rockefeller.
3 Senator Rockefeller. No.
4 The Clerk. Mr. Breaux.
5 Senator Moynihan. Aye, by proxy.
6 The Clerk. Mr. Conrad.
7 Senator Conrad. Aye.
8 The Clerk. Mr. Graham.
9 Senator Graham. Aye.
10 The Clerk. Ms. Moseley-Braun.
11 Senator Moseley-Braun. Aye.
12 The Clerk. Mr. Chairman.
13 The Chairman. No.
14 The Clerk. The nays are 13, the yeas six.
15 The Chairman. The amendment fails.
16 I wonder if we might vote now on Senator Grassley's
17 Jobs amendment.
18 Senator Grassley. For those of you who were not here,
19 the Chairman's Mark has the federal Jobs program, the
20 program that the States have to administer. My bill allows
21 the States the option of doing that or creating their own
22 Jobs Program, except that I would still keep the
23 requirements of Senator Packwood, that the States must
24 still meet the participation rates and hour rates as
25 outlined in his bill, and then including the requirement to

1 provide child care.

2 The Chairman. I wonder, Senator Grassley, if I may
3 ask you this. I would be willing to work with you also, if
4 you do not want to push this amendment now. If you do, I
5 am going to have to vote no on it for the moment. But I
6 think you raised some good points.

7 So long as we understand what is happening, we are
8 opening up the work program basically to sort of a generic
9 definition of, are you working. I am willing to consider
10 it, but I would have to vote no now if we had to vote on
11 it.

12 Senator Moynihan. Mr. Chairman?

13 The Chairman. Yes.

14 Senator Moynihan. Could I say that on our side I am
15 sure we would be willing to work on this, but right now we
16 would be voting no. I think most Senators would be.

17 Senator Grassley. The only thing I wonder, Mr.
18 Chairman, because you have to have a very close working
19 relationship with the Ranking Member, and his litmus test
20 support for the Jobs Program and not wanting to change it
21 any, does that not put you in a position where you cannot
22 compromise with me too much?

23 The Chairman. Are you talking about my compromising
24 Pat?

25 Senator Grassley. Yes. I mean, you will not be able

1 to compromise and work out something because of your faith
2 and confidence ----

3 The Chairman. Can we add this to consideration at the
4 farm?

5 Senator Moynihan. We will work it out in the barn.

6 The Chairman. Chuck, all I can tell you is this, I
7 understand what you are driving at. I know where the
8 governors are coming on this, and they would just as soon
9 have as few requirements as possible.

10 On the other hand, I can see us getting hit by the
11 President who says, work requirements, work requirements,
12 work requirements. I know what you are saying. This is
13 going to ease them a bit. It is going to let them meet
14 them in a more flexible fashion. I realize we are trying
15 to have flexibility. All I can say is, I am willing to see
16 what can be worked out, but if I had to vote now, it would
17 be, no.

18 Senator Grassley. Since you know how important this
19 is to me and to the flexibility for the States, the fact
20 that I include in here your participation rate and child
21 care, and that is the core of whether or not a State has a
22 program that is not a shell program in substitute for the
23 Jobs Program, how much further ----

24 The Chairman. Maybe we are all colored by our own
25 experiences. Oregon has got the Jobs Program and it is

1 working. It is working rather well.

2 Senator Grassley. And under my amendment they could
3 still do that.

4 The Chairman. I understand. All I am telling you is
5 my hesitancy whenever something immediately comes up and I
6 have not got an intuitive feeling on it as to how it may
7 work out. I have been burned more times in the past by
8 doing something like that. That is my hesitancy.

9 Senator Grassley. As long as it is not the midnight
10 hour, I think I would prefer then to work something out
11 with you.

12 The Chairman. All right. I appreciate it very much.

13 Now we have Senator Conrad's teenage mothers must live
14 at home, or if not at home, with a guardian or in an adult-
15 supervised living environment.

16 Senator Conrad.

17 Senator Conrad. Mr. Chairman, if I can very briefly
18 restate it for our colleagues who were not here before. If
19 States choose to serve unmarried teenage mothers under the
20 Temporary Assistance Block Grant program, those unmarried
21 teenage mothers must live with a parent, legal guardian, or
22 other adult relative.

23 If they are unable to reside in those types of
24 settings, the teenage parent must reside in a foster home,
25 a maternity home, or other adult-supervised supportive

1 living arrangements. Again, I think the testimony we
2 received was overwhelming, that that is just very important
3 to breaking this cycle.

4 Senator D'Amato. Is this all new money, Kent?

5 Senator Conrad. \$300 million over seven years.

6 Senator D'Amato. It does not impact on any of the
7 present programs?

8 Senator Conrad. No.

9 Senator D'Amato. So this is to encourage this kind of
10 supervision, is that right?

11 Senator Conrad. Yes.

12 Senator D'Amato. Well, that certainly makes a
13 difference to this Senator.

14 Senator Dole. But I think the point is, it is still
15 another requirement that the government would do something.
16 I think that is the fundamental problem. It sounds good
17 and I would like to figure out a way to do it. But we
18 cannot impose our will upon the governors. That is what we
19 want to do.

20 Senator Conrad. Mr. Chairman, if I might just respond
21 to that and say, if the States choose not to serve this
22 population they are just limited. They do not get their
23 share of the \$300 million over the seven years. So we are
24 not talking about an unfunded mandate.

25 Senator Chafee. Mr. Chairman, I just also would like

1 to say that trying to set up these foster homes, I think we
2 have all had these supportive living arrangements. Every
3 one of us has experience that when you try to put one of
4 those into a community you really run into a buzz saw. And
5 having these things available is very, very difficult.

6 The Chairman. Kent, have you specified an offset for
7 this \$300 million?

8 Senator Conrad. No. It would come out of the savings
9 that are in the overall bill.

10 The Chairman. Say that again.

11 Senator Conrad. It would come out of the savings in
12 the overall bill. Instead of having \$26.1 billion of
13 savings we would have \$25.8 billion.

14 The Chairman. Actually, it is \$42 billion.

15 Senator D'Amato. You know, there is another problem,
16 though. It is not that you just might not be able to
17 participate in this pool of \$300 million of new money,
18 because there are States that now do serve these
19 youngsters, and they have to.

20 I mean, we may say we should change the manner in which
21 they have to, but if they are serving this population they
22 must comport to this, otherwise they lose money that is
23 coming from under an existing program. In other words, if
24 you serve this population you must meet this requirement.

25 Senator Conrad. No.

1 Senator D'Amato. That is what staff tells me.

2 Senator Conrad. No, that is not accurate. If they
3 are going to serve this population, they have this
4 requirement, but then they get the money to do it.

5 Senator Rockefeller. Mr. Chairman?

6 The Chairman. Senator Rockefeller.

7 Senator Rockefeller. To try to put it in context, we
8 are talking about people living by themselves. I mean, let
9 us try and consider what it is. We are arguing now over
10 whether it is a mandate. That is an important
11 philosophical argument. It certainly is an unfunded one.
12 We are arguing over \$300 million over seven years.

13 Then the perspective is sort of one of the largest
14 things in the mind of the American people and one of our
15 largest potential duties in the welfare bill. I would hope
16 the amendment would pass.

17 The Chairman. Clerk, call the roll.

18 The Clerk. Mr. Dole.

19 Senator Dole. No.

20 The Clerk. Mr. Roth.

21 The Chairman. No.

22 The Clerk. Mr. Chafee.

23 Senator Chafee. No.

24 The Clerk. Mr. Grassley.

25 Senator Grassley. No.

1 The Clerk. Mr. Hatch.
2 Senator Hatch. No.
3 The Clerk. Mr. Simpson.
4 Senator Simpson. No.
5 The Clerk. Mr. Pressler.
6 The Chairman. No.
7 The Clerk. Mr. D'Amato.
8 Senator D'Amato. No.
9 The Clerk. Mr. Murkowski.
10 The Chairman. No.
11 The Clerk. Mr. Nickles.
12 Senator Nickles. Aye.
13 The Clerk. Mr. Moynihan.
14 Senator Moynihan. Aye.
15 The Clerk. Mr. Baucus.
16 Senator Baucus. Aye.
17 The Clerk. Mr. Bradley.
18 Senator Moynihan. Aye, by proxy.
19 The Clerk. Mr. Pryor.
20 Senator Moynihan. Aye, by proxy.
21 The Clerk. Mr. Rockefeller.
22 Senator Rockefeller. Aye.
23 The Clerk. Mr. Breaux.
24 Senator Moynihan. Aye, by proxy.
25 The Clerk. Mr. Conrad.

1 Senator Conrad. Aye.

2 The Clerk. Mr. Graham.

3 Senator Graham. Aye.

4 The Clerk. Ms. Moseley-Braun.

5 Senator Moseley-Braun. Aye.

6 The Clerk. Mr. Chairman.

7 The Chairman. No.

8 The Clerk. The nays are 10, the ayes are 10.

9 The Chairman. The amendment fails on a tie vote.

10 Senator Conrad. Mr. Chairman, might I inquire, does
11 this mean that I have the second time I have failed on a
12 10:10 tie vote?

13 The Chairman. Are you saying that you get to win one
14 and lose one?

15 [Laughter]

16 Senator Conrad. Is there not just one more ----

17 The Chairman. Further amendments?

18 Senator Rockefeller, first--I recognized him--and then
19 Senator Moseley-Braun.

20 Senator Rockefeller. This is, I would hasten to start
21 off the conversation, optional to any governor, so it is
22 not a mandate. It has to do with State flexibility on this
23 program in areas of incredibly high unemployment. We just
24 have to understand, we have got an additional problem that
25 we think maybe that 60 percent of the money is going to get

1 used up on child care and job training, with very little
2 being left over.

3 There are areas all over this country--certainly in my
4 State, certainly in everybody's State--where there simply
5 are not jobs. I mean, you can train people for 10 years,
6 15 years, they can have the highest motivation in the
7 world, but there simply are no jobs.

8 Now, these people sometimes will gravitate to other
9 States, other parts of the State. One county in West
10 Virginia, for example, that I am thinking of, has 26
11 percent unemployment; one out of every five families with
12 children receives AFDC.

13 Now, is it fair to preclude a governor, or is it fairer
14 to give the governor an option, to have State flexibility,
15 if the unemployment is 8.5 percent or more, to continue
16 benefits as long as the parents or the parent does
17 community work?

18 In many cases, counties will rise and fall in
19 unemployment. Some of the worst counties that I can think
20 of in West Virginia in terms of unemployment would not
21 qualify for this. The one that I particularly mentioned,
22 I think, soon will not qualify for this because good
23 activity will take place.

24 But to give the governor the option where unemployment
25 and private sector jobs are just literally impossible for

1 the person to get. They just do not exist. It is true in
2 parts of Wyoming, New York, Oklahoma, everywhere. It is
3 the option of the governor. I presented as an amendment
4 called the State Flexibility and High Unemployment
5 Amendment.

6 The Chairman. Discussion?

7 Senator Baucus. Mr. Chairman?

8 The Chairman. Senator Baucus.

9 Senator Baucus. Mr. Chairman, there are many parts of
10 our country that have very, very high unemployment rates
11 for various reasons. Some of them are sort of endemic and
12 seem to go on for ever, while others are transitional.

13 In Montana, and I think in a lot of others, certainly
14 the western States, Indian reservations are areas with very
15 high unemployment. State governors are unable to make some
16 exceptions.

17 The more I think about very high unemployment areas
18 like Indian reservations, the more I think this bill is
19 just not going to work. I just look at the realities of
20 what is going on here.

21 I think it is very important that this amendment pass
22 because it gives governors that flexibility, if they want
23 to, to exempt certain parts of the State that have very
24 high unemployment. Again, it is optional. It is up to the
25 governor to make that decision if he or she chooses to do

1 so.

2 The Chairman. Further discussion?

3 Senator Chafee. Mr. Chairman, one question about this
4 area of high unemployment. I notice it talks about,
5 "define as a major political subdivision." Is this
6 something that can be readily calculated quickly? It is
7 not an existing term.

8 Senator Moynihan. It says, "For which the BLS
9 calculates the unemployment rate." That is a pretty big
10 section.

11 Senator Chafee. Yes. Former member of the Labor
12 Department, is that easy to calculate?

13 Senator Moynihan. It is easy to calculate, but you
14 want to be pretty big.

15 Senator Chafee. Yes. I mean, you could have a whole
16 State and fall into it.

17 Senator Moynihan. Yes.

18 Senator Rockefeller. No. No, you could not.

19 Senator Chafee. Well, except these unemployment rates
20 are figured by States. Our State currently is up near
21 the ----

22 Senator Rockefeller. Senator Chafee, again, you want
23 to give the States flexibility, you want to take the power
24 out of the hands of the federal bureaucrats in Washington
25 and give it to the States. For a governor to declare an

1 entire State exempt is ridiculous. It is ridiculous.

2 Senator Chafee. I do not know why it was. I mean,
3 plenty of States have run unemployment over 8.5 percent.

4 Senator Rockefeller. Well, that is certainly not the
5 intention. If the Senator is suggesting that governors
6 would take advantage of the situation under the State
7 flexibility which this Senator espouses, and you cannot
8 trust governors, State legislatures, or the various State
9 people that Senator Simpson was referring to, then I think
10 you would want to vote no on this. I have a higher regard
11 for those people.

12 Senator Chafee. I was not putting it in terms of
13 trust and all that, I was just saying ----

14 Senator Rockefeller. Well, is it not in terms of
15 trust? I mean, you are saying we are going to give it to
16 the States because they are close to the people and,
17 therefore, can do better work?

18 Senator Hatch. Could I ask a question?

19 The Chairman. Are these people still counted in terms
20 of participation rates?

21 Senator Rockefeller. If they are working.

22 Senator Hatch. Yes. If so, it puts more pressure on
23 other areas of the State to increase participation. That
24 is something that needs to be ----

25 Senator Rockefeller. I mean, is it impossible for us

1 to try to be realistic about certain circumstances in this
2 country?

3 Senator Hatch. Sure.

4 Senator Rockefeller. I mean, there simply are areas.
5 Now, people usually leave those areas, thus reducing the
6 problem. In our case, they move to the Carolinas; used to
7 move to Texas.

8 But, I mean, do we not at some point have to face up to
9 the human condition as it exists, where people are doing
10 everything they can, want to work--faces flash in front of
11 my mind as I say these words--but they cannot find the work
12 because the work does not exist there. It does not exist
13 there. Now, they have got to keep on doing community work,
14 community service. They have got to keep doing the CWAP,
15 or whatever you want to call it. Community work, they have
16 to do.

17 The Chairman. Further discussion?

18 [No response.]

19 The Chairman. The Clerk will call the roll.

20 The Clerk. Mr. Dole.

21 Senator Dole. No.

22 The Clerk. Mr. Roth.

23 The Chairman. No.

24 The Clerk. Mr. Chafee.

25 Senator Chafee. No.

1 The Clerk. Mr. Grassley.
2 Senator Grassley. No.
3 The Clerk. Mr. Hatch.
4 Senator Hatch. No.
5 The Clerk. Mr. Simpson.
6 Senator Simpson. No.
7 The Clerk. Mr. Pressler.
8 The Chairman. No.
9 The Clerk. Mr. D'Amato.
10 Senator D'Amato. No.
11 The Clerk. Mr. Murkowski.
12 The Chairman. No.
13 The Clerk. Mr. Nickles.
14 Senator Nickles. No.
15 The Clerk. Mr. Moynihan.
16 Senator Moynihan. Aye.
17 The Clerk. Mr. Baucus.
18 Senator Baucus. Aye.
19 The Clerk. Mr. Bradley.
20 Senator Moynihan. Aye, by proxy.
21 The Clerk. Mr. Pryor.
22 Senator Moynihan. Aye, by proxy.
23 The Clerk. Mr. Rockefeller.
24 Senator Rockefeller. Aye.
25 The Clerk. Mr. Breaux.

1 Senator Moynihan. Aye, by proxy.

2 The Clerk. Mr. Conrad.

3 Senator Conrad. Aye.

4 The Clerk. Mr. Graham.

5 Senator Graham. Aye.

6 The Clerk. Ms. Moseley-Braun.

7 Senator Moseley-Braun. Aye.

8 The Clerk. Mr. Chairman.

9 The Chairman. No.

10 The Clerk. The nays are 11, the ayes nine.

11 The Chairman. The amendment fails.

12 Senator Moseley-Braun?

13 Senator Moseley-Braun. Thank you, Mr. Chairman. I
14 have two amendments that I would like to characterize as
15 the end of the day amendments. That is to say that, with
16 all of the changes in the Chairman's Mark and everything
17 that we are going to do, that I believe it is absolutely
18 essential that we do not leave the children at risk of
19 death, starvation, and homelessness.

20 Now, we have, in previous meetings of this committee,
21 talked about the numbers, the numbers that tell us that 22
22 percent of American children live in poverty, that our
23 child poverty rate is double that of Canada and Australia,
24 four times that of France, Netherlands, Germany, Sweden.
25 We have got 39.9 million Americans in poverty, 22 percent

1 of those are children. In short, 14.6 million children are
2 living in poverty.

3 Now, this bottom line issue, for me, suggests that the
4 removal of a safety net, a guarantee at the bottom for the
5 children, is really problematic. I know--I hope I know--
6 that that is not the intention of any person here.

7 So the question becomes, as we give the States
8 flexibility, as we turn over the responsibility here, I
9 think it is important that we make a statement that no
10 State shall deny a child assistance if their parents mess
11 up, if their parents do not comply or their parents do
12 something wrong, which is likely to happen or could happen,
13 that, in any event, the child will not be left with no
14 subsistence assistance at all, that the child would not be
15 left with nothing.

16 So, the first amendment says that a State can reduce
17 the grant. I mean, it can make its decisions about how its
18 programs are going to be set up with eligibility, or
19 whatever, everything else that the Chairman's Mark
20 provides, and even to the extent of kicking off the adult,
21 but that the child's portion will not be taken out, the
22 child will still receive some level of assistance at the
23 end of the day once the Chairman's Mark has passed into
24 law.

25 That is the first amendment, Mr. Chairman. Again, we

1 have had discussions here, and I know you said the other
2 day that there is a philosophical difference, but on this
3 there can be, I think, no philosophical difference. That
4 is, these United States are not prepared to go back to
5 this. We are not prepared to have the street urchins
6 sleeping on top of each other for warmth. We are not
7 prepared to let this happen in any place in this country.

8 So, again, this safety net amendment, the bottom line
9 amendment, the end of the day amendment says that, whatever
10 else we do, however else this program is changed,
11 dismantled, turned over, reformed, whatever, bottom line,
12 the children will have some guarantee of subsistence, and
13 I would ask for support of the amendment.

14 The Chairman. Discussion?

15 [No response.]

16 The Chairman. The Clerk will call the roll.

17 Senator Rockefeller. Mr. Chairman?

18 The Chairman. Yes.

19 Senator Rockefeller. I just think it is impossible to
20 underestimate the power of the principle that Carol
21 Moseley-Braun has put forward, and I think this is one of
22 the two great issues at stake in this debate, and one of
23 the two great issues where there is a division of
24 philosophy.

25 But let those who watch and those who listen understand

1 that, as a Senate which talks so frequently about family
2 values, are we willing, in fact, because of the vote of the
3 United States Congress, allow children to starve in the
4 streets as they once did?

5 Senator Dole. Could I just ask, we have three former
6 governors on this panel. I am led to believe that
7 governors would let this happen.

8 Senator Moseley-Braun. The problem, Senator Dole, is
9 that there is nothing in this legislation. Assuming for a
10 moment, by action or inaction by any State, there is no
11 recourse if a governor decides to do so. That really is --
12 --

13 Senator Dole. I do not know of any governor who would
14 decide to do so.

15 Senator Rockefeller. Let me answer that. First of
16 all, one of the problems is trying to get work. We have
17 now begun to discover, from CBO--and Senator Packwood, I
18 think, has taken this deeply into his consideration--that
19 there is no money left over after you start training people
20 for work, and child care.

21 Second, there will be situations, like in West
22 Virginia, where all our legislature has done for the last
23 four years--in fact, is having another special session--is
24 to try to come up with more money for the Medicaid match on
25 health care and, thus, would be this. We cannot do it. We

1 simply cannot do it. States are poor. There are such
2 conditions. Governors can be of good will, but you cannot
3 promise that it will not happen.

4 Senator Chafee. Mr. Chairman?

5 The Chairman. Senator Chafee.

6 Senator Chafee. Mr. Chairman, it seems to me that
7 this is the heart of the whole debate we are having here
8 today, whether we are going to continue this as an
9 entitlement program or whether we are going to give the
10 money to the States, under the direction of the States,
11 under the governors.

12 And let me just say, I obviously cannot speak for all
13 governors, but certainly while I was governor one of the
14 most sensitive issues that you always had before you was
15 taking proper care of children.

16 The last thing any governor wants to have happen is
17 some child that is his or her responsibility in one of the
18 institutions, or anywhere in the State, is not properly
19 taken care of. So I think governors are going to be
20 extremely conscious of taking care of children and see that
21 they are in a program. So I think the fears of Senator
22 Moseley-Braun are not justified.

23 Senator Rockefeller. I insist on coming back hard on
24 that. Six years ago we had--and this when life was a lot
25 flusher in West Virginia--a National Commission on Children

1 hearing, and this was the subject of one of the discussion.
2 The head of the social workers for the State testified, a
3 woman with whom I met about a month ago on the subject of
4 welfare reform.

5 And halfway through her testimony--I do not mean to be
6 melodramatic about this, but this will come off this way--
7 she simply broke down in tears and was unable to continue
8 her testimony because she said I came into this business--
9 this is the head of the social workers for the State--
10 because I wanted to help people.

11 Now, this is the theory that Senator Simpson raised
12 that everything at the State level works so much better,
13 you just go to your State legislature. Of course, if they
14 just meet two and a half, three months a year it is a
15 little bit harder.

16 But our people are underpaid, our people are
17 overworked, our people have massive case loads and they are
18 buried in paper work. They are not able to go out and find
19 and see those families and find out whether those children
20 actually are starving or not, and that is exactly the
21 problem I am talking about.

22 Senator Chafee. Well, that is the existing system.

23 The Chairman. I think we have beat this to death.

24 Senator Graham. Could I put some arithmetic behind
25 this?

1 The Chairman. Go ahead.

2 Senator Graham. We have decided that we are going to
3 continue a formula which was predicated on how much a State
4 was willing to match into this process, although we are no
5 longer requiring States to match.

6 Second, we are now requiring States to undertake very
7 expensive child care and training obligations. We have
8 heard from CBO that some 60 percent of the resources that
9 are going to be available are going to be spent in those
10 areas.

11 My State gets a little less than one-third per child
12 for poor children than does the Senator from Rhode Island's
13 State. Out of that one-third less money, my State has got
14 to fund a training program, and I do not think it costs any
15 less to train a person in Florida than it does in Rhode
16 Island, I have got to undertake child care. We are both
17 operating with essentially the same child care requirements
18 in terms of adults per children, and other requirements.
19 That is not going to be substantially different.

20 So the State of Florida and a large number of other
21 States who are going to be seriously financially
22 disadvantaged are going to have very little money left over
23 to see that we do not have this kind of situation. It is
24 not a matter of compassion or heart, it is a matter of the
25 hard mathematics of the system that is being constructed.

1 Senator Simpson. Mr. Chairman?

2 Senator Moseley-Braun. If I may ---- go ahead,
3 Senator Simpson.

4 Senator Simpson. No, please, Carol.

5 Senator Moseley-Braun. I wanted to respond to Senator
6 Chafee. Again, I come out of State government and I
7 understand the interest in having State flexibility. I do.
8 But the point is, with regard to these governors--and I do
9 not presume that any governor is less compassionate than
10 any member of this United States Senate--at the end of the
11 day after all of the decisions have been made, and the
12 entitlements, and all this language that we throw around,
13 will these 14.6 million children have some guarantee from
14 us in the United States Congress?

15 Do we not have some obligation to all of the children
16 of these United States to say we are not going to stand by
17 and let you either deliberately or accidentally starve to
18 death? That is the only issue that this amendment raises.
19 It does not call on anybody to do anything. It says,
20 "notwithstanding any other provision of this Act." It does
21 not say you have to do anything, it just says you cannot
22 let this happen. That is all this amendment calls for.

23 The Chairman. Senator Simpson.

24 Senator Simpson. Mr. Chairman, this is a curious
25 debate because we are talking about how the States cannot

1 afford anything, but guess what? The Federal Government
2 cannot afford anything either. We are going to vote on a
3 \$5 trillion debt in just a few weeks. Now, let us all
4 remember what we are doing. \$5 trillion, with the deficit
5 headed for \$200-300 billion out into the ozone.

6 So, percentage-wise, the Federal Government cannot do
7 it either. We will not get it done--and I will throw it
8 one more time--until you do something with the
9 stabilization of the population.

10 What are you going to do, just never deal with that
11 issue because of religion, ethnicity and all the rest of it
12 while it just goes rocketing off into who knows where? You
13 cannot take care of children when you have no possible way
14 of doing it, and no entitlement reform, and never deal with
15 \$362 billion in the budget which is just winging out every
16 year, regardless of net worth or income, called Social
17 Security.

18 Senator Rockefeller. It is our obligation to try.

19 Senator Simpson. Well, we have tried and failed.

20 The Chairman. The Clerk will call the roll.

21 The Clerk. Mr. Dole.

22 Senator Dole. No.

23 The Clerk. Mr. Roth.

24 The Chairman. No.

25 The Clerk. Mr. Chafee.

1 Senator Chafee. No.
2 The Clerk. Mr. Grassley.
3 Senator Grassley. No.
4 The Clerk. Mr. Hatch.
5 Senator Hatch. No.
6 The Clerk. Mr. Simpson.
7 Senator Simpson. No.
8 The Clerk. Mr. Pressler.
9 The Chairman. No.
10 The Clerk. Mr. D'Amato.
11 Senator D'Amato. No.
12 The Clerk. Mr. Murkowski.
13 The Chairman. No.
14 The Clerk. Mr. Nickles.
15 Senator Nickles. No.
16 The Clerk. Mr. Moynihan.
17 Senator Moynihan. Aye.
18 The Clerk. Mr. Baucus.
19 Senator Baucus. Aye.
20 The Clerk. Mr. Bradley.
21 Senator Moynihan. Aye, by proxy.
22 The Clerk. Mr. Pryor.
23 Senator Moynihan. Aye, by proxy.
24 The Clerk. Mr. Rockefeller.
25 Senator Rockefeller. Aye.

1 The Clerk. Mr. Breaux.

2 Senator Moynihan. Aye, by proxy.

3 The Clerk. Mr. Conrad.

4 Senator Conrad. Aye.

5 The Clerk. Mr. Graham.

6 Senator Graham. Aye.

7 The Clerk. Ms. Moseley-Braun.

8 Senator Moseley-Braun. Aye.

9 The Clerk. Mr. Chairman.

10 The Chairman. No.

11 The Clerk. The nays are 11, the ayes nine.

12 The Chairman. The amendment fails.

13 Are there further amendments?

14 Senator Moseley-Braun. I have another amendment, and
15 I will be brief. This relates to the same issue, these
16 14.6 million children. It says, essentially, Senator
17 Chafee, that if the governor turns out to be an idiot and
18 messes up the program and we wind up with this, that the
19 child has a right of action in the federal courts.

20 The Chairman. Do you have exact language on that
21 description of the governor?

22 Senator Moseley-Braun. I do. Oh, the definition of
23 an idiotic governor? Well, I am sure there is at least one
24 somewhere. Essentially, the language says, "If a child is
25 at risk for adverse health and safety outcomes, or in

1 danger of homelessness, then that child may bring an action
2 for relief in the United States District Court."

3 Again, just to maintain that somehow or another there
4 is some connection that we do not, by this action, abdicate
5 altogether any national responsibility for the health,
6 safety, and welfare of these children. That is all this
7 second end of the day amendment asks for.

8 Senator Chafee. That is not present law now under the
9 existing system, is it, Senator?

10 Senator Moseley-Braun. No, it is not.

11 The Chairman. The Clerk will call the roll.

12 The Clerk. Mr. Dole.

13 Senator Dole. No.

14 The Clerk. Mr. Roth.

15 The Chairman. No.

16 The Clerk. Mr. Chafee.

17 Senator Chafee. No.

18 The Clerk. Mr. Grassley.

19 Senator Grassley. No.

20 The Clerk. Mr. Hatch.

21 Senator Hatch. No.

22 The Clerk. Mr. Simpson.

23 Senator Simpson. No.

24 The Clerk. Mr. Pressler.

25 The Chairman. No.

1 The Clerk. Mr. D'Amato.
2 Senator D'Amato. No.
3 The Clerk. Mr. Murkowski.
4 The Chairman. No.
5 The Clerk. Mr. Nickles.
6 Senator Nickles. No.
7 The Clerk. Mr. Moynihan.
8 Senator Moynihan. Aye.
9 The Clerk. Mr. Baucus.
10 Senator Baucus. Aye.
11 The Clerk. Mr. Bradley.
12 Senator Moynihan. Aye, by proxy.
13 The Clerk. Mr. Pryor.
14 Senator Moynihan. No, by proxy.
15 The Clerk. Mr. Rockefeller.
16 Senator Rockefeller. Aye.
17 The Clerk. Mr. Breaux.
18 Senator Moynihan. No, by proxy.
19 The Clerk. Mr. Conrad.
20 Senator Conrad. No.
21 The Clerk. Mr. Graham.
22 Senator Graham. No.
23 The Clerk. Ms. Moseley-Braun.
24 Senator Moseley-Braun. Aye.
25 The Clerk. Mr. Chairman.

1 The Chairman. No.

2 The Clerk. The nays are 16, the ayes four.

3 The Chairman. The amendment fails.

4 Are there further amendments?

5 Senator Dole. I misspoke myself earlier. There are

6 four former governors. I forgot about Senator Pryor.

7 The Chairman. That is true.

8 Senator Moynihan. That is right.

9 The Chairman. Is there a motion to report the bill?

10 Senator Grassley. So moved.

11 Senator Moynihan. I move that we do not report the

12 bill.

13 [Laughter]

14 The Chairman. That is not germane.

15 [Laughter]

16 The Chairman. Senator Grassley has moved to report

17 the bill. It is seconded. The Clerk will call the roll.

18 The Clerk. Mr. Dole.

19 Senator Dole. Aye.

20 The Clerk. Mr. Roth.

21 The Chairman. Aye.

22 The Clerk. Mr. Chafee.

23 Senator Chafee. Aye.

24 The Clerk. Mr. Grassley.

25 Senator Grassley. Aye.

1 The Clerk. Mr. Hatch.
2 Senator Hatch. Aye.
3 The Clerk. Mr. Simpson.
4 Senator Simpson. Aye.
5 The Clerk. Mr. Pressler.
6 Senator Pressler. Aye.
7 The Clerk. Mr. D'Amato.
8 Senator D'Amato. Aye.
9 The Clerk. Mr. Murkowski.
10 The Chairman. Aye.
11 The Clerk. Mr. Nickles.
12 Senator Nickles. Aye.
13 The Clerk. Mr. Moynihan.
14 Senator Moynihan. No.
15 The Clerk. Mr. Baucus.
16 Senator Baucus. Aye.
17 The Clerk. Mr. Bradley.
18 Senator Moynihan. No, by proxy.
19 The Clerk. Mr. Pryor.
20 Senator Moynihan. No, by proxy.
21 The Clerk. Mr. Rockefeller.
22 Senator Rockefeller. No.
23 The Clerk. Mr. Breaux.
24 Senator Breaux. No.
25 The Clerk. Mr. Conrad.

1 Senator Conrad. No.

2 The Clerk. Mr. Graham.

3 Senator Graham. No.

4 The Clerk. Ms. Moseley-Braun.

5 Senator Moseley-Braun. Absolutely not.

6 The Clerk. Mr. Chairman.

7 The Chairman. Aye.

8 The Clerk. The ayes are 12, the nays eight.

9 The Chairman. The bill is reported.

10 Senator Chafee. Mr. Chairman, I would like to thank
11 you personally for the part you did in connection with the
12 child welfare and foster care provisions that retain
13 current law as an entitlement, and quite different from the
14 House bill.

15 Senator Moynihan. May we have order, Mr. Chairman?

16 The Chairman. Senator Baucus.

17 Senator Baucus. Mr. Chairman, I would hope that we
18 would address another issue when we get to the floor that
19 has not been addressed, and that is high growth States.
20 There are many States in this country, and I can probably
21 say that Montana is one that is growing very quickly.
22 Through the formula that is in this bill now, it is going
23 to create a problem for high growth States.

24 The Chairman. It is going to create a problem on
25 Medicaid, also.

1 Senator Baucus. Yes. Right.

2 The Chairman. I ask unanimous consent that the staff
3 might have the power to do technical corrections.

4 Senator Rockefeller?

5 Senator Rockefeller. Just a brief, special word of
6 thanks to Senator Chafee, and his legislative assistant,
7 Laurie, for doing excellent work with the Chairman in terms
8 of protecting child welfare.

9 The Chairman. We are adjourned.

10 [Whereupon, at 1:58 p.m., the meeting was concluded.]

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