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STAY THE COURSE ON WELFARE REFORM

by Harold E. Ford

Recently, calculated leaks and commentary about President Clinton's welfare reform plan swept the country. Desperate to regain the "wedge issue" of welfare reform, Congressional Republicans introduced bills they claim fulfill President Clinton's promise to "end welfare as we know it." In response, an anxious Democratic leadership of the House of Representatives asked the President to delay welfare reform until health care reform passes. What should the President do? Should he forge ahead and risk derailing health care reform or should he delay and risk losing momentum? I say, forge ahead, Mr. President. We should do both.

Let me be blunt. The Republican plan is a harvest of sour grapes. Bill Clinton won the election in part because he stole what they thought was their issue. He proposed a welfare reform plan that hit a responsive chord with the American public -- work and responsibility. In contrast, they stood off stage while the music played and the audience sang along. Now Republicans have shrunk to mumbling among themselves that Clinton didn't really mean what he said and he isn't really a "new Democrat."

Congressional Democrats too were incredulous when the voters chose a former actor over an incumbent Democratic President because he promised not only to reform welfare, but also to increase defense spending, cut taxes, and balance the Federal budget. One might even say Ronald Reagan was a "new Republican." By many standards, he was successful. He succeeded in increasing defense spending and cutting taxes primarily for the rich, but his welfare reforms have failed. And, in the immortal words of his budget director, David Stockman, he left \$200 billion budget deficits "as far as the eye can see."

Now we must struggle not only with the Reagan budget legacy, but we must also deal with his welfare legacy. Remember, much like President Clinton, President Reagan knew something about welfare reform. In 1971, as Governor of California, he signed into law a welfare reform bill which he thought was a model for the Nation. It cut off those who were mixing work and welfare and required the remaining welfare parents to work off their benefits at the minimum wage in a community work experience program. Although his supporters claimed it was a success, respected outside analysts disagreed. They said few welfare recipients were enrolled in the work program and the ensuing decline in welfare caseloads was due to a booming California economy, not the new work program.

Ten years later, President Reagan proposed a similar plan for the Nation. It would have required nearly all able-bodied welfare parents to work for their benefits at the minimum wage in a national community work experience program or CWEP. To the disappointment of many conservatives, Congress rejected this approach as unproven and favored instead State experimentation not only with CWEP, but also with "work supplementation," an approach in which welfare is converted to a wage subsidy for a private sector job.

Although many States experimented with these approaches, it became more apparent that they led to a dead end. Long-term welfare recipients need more than a job at the minimum wage. They need to complete their education, to acquire marketable skills, and to gain worthwhile work experience. While working, they also need child care and health insurance, and, most of all, jobs that pay more than welfare.

The Family Support Act of 1988 responded to these complex needs. Even President Reagan recognized this in 1988 when he wholeheartedly endorsed the bill and signed it into law. It aimed resources at those likely to become long-term welfare recipients and offered them education, training, work experience, transitional child care and health insurance, and other supportive services. It emphasized a mutual responsibility between the state and the welfare recipient. The government would provide the requisite resources and the welfare recipient would strive toward self-sufficiency. But it too has failed.

Why has the Family Support Act failed? There is no simple answer. After its enactment, President Bush presided over a 28 percent increase in the caseload of the prime welfare program, Aid to Families with Dependent Children (AFDC). I don't think he intended to expand the caseload, but there is no denying that it happened on his watch. Instead, a poor economy, an inability of State governments to raise funds to match generous Federal matching rates for the Job Opportunities and Basic Skills (JOBS) program, and a startling rise in out-of-wedlock births seem to provide the clearest explanations.

So what should the President do? Should he provide more income to the poor? Some liberals might want to pursue that approach, but for now it is unpopular. Should he somehow promote "family values?" Conservatives like to talk about this, but nobody has a proven program. Instead, I believe he should fulfill his promise to "end welfare as we know it." To me, this means jobs -- real jobs providing valuable services and paying enough for welfare parents to move off welfare and become completely self-sufficient.

As President Clinton has said, we must make work pay; enforce child support; invest in education and training; and yes, time-limit cash assistance. This will promote work and responsibility, but it will fail unless we provide real jobs with health insurance. The evidence shows it is irrational for welfare parents to give up Medicaid for a job which pays less than welfare and has no health insurance. Universal health insurance is essential. This is why I say, stay the course, Mr. President. We should do both.