

LAUCH FAIRCLOTH  
NORTH CAROLINA

## United States Senate

WASHINGTON, DC 20510-3305  
June 21, 1995

Dear Colleague:

I have enclosed a copy of a letter I recently received from the leaders of several pro-family organizations outlining their objections to the welfare reform proposal recently reported out of the Senate Finance Committee.

They are particularly concerned that the Finance Committee bill does nothing to discourage the root cause of welfare dependency: the current growth in out-of-wedlock pregnancies.

I agree. The Senate should follow the House's example and deny cash benefits to women under 18 who have children out-of-wedlock. The Senate should also include a cap on benefits to welfare recipients who have additional children out-of-wedlock.

I have talked with many of you about welfare reform since I came to the Senate. I have been consistent in my belief that unless we address the root cause of welfare dependency--illegitimacy--then any attempt at genuine reform will fail and we will have mislead the American people.

If you have any questions or comments, please call Tom Roddis or Heide Wood of my staff at 4-3154.

Sincerely,

  
Lauch Faircloth  
U.S. Senate

LF:hw



June 21, 1995

The Honorable Lauch Faircloth  
United States Senate  
Washington, D.C. 20510



Civilization Coalition

Dear Senator Faircloth:

On behalf of the millions of members of our collective organizations, we believe that the welfare bill must include the family cap, the teen mother "child exclusion," the illegitimacy ratio, a requirement that states set numerical goals for the reduction of out-of-wedlock births, and empirical findings detailing the disastrous effects of illegitimacy. We find it very difficult to support the current bill, which makes no meaningful attempt to curb the sharp increase in out-of-wedlock births, and we urge the Senate leadership to respond immediately to the concerns voiced by millions of our constituents.

By allowing factional differences to dominate public perception of the debate, we jeopardize our opportunity to claim credit for shared accomplishments, like ending the entitlement status of welfare, that are already close to fact. We also run a very real risk of ceding the issue to those who want no real reform.

Yet, we believe that political unity is a Pyrrhic victory if applied only to the passage of failed ideas. And we agree with Senators Faircloth, Santorum, Lott, and Gramm, who wrote in their letter to the Finance Committee that any attempt at welfare reform that fails to acknowledge illegitimacy as one of the key engines driving welfare dependency will itself prove a failure.

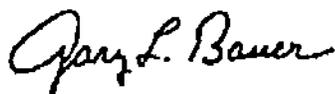
Out-of-wedlock pregnancy is a strong predictor of poverty, and unwed mothers are far more likely both to rely on government to support their children and to spend more years on welfare once enrolled. Moreover, children born outside of marriage are more likely to depend on welfare and to give birth to illegitimate children when they reach adulthood. Because illegitimacy feeds both poverty and itself, there is no credible reason to believe that we can reverse the tandem trends of welfare dependency and family breakdown until we address illegitimacy.

The course of the welfare debate over the last year indicates that an amazingly broad, bipartisan coalition, including even Bill Clinton, now agrees that illegitimacy is one of the central problems to be addressed in the welfare debate. There is less consensus, of course, on the definition of the means to address that problem -- largely because no one knows of any government program that is as likely to reduce illegitimate pregnancies over the long-term as terminating cash benefits for unwed mothers. A major change in the behavior of young men and women will occur only when the prospect of having a child out of wedlock bears such immediate, tangible economic consequences that those concerns override all other considerations.

Only by historical accident were unwed mothers -- of any age -- ever included in the AFDC program. Frances Perkins, President Roosevelt's Secretary of Labor and chief architect of welfare policy, opposed extending federal entitlements to unmarried mothers because she foresaw that subsidizing illegitimacy would escalate family breakdown. It would be ironic at best if the current majority in the Senate were to find themselves to the left of the most liberal member of the Roosevelt Administration because they rejected that intuition, now confirmed by years of sad experience.

By including the family cap, the teen mother provision, and the illegitimacy ratio in the welfare bill, we have the opportunity to stimulate a discussion of family breakdown in every state. Failure even to address illegitimacy, by contrast, threatens to place a premium on factional bickering that will preclude any meaningful discussion of welfare reform this year. And failure to forge consensus in an election season on an issue as fundamental as welfare reform will almost inevitably undermine confidence that the Republicans deserve to define the future of the welfare state, much less regain the White House.

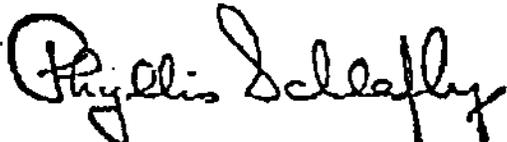
Sincerely,



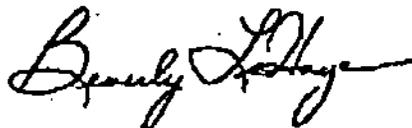
Gary L. Bauer  
Family Research Council



Brian Lopina  
Christian Coalition



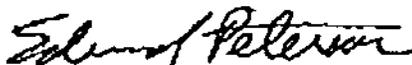
Phyllis Schlafly  
Eagle Forum



Beverly LaHate  
Concerned Women for America



Reverend Louis P. Sheldon  
Traditional Values Coalition



Edmund Peterson  
Project 21

# U.S. SENATOR HARRY REID

## FAX COVER SHEET

ph. (202)224-3542

To: Jim HICKMAN

From: SUE MABRY

No. of pages (including this cover page) ~~3~~ 4

Date 6/26 Time 2:30

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### COMMENTS:

I didnt toss it! It was just  
in my Welfare pile!

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FAX to  
TRACY

## SENATOR CHRISTOPHER S. BOND

As the intra-party feud continues among Senate Republicans, several moderates within the caucus are uniquely positioned to develop a centrist, bipartisan coalition in support of a real welfare reform measure. Senator Bond can and will play a key role in this effort for the following reasons:

1) A former Governor of Missouri, Bond is one of only a few Senate Republicans who can view this issue from the perspective of a state official who must actually implement federal welfare changes. As such, he opposes punitive, conservative mandates on states; he understands the need to provide states with child care resources to make work requirements real; and he recognizes that states must have some fiscal protection against future recessions, natural disasters, and other unforeseen consequences.

In this connection, Bond continues to have a close relationship with Gary Stangler, Governor Carnahan's welfare commissioner, who was first hired by then Governor Bond and is serving in his third state administration.

2) Senator Bond also has a proven track record on welfare reform as the lead cosponsor of a centrist, bipartisan bill based on the state innovations currently underway in Iowa and Missouri. The Harkin/Bond Welfare to Self-Sufficiency Act: requires welfare recipients to sign individual responsibility agreements that include custom-tailored plans to move individuals off welfare as soon as possible; promotes self-sufficiency through provisions that encourage families to work and save; increases federal funds available to states for training and child care; requires teen parents to live at home and stay in school without imposing punitive federal mandates to deny teen parents all assistance; and improves child support enforcement, including state revocation of drivers and professional licenses for delinquent parents.

3) Finally, Senator Bond has a strong and independent record in the Senate on bipartisan children's initiatives that prepare him to be a key player in the welfare reform debate. In 1992, he put politics aside to strike a bipartisan agreement with Senator Dodd on the Family and Medical Leave Act, despite strong opposition from then-President Bush. He also worked closely with Senators Dodd, Kennedy, Kohl and others to enact the Parents-as-Teachers Act, modelled after a state program in Missouri. As a member of the Appropriations Committee, he also has supported increases for Head Start, child welfare, and child care.

# United States Senate

WASHINGTON, DC 20510

May 23, 1994 ~~MAY 26~~ P4: 53

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

There has been much discussion about the need for welfare reform. We applaud your commitment to this important issue, and agree that reforms are needed. We share your commitment to finding long-term solutions to make welfare a temporary helping hand for the truly needy. At the same time, we must remember that two-thirds of welfare recipients are children. Our challenge in reforming the system is to find constructive ways to link welfare to personal responsibility and a solid work ethic, while at the same time protecting its primary beneficiaries -- the children. Clearly, health care reform will be critical to the success of our efforts to reform welfare.

While sweeping welfare reform has some appeal, we must proceed cautiously, with the firm objectives of budget neutrality, and long-term cost containment; any new program should be financed out of existing resources.

Having said that, we believe the following core principles should serve as the starting point for any comprehensive welfare reform plan:

- **TIME LIMITS:** The establishment of benefit limitations is essential. In addition, an outer limit must not become an automatic entitlement. Many recipients have the employment history, education and family circumstances to exit the system in far less than two years. Caseworkers should set realistic, enforceable time limits based upon each individual's capabilities.
- **EMPLOYMENT ASSISTANCE:** Individuals should be provided employment assistance such as job readiness, education and skills training, and job search and placement, to ensure a smooth transition from welfare to work. States should be encouraged to consolidate and coordinate employment assistance and training programs, utilize sanctions and incentives in meeting individual employment goals and have the flexibility to develop voucher systems, time-limited subsidies and tax incentives to encourage private employment.
- **COMMUNITY SERVICE JOBS:** Public sector jobs are no substitute for private sector employment, and should be of limited scope and duration. States should be encouraged to experiment with such programs and develop reliable data on their costs and efficacy before we embark on a broad new federal program.

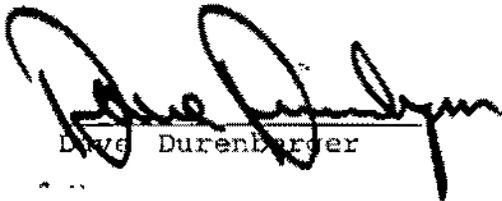
- **SOCIAL CONTRACTS:** Receipt of welfare benefits should be contingent upon compliance with individualized social contracts which will outline the steps each family will take to become self-sufficient. Provisions of the contract might include successful completion of education or training programs, treatment for alcohol or drug abuse, or programs to strengthen parenting skills.
- **TARGETED BENEFITS:** Individuals should have access to services which are tailored to their needs. Education, training and support services should be carefully targeted to those most likely to benefit, as measured by their potential for diminished reliance on public assistance.
- **DISCOURAGING EARLY PARENTHOOD:** While we do not believe women have children solely for the extra public assistance, the current welfare system does nothing to discourage young people from becoming parents before they are emotionally and financially ready. We should encourage only those programs that have a proven track record of fostering responsibility and postponing early parenthood. Teenage parents should be encouraged to remain at home with their families, or to live in an alternative residence with a responsible adult who will lend structure to their lives.
- **CHILD CARE:** The availability of affordable, quality and dependable child care is an essential element in any welfare reform proposal which seeks to move individuals into the workforce. Availability may be expanded by savings achieved through a more consolidated and cohesive approach to the existing federally supported child care and tax credit programs.
- **IMPROVED CASE MANAGEMENT:** Investment should be made in the professional development of social services case managers, since they will be critical to the successful targeting of scarce resources. Where possible, a single case manager should oversee all social services, and serve as an advocate for the client. To facilitate program coordination and effective service-delivery, eligibility criteria for federal income security programs should be standardized.
- **PATERNITY ESTABLISHMENT AND SUPPORT:** Paternity establishment is critical to the long-term financial and emotional well-being of the child, and should occur as close to the time of birth as possible. A combination of incentives and sanctions should be used to establish paternity and to ensure paternal support through childhood and adolescence.

The President  
May 23, 1994  
Page 3

- **UNLAWFUL ALIENS:** Current law regarding eligibility requirements for unlawful aliens for all public assistance programs should be enforced. In evaluating eligibility requirements, only aliens lawfully residing in the United States should be considered.
- **FRAUD AND ABUSE:** Fraud and abuse of federally funded programs should result in serious civil and/or criminal penalties, with possible loss of future eligibility.

In closing, we look forward to working with you and hope that, together, we can improve the lives of those who are truly in need, while doing a better job of allocating scarce resources.

Sincerely,



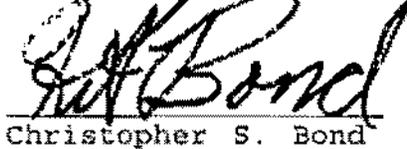
Dave Durenberger



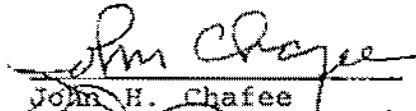
Mark O. Hatfield



Alan K. Simpson



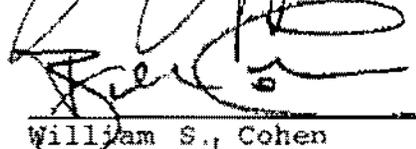
Christopher S. Bond



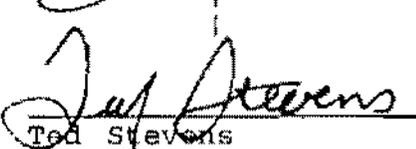
John H. Chafee



James M. Jeffords



William S. Cohen



Ted Stevens

June 30, 1994

COPY

The Honorable (Senator's name)  
United States Senate  
Washington, DC 20510

Dear (Senator's name),

Thank you for your thoughtful letter on welfare reform. Fixing our broken system isn't a Democratic problem or a Republican problem - it's an American problem.

My Administration's proposal for welfare reform, introduced recently in the Senate as S. 2224, the Work and Responsibility Act of 1994, is based on many of the same core principles which you outlined in your letter. Most important, I share with you a desire to reward and encourage work - which gives hope, structure and meaning to our lives.

A two-year time limit on benefits will help to ensure that everyone who can work, does work. Most recipients are able to leave welfare long before the two year limit is up, and our plan supports and encourages them to do so. Our plan will change the culture of the welfare office so that, from the very first day, the new system will focus on achieving self-sufficiency through work. Each adult recipient will sign a personal responsibility agreement and develop an employability plan, similar to the social contract which you discuss, outlining the steps they must take to move into the workforce as quickly as possible - from upfront job search to skills training if necessary.

As you know, to prevent welfare dependency in the first place, teenagers must get the message to stay in school and postpone pregnancy. The Work and Responsibility Act includes many of the ideas you outline in your letter, including early paternity establishment and requirements for teen mothers to live at home or with a responsible adult in order to receive benefits. We also propose a national campaign against teen pregnancy and the toughest child support enforcement measures this country has ever had.

Of course, your call to combat fraud and abuse of the system is essential; we must make sure that every scarce resource is used productively. Our plan will establish state tracking systems, a national public assistance clearinghouse and tough sanctions for anyone who refuses to follow the rules.

As we make these bold changes, we must give ourselves a chance to learn and the states a chance to succeed. That is why our plan sends a clear message to young people that we are ending welfare as we know it and starting with recipients born after December 31, 1971. States that wish to move faster will be free to do so.

Finally, if we are going to end welfare dependency, we must fix the misguided incentives that encourage people to stay there. The Earned Income Tax Credit is a giant step in that direction. As you point out, health care reform is absolutely critical to the success of our

efforts to reform welfare.

I look forward to working together to pass legislation that remains true to the core values we share: work, family, opportunity and responsibility. The current welfare system is decried by taxpayers but hated most by the very people who must turn to it for assistance. In the bipartisan spirit of your letter, let's work together to fix it.

Sincerely,

WELFARE.TXT

Date: Wednesday, March 8, 1995

Date: Wednesday, March 8, 1995

RNC TALKING POINTS  
CHANGING AMERICA: THE FIRST HUNDRED DAYS

WELFARE REFORM:  
DEMOCRAT RAMBLINGS, REPUBLICAN RESULTS

February 17, 1995

Yesterday, Dick Gephardt and the Democrat Governors held a news conference attacking the Republicans' welfare reform proposal. Democrats are opposed to our plan because they are opposed to any welfare reform at all.

This is the first of many volleys the Democrats will lob in opposition to welfare reform. They talk about wanting to reform welfare as we know it, yet they do nothing.

In fact, Clinton's FY 96 budget contains absolutely no welfare reform initiative.

The Democrats want to defend the failed status quo. This is unacceptable. Once elected, Clinton took a year and half to come up with a plan that would have expanded the current system by creating new entitlement programs. It did nothing to address illegitimacy and exempted a substantial number of welfare recipients from work requirements -- while promising other recipients a government-sponsored job for life. According to the Congressional Budget Office, his plan would have increased government spending by \$14.3 billion over five years.

Republicans' Personal Responsibility Act focuses the debate on one of this country's most troublesome problems: illegitimacy. Today, one out of 3 children in the U.S. is born out of wedlock. The Republican plan would end the destructive myth kept alive by the failed welfare system: that an unmarried, teenage mother can find security and independence in the welfare state. House Republicans have designed a welfare reform bill that will require work, reduce illegitimacy, expand flexibility for states, and save money.

The Governors are the only ones who have been able to make welfare reform work. Republican Governors have a proven track record of providing the best solutions to the welfare crisis in America:

Wisconsin Gov. Tommy Thompson has introduced a number of innovative programs that have reduced state welfare rolls by 25 percent, saving taxpayers \$16 million per month. In 1988, he began Learnfare, which discourages truancy and promotes education. In 1992, his Parental and Family Responsibility Initiative removed disincentives to marriage and discouraged children from having children. This year, he launched Work Not Welfare, requiring able-bodied recipients to work for cash benefits.

Michigan Gov. John Engler offers welfare recipients incentives to work and requires them to sign a "Social Contract" agreeing to work, receive job training or volunteer at least 20 hours per week. In just two years, the plan has helped nearly 50,000 welfare clients achieve independence, and welfare caseloads have

WEFREF.TXT

Date: Wednesday, March 8, 1995

Date: Wednesday, March 8, 1995

fallen to their lowest level in 7 years, saving taxpayers \$100 million.

Massachusetts Gov. Bill Weld signed legislation last year to strengthen child support collection, which is expected to save \$102 million in AFDC and Medicaid expenses and enable an estimated 7,000 families to discontinue the AFDC program.

The Republican approach at both the state and national level is to provide the needy with a helping hand -- not a handout. As Oklahoma Rep. J.C. Watts has said, "We can no longer measure compassion in this country by how many people are on welfare. We need to measure compassion by how many people are not on welfare because we've helped them climb the ladder to success."

The Democrats are wrong in their approach -- more correctly, their non-approach -- to reforming welfare. And the American people know it.

(end)

FEB-09-1995 00:24 FROM

TO

96906562

P.02

Prepared Remarks by  
Congressman E. Clay Shaw  
Chairman, Subcommittee on Human Resources  
of the Committee on Ways and Means

The U.S. Chamber of Commerce  
February 9, 1995

Good morning.

Let me thank you very much for giving me the opportunity to come here today to speak about a very important subject.

That subject is the complete overhaul of our nation's broken down, failed welfare system.

When Republicans stood on the steps of the Capitol on September 27th last year, we made a contract with the American people. We said that if the people made us the majority party in the House of Representatives, we would bring to the floor of the House within one hundred days ten major bills to get America back on track.

I am here today to say that our contract will be honored. Our word will be kept.

On Monday next week, the Human Resources Subcommittee of the Ways and Means Committee will begin to pass a bill that fundamentally changes welfare in the United States. The Economic and Educational Opportunities Committee, the Agriculture Committee, and other committees are also hard at work on their parts of the Contract with America bill.

The bill we will consider Monday will mark an end to a welfare state that has failed.

The welfare state failed because for too many years, Congress equated compassion with money.

It failed because Congress equated solutions with one-size-fits-all bureaucratic remedies.

And it failed because Congress was afraid to make the tough decisions that must be made if we are going to really help the beneficiaries of the current welfare system, as well as the taxpayers without whom no system of help could be possible.

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Some have asked why I chose the United States Chamber of Commerce as the place to make this speech. Let me explain.

I believe the American people are the most compassionate people on earth. No one opens their hearts, their wallets, and their minds to the needs of the poor more than the people of this great country.

Tell the American people that there is a social need that must be met, and the American people will rush to meet it. That is true for all Americans, from the poorest taxpayer who has a little to give to the richest who has much.

But after thirty years of spending five trillion tax dollars on social programs, can you blame the American people when they ask if the money they have spent on welfare has done any good?

I am here at the Chamber because if we are to fix welfare, we must realize that every American, rich or poor, has a stake in this debate. The Chamber of Commerce does recognize that. You have been meeting regularly to come up with solutions to the welfare problem. I salute your efforts and thank you for your ideas.

For in the end, there can be no solution to welfare unless you the taxpayer are willing to care and to contribute.

We need you to care about the plight of the welfare mother, the needs of welfare children, and the conditions of our troubled towns and cities where poverty and welfare are too often the rule.

And because you do care, I know that you will answer the call of our nation's needy.

And make no mistake - as we move forward to overhaul welfare, without the taxpayer, no solution will be possible. Without support from you and tens of millions of working Americans like yourselves, welfare will remain a problem that never gets solved.

That is why your support is so important. That is why your ideas are needed. That is why I am with you today.

Before next week is through, we will have passed a bill in subcommittee that improves the lives of welfare beneficiaries by helping them rediscover the dignity of work and the strength of the family.

FEB-09-1995 00:25 FROM

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P.04

Our bill is based on three major principles:

One - Republicans want to make able-bodied people find dignity through work if they are able to work and receive welfare benefits. Our proposal will require 2% of recipients to work in 1996, increasing to a maximum of 20% by 2003 and thereafter. After two years on welfare, and less time than that at the option of the states, all recipients will be obligated to participate in a work program.

Similarly, our bill stops welfare from being a lifelong program. After five years on welfare, the average family will have received \$60,000 in government welfare benefits. The Republican bill will cut off cash benefits to anyone who has spent more than five years on welfare. We will continue to provide Food Stamps and Medicaid, but we believe we can no longer provide cash forever.

There must be a date certain when the aid starts to diminish. We say five years is enough.

The second principle we want to underscore is the need for people to take personal responsibility for their decisions and actions, especially as they relate to their families. Republicans want people to find the great strength that can only derive from a loving, united family.

There are provisions in this bill that are controversial because Republicans are not afraid to deal directly with some of welfare's most vexing problems. No problem is greater than teenage pregnancy and illegitimacy.

Single, teenage mothers who have children while on welfare are chaining themselves and their babies to an endless life of poverty, passed from one generation to the next. For too long, the government has added to the problem by paying people whose actions are self-destructive.

If the American people believe - and they do - that it is wrong for unmarried teenagers to have children, then is it not also wrong for unmarried teenagers on welfare to have children? Why then does our welfare system today pay unmarried teenagers on welfare for having a child?

To underscore the need for people to face the consequences of their actions and to take personal responsibility for their decisions, our bill stops giving taxpayer-provided, AFDC cash benefits to people whose actions are self-destructive. We will continue to provide the mothers and their families with food stamps and medical care, but we will stop providing cash-inducements to teenagers who have children they know they can not afford to raise.

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P.05

It is time for society to send a signal to our teenagers. We must say STOP. Do not sleep with someone and expect the taxpayers to bail you out if you have a child. Your behavior is harmful to yourself and your children. Single teenagers must reflect carefully. Above all, they must find relationships that nurture the wonderful strength that can only come from a loving, united family. Anything else is self-destructive.

On this point, another important word must be said.

There are many in our nation today whose difficult plights are made worse because of the irresponsible, immoral, and illegal behavior of those around them.

To those dads and moms who skip out on their children, leaving a single-parent, often the mother, behind to make ends meet - we have a simple message - you can run but you can't hide.

Our bill will help states track down deadbeat parents and make these characters pay their child support:

Often, child support can make the difference between a single parent who can provide for themselves and their children, and a single parent who is forced onto welfare. Every time a parent leaves a child behind, they break a little piece of that child's heart. They cause that child damage that many times can never be repaired.

If our bill can accomplish anything, we hope it will send a signal that there is no greater institution of hope, love, strength, and opportunity in America than the traditional American family.

And if parents walk away from their families, the Republican bill will be a powerful device put into the hands of the states so they can find these parents and make them pay their due.

The third principle is returning power, flexibility, and funding to the states where they are in a better position to help those in need.

We want to move welfare solutions closer to people's homes and communities, saving taxpayers money as we take out the federal middleman.

I don't need to tell the Chamber about redundant, bureaucratic, federal regulations that do more harm than good. But did you know that there are currently 336 overlapping federal welfare programs that represent a rigid, categorical, bureaucratic, solution to our nation's welfare problem?

FEB-09-1995 00:26 FROM

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P.06

The welfare problems of the South Bronx are not the same as the welfare problems of South Dakota - and neither are their solutions.

That is why the Ways and Means bill will eliminate nearly fifty of these programs and replace them with three block grants to the states. We will also end the entitlement status of AFDC.

The Governors have told us that they can accomplish more with less money from Washington if we would only get off their backs and allow them to design and implement their own welfare proposals. The Governors are right.

Our bill creates a formula that provides level funding of welfare for five years at 1994 levels. Many Governors are pleased with this level of funding and so am I. The Governors will be able to do more with less, and the taxpayers will save \$14 billion from the three block grants under jurisdiction of the Ways and Means Committee.

As we turn power over to the states, much has been said about the so-called "strings attached" issue. Some Governors have asked for block grants from the federal government that come with no "strings."

As I have said before and say again today, this we can not do.

As your elected representatives in Washington, you have sent us here to be stewards of your federal tax dollars. We simply can not fulfill our role as stewards by signing a blank check to anyone, even to our nation's Governors.

In return for restoring power and flexibility to the states, some strings will remain attached.

Let me speak to one or two of the most important.

Speaker Gingrich asked us recently to rethink the Contract provision which called for terminating most welfare payments to legal immigrants.

Together with other members of the Ways and Means Committee, as well as with many other members of the House, I met with the Speaker several times to discuss this issue.

The Speaker's concern was to provide flexibility to the states most impacted by legal immigration and to ensure that hardship immigration cases were not subjected to unfair regulations.

But a fundamental issue remains.

FEB-09-1995 00:26 FROM

TO

96906562 P.07

When immigrants come to America, we welcome them onto our shores and hope they have come here to enjoy our liberties and freedoms. Our nation offers immigrants an incredible opportunity: come to the nation with the most individual freedom of any nation on earth and join an economy that has produced a net increase of 54 million jobs since 1960. In return, we ask two things: first, obey our laws; second, become a citizen before using welfare. This is Republican policy. It is supported by the American people. It is clear. It is fair. We intend to pass it.

Republicans continue to believe that immigrants should not come to this country to receive welfare. In the case of some legal immigrants, they themselves are hard at work, but they take advantage of our system by sending for their family to legally come to America, and then the family winds up going on public assistance.

This is wrong and our bill will stop it. Our bill will cut off most welfare benefits for most legal immigrants. Those aged 75 and older will continue to receive welfare and so too will legally recognized refugees.

Let us now turn our attention to the Supplemental Security Income program, one of the nation's most abused welfare programs.

I said earlier that the American people are the most compassionate in the world and will pay the price for a program that works.

But the American people are also wise and they know that when you give out checks to the needy, some pretend that they are needy so they can defraud the system and steal from you, me, and the legitimate welfare beneficiary.

Nowhere is this more true than in the Supplemental Security Income program, SSI. Under welfare today, we pay cash to children who are taught to act, quote, age inappropriate, unquote, in order to collect a check. There are documented cases in which children are coached by their parents how to act up in school and are encouraged to fail classes so they can qualify for this program.

Just last month, the Baltimore Sun published a superb series about the SSI program. They told us about a Louisiana woman who collected nine SSI checks - for herself, her common law husband, and all seven of her children. Her take was \$46,716 in tax-free income per year. There apparently was nothing wrong with these children. But there is something wrong with parents like this. We will tighten up the SSI law to stop the fraud.

In addition, alcoholics and drug addicts currently qualify for SSI payments.

FEB-09-1995 00:27 FROM

TO

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P.08

In this regard, there can be no clearer case that shows the terrible, perverse incentives of our welfare system today. In effect, we say to addicts: "Drink or drug yourself into a stupor so you can't work. Then the government will take tax money and give you a guaranteed income of over \$450 per month and medicaid coverage. Take that cash and buy yourself more booze or drugs." This is a horrible policy. Our bill will stop it.

Our bill will protect the needy on SSI, but we will cut off those who do not deserve to qualify for this important program.

Changing a system as large and as important as welfare will inevitably lead to some disagreements. Even among our good friends, the Governors, there may still be some differences of opinion.

Nevertheless, when our bill is passed, Republicans believe deeply that life in America will be changed for the better. Life for the welfare beneficiary and life for the taxpayer.

Much like tough-love, our bill faces welfare's most difficult problems directly and sends a powerful signal that the government can not and will not solve everyone's problems.

Republicans believe in individual liberty, freedom, responsibility and opportunity. Our current welfare system systematically destroys these virtues.

Welfare as it stands today has become a cruel hoax that too often hurts its supposed beneficiaries. It has destroyed responsibility, diminished personal dignity, and created economic disincentives that bar people from success.

In our system today, crime runs rampant, fathers run away, and leaders run from real solutions.

Republicans want welfare beneficiaries to have better lives; we want our fellow Americans on welfare to rediscover dignity by joining the mainstream of taxpaying working Americans. We want to end the cycle of welfare dependency that is crippling our cities and our citizens. And we want taxpayers to know their money is being put to good use.

Our three principles - work, personal responsibility, and state control - are the keys to unlocking the welfare prison that has kept our fellow citizens trapped.

The time has come to say that the federal welfare state has fallen and it can not get up. For the sake of the beneficiaries and for the sake of the taxpayers, it must be replaced.

Beginning Monday next week, we will replace it.

Thank you very much.

WR ~~\_\_\_\_\_~~  
Kassebaum  
bill

**STATEMENT TO THE SENATE FINANCE COMMITTEE**  
**on the Welfare and Medicaid Responsibility Exchange Act of 1995 (S. 707)**  
**by Senator Nancy Landon Kassebaum**  
**April 27, 1995**

Mr. Chairman, I am here today to discuss the "Welfare and Medicaid Responsibility Exchange Act of 1995," which I introduced earlier this month with my colleague Senator Brown. The basic principle embodied in both this and our earlier proposal is that true reform will occur only when there is a clear delineation of responsibilities between the federal and state governments.

Our legislation shifts to the states responsibility for the nation's largest welfare programs--Aid to Families with Dependent Children (AFDC), Supplemental Food Program for Women, Infants and Children (WIC), food stamps, and the AFDC portion of Medicaid. In exchange, the federal government will assume responsibility for that portion of the Medicaid program designed to provide acute care and long-term care to elderly and disabled Americans.

Currently, the overlapping regulation and dual administration of the AFDC and Medicaid programs, in particular, has resulted in a significant lack of accountability. In contrast, this legislation makes a clear-cut decision about who will run the welfare programs, who will finance them, who will make key decisions, and who will be responsible for the outcomes.

This legislation will allow both the states and the federal government to build a more cohesive safety net for the populations each sector is serving. At the end of a five-year transition period during which the states will be freed from the vast majority of restrictive federal regulations, the states will have complete autonomy for designing welfare and medical programs for low-income individuals-- without federal mandates, but with their own money at stake.

The federal government will be able to improve the efficiency and effectiveness of the Supplemental Security Income (SSI) Medicaid program--a program which now consumes 70 percent of Medicaid costs yet serves only 30 percent of the Medicaid population--by better coordinating chronic care services for elderly and disabled Medicaid recipients, by promoting competition, and by allowing these individuals to have a broader choice of private health plans. To reduce the reliance on Medicaid, the revised legislation also includes tax incentives for the purchase of private long-term-care insurance and long-term care services, and standards for long-term care insurance. These provisions are similar to those contained in legislation which was introduced earlier this year by Senator Cohen.

*Wb Harkin bill*

Statement of Senator Tom Harkin  
Finance Committee Hearing on Welfare Reform  
April 27, 1995

Mr. Chairman, thank you for the opportunity to testify at this important hearing on welfare reform. I have been working actively on this issue for several years. While I don't begin to compare to the great experience and knowledge of Senator Moynihan, my many meetings with welfare recipients, case managers, business representatives, advocates and other experts in Iowa and elsewhere have led me to a number of conclusions about welfare reform. These conclusions should be helpful as we craft major changes to what is clearly a broken, dependency inducing system. I'd like to go over just a few with the Committee this morning.

**Conclusion number one - Welfare must be changed from a hand out to a hand up.** Receipt of AFDC benefits must be conditioned on a signed contract between the recipient and the state which outlines the steps the recipient will take to become self-sufficient and a date by which they will be off of welfare. Responsibility should start on day one and continued receipt of benefits is conditioned on compliance with the contract's requirements. From the beginning, every recipient must do something that will move them off of welfare and into self-sufficiency.

**Conclusion number two - We have to make work pay more than welfare and provide recipients with the tools and incentives to become self-sufficient.** The only way we will truly reduce welfare costs over the long run is to get recipients into jobs at livable wages with the skills they need to become self-sufficient and stay off welfare. That means providing work incentives that allow welfare recipients to keep more of what they earn when they work and allow them to save more. Too often a seemingly minor setback sends families back onto the welfare rolls, like a dead car battery. It also means assisting them with child care and the education, job training and other skills they need to become good workers. Welfare reform's success should be measured not on the short term budget savings it may achieve, but on how many people it moves from welfare to self-sufficiency, from dependence to independence.

**Conclusion number three - One-size-fits-all doesn't work.** And I mean that in terms of individuals and states. A one-size-fits all two year time limit on benefits is unworkable and, I believe, too liberal. If put in place, it will become a minimum. Time limits should be based on the individual circumstances of the family. Many should require much less than two years. Also, states need much greater flexibility to design systems that fit their unique circumstances. What works in New Hampton, Iowa may not work in New York city. However, I believe we must be careful to maintain a basic national framework that assures that children are protected and demands responsibility from all recipients. We don't want to trade one failed, dependency-inducing system for 50 varieties of the same.

**Conclusion number four - The private sector has to be actively involved if we are to have successful welfare reform.** Businesses must get involved in job creation and mentoring programs that provide recipients with on the job training. And we must encourage, with the help of entrepreneurs, the creation of micro-enterprises - small businesses operated by recipients.

**Conclusion number five - Welfare reform should be bipartisan.** Neither party has a corner on the market of good ideas. We should come together on a plan that includes the best of both, providing a balanced approach with broad support.

In addition, we must do something to combat the unacceptable increase in births to unmarried teenagers. Between 1986 and 1991, the rate of births to teenagers increased by 11.9%, from 50.2 to 62.1 births per 1,000 females. Even more alarming is the fact that most of these teenagers are unmarried.

We must also crack down on deadbeat parents who do not pay child support. Each year, billions goes unpaid. Let there be no mistake about it, the children are the ones who pay the price when parents run from their obligations.

Today, Senator Kit Bond (R-Missouri) and I are introducing legislation, "Welfare to Self Sufficiency Act of 1995" that I believe meets these tests. I've attached a summary of our bill for the Committee's consideration.

The legislation is modeled largely on the Iowa welfare reform program which began October 1, 1993. By providing work incentives the number of Iowa welfare recipients who are working and earning a pay check has increased dramatically.

- The number of welfare recipients who are working and earning income has increased from 18% to 32.8% - an 82% increase.
- Since more welfare recipients are working and earning income, the average size of the welfare grant has declined by about 8% from \$373.75 to \$343.21.
- Since last May, the number of Iowa families on welfare has been declining. And for the past six months, the monthly pay out for cash grants is lower than for the corresponding months during the past three years.

Iowa is appropriately spending more on education and training activities, and child care in recognition that these are necessary investments that will promote self-sufficiency and reduce costs in the long run.

The centerpiece of our bill is the Family Investment Program which requires as a condition of receiving welfare recipients the negotiation and signing of individualized contracts which outline the steps each family will take to move off of welfare and into self-sufficient employment. The contracts are binding and include a time limit for welfare benefits and requires responsibility from day one. Refusing to sign a contract or failing to meet the terms of the contract at any time will lead to termination of benefits.

The Welfare to Self-Sufficiency Act provides states with a series of policy options that Senator Bond and I believe are necessary. Our proposal also cuts red tape by block granting the funds states use to administer welfare programs, a recommendation of the HHS Inspector General. Our bill does not block grant the benefit payments of these programs, preserving an important protection for vulnerable children and assuring state and local taxpayers aren't stuck with greater costs in times of economic downturns.

I believe the Harkin-Bond bill contains the elements for successful, bipartisan welfare reform and we look forward to working with this Committee and others in the very difficult task of fixing our broken welfare system. Thank you.

**S.---, Welfare to Self-Sufficiency Act of 1995  
A Bipartisan Approach to Welfare Reform**

**Sponsored by Senator Tom Harkin (D-IA)  
and Senator Kit Bond (R-MO)**

The Welfare to Self-Sufficiency Act of 1995 is a common-sense, bipartisan plan that transforms welfare. It changes today's failed dependency-inducing system to one that demands responsibility from day one on the part of welfare recipients and provides them the helping hand they need to get off welfare and become self-sufficient. Unlike other reform plans it does not apply a one-size fits-all two year time limit, but sets individualized time limits (most of which should be well under two years) based on the particular circumstances of each family. It makes work more financially attractive than welfare by expanding work incentives. This plan also emphasizes moving recipients into private sector jobs, not government jobs created solely for placement purposes.

The legislation also provides much greater flexibility to the states so they can design welfare programs to fit their unique characteristics. It eliminates federal bureaucracy and red tape by consolidating the administrative costs of major welfare programs into a block grant, while maintaining uniform federal eligibility criteria for benefits.

In addition, the Welfare to Self-Sufficiency Act combats the unacceptable rise in teenage pregnancy by demanding responsibility from teens and providing them positive incentives, but without measures that primarily punish children who bear no responsibility for the conditions surrounding their birth. It also fundamentally overhauls our failed child support enforcement system, cracking down on deadbeat parents that escape their responsibilities by moving across state lines and failing to fulfill their obligations to their children.

The bill is paid for by reforming and ending the rapid growth in federal payments to states for the administration of welfare programs, requiring sponsors of immigrants to take greater financial responsibility for ensuring that immigrants don't fall onto welfare rolls and through other savings achieved in related welfare programs.

**Title I -- Family Investment Agreement**

The centerpiece of the legislation is the Family Investment Program which requires AFDC families to negotiate and sign individualized Family Investment

Agreements in order to receive benefits. This agreement is a contract between the state and family which outlines the steps each individual family must take to become self-sufficient and move off of welfare. The contract would outline activities such as job training, education, job search and work that family would have to participate in. States would have to provide necessary services, including child care, to keep their end of the contract. Unlike other proposals which set a one-size-fits-all two year time limit, this plan provides for time limits that will vary from family to family based on the unique circumstances of each family. In Iowa, where this plan has been put into effect, most contracts contain time limits shorter than two years.

Families who refuse to negotiate and sign a contract or fail at any time during the contract to meet the obligations outlined in the individual agreement would enter a limited benefit plan that leads to the termination of welfare benefits. Under the limited plan, families would continue to receive full benefits for three months, for the next three months benefits would be reduced to the children's portion of their benefits and benefits would be completely cut off at the end of this six month period. These families would be ineligible for AFDC benefits for six additional months.

## **Title II -- Increasing Work and Self-Sufficiency**

The bill promotes work in private sector jobs that are needed to enable a family to become self-sufficient. States would be given the option of providing the following incentives that will encourage families to work and save:

- \* The disregard for work expenses could be increased from \$90 a month to 20% of gross earnings.
- \* Under current law, an individual has a 12 month work transition period. During the first 4 months, \$30 per month plus 1/3 of gross earnings are disregarded. For the following 8 months \$30 is disregarded. The bill permits state to disregard 50% of gross earnings until a family has reached self-sufficiency.
- \* The resource limitation for families applying for AFDC could be increased from \$1000 to \$2000. To encourage saving by AFDC families, the resource limitation for recipients already on public assistance could be increased from \$1000 to \$5000. In order to assure more reliable transportation to and from work, recipients could be allowed to own a car worth \$3,000, rather than the current limit of \$1,500.

- \* Families are also encouraged to save and plan for long-term expenses such as starting a small business, buying a first home or for job training or education programs. AFDC families could be allowed to save up to \$10,000 for these purposes. Training programs for small business development are also included.
- \* At state option, earnings of teen-age members of the household would no longer be counted in determining a family's eligibility for AFDC.
- \* In order to promote private sector job opportunities for welfare recipients, states would also be given the option to implement wage supplementation programs in which employers could add the value of AFDC and food stamp benefits to the wages earned by AFDC eligible workers.

### Title III -- Improving State Flexibility

To help states implement education and training programs for welfare recipients, the federal contribution for the JOBS program is increased. This enhanced match is provided for funds that a state spends over their 1995 level.

States need more flexibility to design welfare programs that meet the individual characteristics of each state. The waiver authorization of the 1988 Family Support Act was a good start. However, too often the waiver process has been cumbersome and time-consuming.

To provide states with added flexibility, the bill authorizes several policy options which will not require federal waivers. The bill provides these additional state options:

- \* Provides for the equivalent treatment of stepparent and parent income; and
- \* To make children healthier, requiring AFDC parents to have their children receive appropriate preventive health care, including timely immunization.

In addition, considerable federal red tape would be cut by block granting the administrative costs associated with AFDC, Food Stamps and Medicaid. Payments to states would be frozen at the 1995 level. The HHS Inspector General has reported that such an approach would save approximately \$8 billion over 5 years.

### Title IV -- Combatting Teenage Pregnancy

The rapid increase in out-of-wedlock births to young women must be

addressed in a logical manner. We must educate teenagers about the problems of becoming parents at an early age, stabilize young families, and require teen age parents to finish high school. The bill attacks teen pregnancy on a number of fronts.

- \* Continues the state option requiring minor parents to live with their parents or another responsible adult.
- \* Provides a state option that requires teenage parents to stay in school.
- \* Authorizes an additional \$100 million for Title X Family Planning Grants targeted at combatting teen pregnancy.

### Title V -- Improving Child Support Collection

Many families are forced onto the welfare rolls when an absent parent refuses to meet child support obligations. Only one-third of court ordered child support is paid today. This bill strengthens child support enforcement by referring collection of certain delinquent child support orders to the Internal Revenue Service. Cases in which less than 50% of ordered child support was collected by the state within a year (mostly involving out of state parents) would be referred to the IRS for collection. The IRS would be able to garnish wages of the deadbeat parents to recover ordered payments.

To encourage additional improvements in the collection of child support, the bill provides several new state options.

- \* States may revoke the drivers, professional and occupational licenses of delinquent parents.
- \* States may release the names of delinquent parents to the news media for publication.
- \* Provides several new options to improve the process for establishment of paternity.

### Title VI -- Financing

The Welfare to Self Sufficiency Act would be paid for through savings achieved in three major areas:

- \* Welfare payments to immigrants would be reduced by requiring the sponsors

of these individuals to take greater responsibility for assuring that they don't become dependent on Federal assistance. The income of sponsors would be counted as available to the immigrant for purposes of determining eligibility for Food Stamps, SSI, AFDC and Medicaid until the immigrant becomes a U.S. citizen. Exceptions are made for non-citizens who are American veterans and those who have paid taxes for five or more years.

- \* Payments to states for the administration of the AFDC, Food Stamps and Medicaid programs would be block granted and frozen at 1995 levels.
- \* Payments from the AFDC Emergency Assistance program would be capped. This program has experienced rapid growth and has been used for purposes beyond that originally intended.

*WR - Senate hearings*

RICK SANTORUM  
PENNSYLVANIA

COMMITTEES:  
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AGING

# United States Senate

WASHINGTON, DC 20510-3804

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**Senator Rick Santorum (R-PA)**

**before the Senate Finance Committee  
Hearing on Welfare Reform  
Thursday - April 27, 1995**

Mr. Chairman and members of the committee, I would first like to thank you for the opportunity to appear before you today. Having served on the House Ways & Means Committee before my election to the Senate, I can appreciate the enormity of the task before you as you complete your formal hearings on welfare and begin to chart a legislative path for reform. As you prepare for that activity in the weeks and months ahead, I would like to share with you the benefit of my experience over the last two years.

During the 103rd Congress, I served as the ranking Republican on the Human Resources Subcommittee on Ways & Means, and in that capacity, I spent a good deal of time, research, and committee activity on welfare reform policies. In early spring of 1993, I coordinated and chaired the House Republican Task Force on Welfare Reform. At that time, I brought together members that shared previous welfare reform experience or a desire to examine this issue. Over an eight month period, the task force undertook an extensive examination of the welfare system as a whole. The product that emerged from the welfare task force became the House Republican platform on welfare reform. Introduced in November, 1993, that bill, HR 3500, became the basis for welfare reform discussions and a model for later initiatives including President Clinton's bill in the summer of 1994 and the Mainstream Democrat Forum's proposal in spring of 1994. Ultimately, this document served as the foundation for the reform proposal that has recently emerged from the House of Representatives -- HR 4, the Personal Responsibility Act. It is the foundation of HR 4 that I would like to focus my comments on today.

The focus of my testimony should not exclude a greater discussion of jobs, training and education, child care, nutrition, child support and paternity establishment, or any of the multitude of issues that are interconnected under the heading of welfare. Being mindful of the time constraints today and in view of other witnesses, I will leave those issues for the question and answer period or even later committee interaction. While the larger issues of jurisdiction are still being decided, I will continue to be involved in discussions over nutrition as a member of the Agriculture Committee, and given my House background, involved to the larger extent in the formation of the Senate welfare proposal. Additionally, I plan on being active on the floor during the consideration of welfare and will pursue amendments depending on the focus of the final product.

I feel it is beneficial if we first examine the current perceptions of HR 4. To date, the political debate has excluded any extensive discussion on the core of the "Contract with America" proposal and instead has centered on the so called "punitive" nature of the bill. The

current political debate has overshadowed a discussion of very fundamental policy options that exist in HR 4 and that are facing Congress in the areas of work, benefit criteria and eligibility. I'd like to challenge each member of this committee to take a hard look at the specifics of the Personal Responsibility Act. Those that have used "kids" as a political tool in this debate continue to do a disservice to the very people they seek to "protect". Those that would charge that the House bill is punitive and destructive to our children reflects not only an ignorance of the details of the proposal but also a convenient excuse to avoid choices on a new direction for welfare reform as well as a naivete of the present day realities of our children and inner cities.

I watched with interest President Clinton's news conference last week in which he spent a considerable amount of time talking about welfare reform and, in particular, the House activity on the Personal Responsibility Act. While the President's message was charged with very negative rhetoric on his perceived impact of HR 4, I found many of his statements interesting in light of my experience with the Administration proposal. What most caught my attention was his remark that he wants a bill:

"similar to the one he proposed last year, which would impose time limits and work requirements, but also increased federal funding for welfare recipients' job training". (4/18/95 press conference)

A closer look at HR 4 reveals the very two-year time limitation that the President spoke about in his address. Under HR 4, adults receiving cash benefits are required to work or participate in a State-designed program after 2 years (or shorter at a state's option). Second, a three year limitation is placed on a beneficiary actually being in work. This work requirement is the same as originally laid out in HR 3500. This work requirement is also the same as was originally proposed by the President in his campaign and later in his legislation. Likewise, most major welfare reform proposals also contain the two-year limitation on beneficiaries.

In wake of the House action, members of this committee and the Senate as a whole need to face the reality of the current beneficiary and cost statistics on all areas of welfare and begin to make decisions on those programs. In my discussions on welfare I have not found anyone unwilling to reform the system. And while the discussions and rhetoric have escalated during the last two election cycles, it is only recently that we have seen the will from Congress, and specifically the House, to move forward in advancing reform proposals and to honor a commitment to reform the current system.

The focus on work has been seemingly lost in the debate until the President's remarks last week. I strongly suggest that any proposal that might emerge from this committee must also honor that commitment to work -- for without that basic concept, all other reform is hollow. Consider a young woman I met last year at a town meeting in Verona, Pennsylvania who told me about her experience on welfare. She had been recently divorced with two children. With little recourse, she entered the welfare system and began to draw benefits. While on the program, she took advantage of the availability of job training and education, and after 18 months in the system, took a job at a local manufacturing plant. Today she continues to hold her job and is supporting her family. She viewed the welfare system as an opportunity to pull her family out of their unfortunate circumstances and take responsibility for her own life. She is an example of a

welfare mother success story that we must force the system to replicate. Anything short of this standard of "work" does not attack the cyclical nature of the system and perpetuates further dependency on welfare. Anything short of addressing this concept falls well short of the mark for "ending welfare as we know it".

There are two very specific provisions that I claim original ownership to and that I strongly recommend to this committee for inclusion in any welfare reform product -- fundamentally change the direction of the SSI program, and eliminate welfare eligibility for legal noncitizens in this country. Both provisions are currently contained in HR 4 and have evolved from extensive policy discussions out of the 1993 Republican Welfare Task Force.

Current perception is that the movement to ban assistance to legal noncitizens was born out of a desire to save billions of dollars for the sake of welfare reform. To the contrary, the proposal for eliminating assistance to legal noncitizens was developed first on the basis of policy after examining the growth in programs as a result of legal noncitizen enrollment and the contributing factors as to why those numbers were growing.

What was originally found in 1993 was that legal "sponsored" immigrants in particular were qualifying for welfare in significant numbers. What was even more troubling, however, is that the area of "sponsored immigration" is an expedited classification of immigration based solely on the basis of the income history of the sponsor and the commitment of that sponsor to provide financial assistance to the immigrant. Under current law, a sponsor's income history and ability to provide is extensively reviewed prior to granting the immigration application request and the sponsor's income is "deemed" eligible to that immigrant for the minimum of a five-year period so that they will not become a "public charge". However, the statistics and population trends have shown that just the opposite is happening almost immediately following the deeming period.

Social Security Commissioner Shirley Chater testified recently before the Senate Judiciary Committee that growth in legal noncitizens receiving SSI alone has reached 738,000 in 1994. In looking at trends over the past several years, Commissioner Chater also testified that the rolls in this program have increased 12% over the last five years. In 1993, when we first looked at the growth in these programs, we saw an even more severe increase in beneficiaries in the years preceding Commissioner Chater's figures -- from 110,000 in 1982 to over 650,000 in 1989.

While the factors behind the rise are varied, several very clear recognitions can be made. First, the "sponsor" arrangement for immigration and financial support criteria is non-binding and unenforceable. In turn, the number of noncitizens applying for welfare following the deeming period is alarming. Last year, the Honorable Barbara Jordan in her study on immigration policy testified before my Ways & Means Subcommittee on this very subject. Second, abuse has been exposed in several immigrant communities where beneficiaries are illegally qualifying for the program. We also received extended testimony on this last year in Ways & Means.

In 1993, through the committee and with the help of many in this room, we were able to

increase the deeming period from three to five years. Around that same time, I proposed the following options in the House Republican welfare reform bill:

- \* encourage naturalization following the five-year deeming period by allowing an additional year for citizenship (the one-year is based on national averages);
- \* strengthen the sponsorship arrangement by insisting on the financial commitment of the sponsor;
- \* eliminate federal assistance for legal noncitizens (refugees, asylees, and elderly over 75 years are exempt).

Any fundamental change in the direction of a social program or immigration policy will be controversial, and I challenge you to examine the basis of the policy behind the proposed changes. As a first generation Italian American, I can speak directly to the opportunities that exist in America and the sacrifices that are made so that children can grow up in a free society, can go to college, pursue their dreams, and maybe even one day serve in the United States Senate. I can speak to the importance of heritage and culture, and as one of the originators of the policy, I can as forcefully speak to the changes that are needed in providing welfare assistance.

A *Philadelphia Inquirer* article just this week touched on the controversial nature of these changes. While the article may have accurately captured the current debate and reaction to the proposed changes, it excludes a discussion on the policy itself and the intent behind those changes. For an American citizen bringing people into this country under an expedited class of immigration and pledging financial support for that person, is it too much to ask that the individual actually honor that commitment?

The extent to which these proposals have gained acceptance in the last two years proves our discussion extends beyond the perception of "immigrant bashing" to being more of a justifiable policy option. Since the time that I first proposed changes to assistance for legal noncitizens, very similar language has been included in the major welfare reform proposals before Congress. President Clinton, in presenting his Work and Responsibility Act in 1994, included provisions which denied welfare assistance beyond the five-year deeming period to that of ten years. Likewise, the Mainstream Democrat Forum proposal contained the total ban on assistance to welfare recipients. And as we have seen now in the Contract with America proposal, the bill denies assistance in selected areas of welfare assistance including food stamps, AFDC, Medicaid, SSI, and Title XX block grant services.

Again, these are provisions that are grounded in solid policy discussion and determination. These are also provisions which would incur significant savings in the system, totaling over \$21 billion over a five-year period. During the course of the task force discussions, provisions were continually sent to the Congressional Budget Office (CBO) for review and scoring. It was much later, following the initial decision on the policy, that the CBO numbers were obtained and the significant amount of savings were realized. In many respects, the numbers only confirmed what our statistics had yielded.

My background and work in the SSI programs have paralleled that on legal noncitizens. Along with the growth in the noncitizen beneficiaries, SSI programs as a whole have experienced the largest growth and cost of any area of welfare. Those increases have occurred in the SSI

children's program, the legal noncitizen area, the program for drug addicts and alcoholics, and have involved problems with widespread fraud and abuse.

In March, I had the opportunity to testify before Senator Simpson and the Social Security and Family Policy Subcommittee on these programs. During that testimony, I made several recommendations and suggestions for reform that I feel are fundamental to any proposal put forward by the Senate. These changes speak to what must occur in welfare reform and are policy options that reflect targeting our federal resources to those most in need, especially in view of recent trends.

Since 1990, we have seen an obvious and enormous growth in the number of beneficiaries and amount of federal dollars spent in this program -- the number of children on SSI reached 683,000 in 1993 while the amount of spending was \$24 billion. And while this is clearly the major catalyst in the growth and costs of the program as a whole, an alarming and controversial ancillary effect has been the amount of fraud and abuse within the children's program itself -- specifically with regard to the definition of "disability".

Under the beneficiary criteria for disability that now exists for children, or individualized functional assessments (IFAs), we continue to see instances of fraud and abuse in the program that has not only drained resources, but has created a present day perception of the program that is far from positive. While some dispute the validity and very existence of the fraud and abuse, their lack of recognition of these happenings serves only as a means for hindering federal assistance to those at the fundamental core of the disability program itself -- those with severe mental and physical disabilities.

In legislation last year (HR 4419), I proposed replacing the cash program with one of a "voucher" system for treatment. This was done as a means to eliminate some of the financial incentive associated with the program, and to move toward targeted assistance to the individual "need" of the beneficiary and to more direct treatment of the specific disability itself. The Social Security Independent Agency Act contained language from Ways & Means commissioning a study of the "voucher" idea. That study is ongoing through the National Commission on Childhood Disability.

The approach that has evolved into the Personal Responsibility Act in the area of SSI and children suggests the following:

- \* eligibility under the IFA criteria would be eliminated;
- \* at least once every 3 years, SSA will conduct continuing disability reviews (CDRs);
- \* target resources and increased benefits to the severely disabled;
- \* children made ineligible by IFA elimination may reapply for SSI coverage, under other disability criteria.

While some have perceived these changes as draconian, I think the proposal deserves a hard and thorough look, especially in view of the factors discussed previously which are driving the growth and costs of the programs. I recommend this approach to the committee, and I will pursue a similar approach to that taken in HR 4.

Since 1985, the number of addicted SSI recipients rose from 50,000 to 800,000 in 1993. In most cases, the lack of treatment or direct lack of oversight by SSA has led to more and more beneficiaries and fewer if any recoveries (Comm. Chater testimony, 2/93). In my legislation last year, I established guidelines and requirements for testing and monitoring, and imposed sanctions for non-compliance. My bill also set changes in the structure and designation of representative payees and imposed a 36 month lifetime limitation on DA & A benefits. Many of these provisions were also enacted into law last year in the Independent Agency bill.

While some progress has been made in curtailing the program, a discussion of the topic draws upon the larger question of the role of the federal government in providing assistance in this area in the first place. In that regard, I draw your attention to the Personal Responsibility Act provisions which would abolish the DA & A program and federal SSI and Medicaid assistance to drug addicts and alcoholics altogether. Additionally, that proposal would redirect \$400 million from the savings to fund additional drug treatment and research.

Mr. Chairman, I will also call your attention to the changes contained in the SSA Independent Agency Act relative to interpreter fraud. In cooperation with Congressman Jake Pickle, I offered a section on fraud to that Act which is now law. In particular, those provisions achieved the following:

- \* set strict guidelines for use of third-party translators;
- \* elevated SSI fraud from a misdemeanor to a felony;
- \* set more frequent reporting requirements between agencies & Congress;
- \* established criteria for casefile review and redeterminations.

We hope to see significant results from these changes in combating the many abuses and problems brought before our congressional committees. I am as anxious as anyone to see the practical effect of this law, and have had favorable responses already from those individuals we have developed a relationship with over the past two years and who work in these immigrant communities.

As someone who has invested a considerable amount of time and effort in the issue of welfare, I encourage this committee and the Senate to go beyond the rhetoric and take a hard look at the policy, especially the policy behind HR 4. By every estimation, the current system remains unworkable. Both reform and progress are possible, but only with a commitment by members of Congress and the Clinton Administration to make hard choices on reform. I have presented this committee with several options today.

Thank you again Mr. Chairman for the opportunity to appear before you. With your permission, I would like to include some material for the record regarding fugitives receiving welfare and my legislation, S. 599. I welcome your interest in this and would like to work with you on including this in any welfare package that may pass through this committee. Similar provisions have already been included in HR 4.