

Today's debate: **COLLECTING CHILD SUPPORT**

# Losing their licenses hits deadbeats in the wallet

**OUR VIEW** States should revoke driving and professional licenses of parents who refuse to pay child support.

Democrats and Republicans don't agree on much these days. But there is rare unity on one subject: Parents who evade responsibility for child support must pay.

Both parties in Congress advocate a new arsenal of weapons for tracking down and collecting child support from deadbeat parents, 90% of them fathers. The proposals are a key part of welfare reform legislation due for debate this week in the House.

But some states already are getting impressive results with a technique refreshing in its simplicity and efficiency.

Nineteen states revoke driving, professional and commercial licenses when parents refuse to pay court-ordered child support. That hits where it really hurts.

Loss of licenses, say critics, means the parents won't be able to earn a living or make support payments. But these scoff-laws have had their day in court.

Besides, very few licenses have been yanked. The mere threat yields results. In Maine, a truck driver \$20,000 behind in payments coughed up nearly all of it when he received a revocation notice. A Massachusetts plumber came up with \$16,000. Maine has revoked only 41 licenses while collecting \$23 million in unpaid child support. California collected \$10 million without revoking any licenses.

President Clinton wants Congress to require all states to adopt license revocation. States shouldn't wait for Congress to decide. This idea works.

Concern for the children and the parents, mostly women, who care for them crosses political and philosophical lines. Conservative Illinois Republican Rep. Henry Hyde has even teamed up with liberal California Democrat Rep. Lynn Woolsey, who had to go on welfare as a young mother, to propose making the Internal Revenue Service the primary collector of child support.

Why such rare political agreement? Growing awareness that when parents don't support their children, the rest of us pay through swollen welfare rolls, food stamps and other public assistance.

The numbers are staggering: \$34 billion in unpaid child support, yet collections are made in only 18% of the cases. If all the unpaid support were collected, Clinton says, 800,000 mothers and children could move off welfare immediately. And other help is on the way.

Under welfare reform, states will be developing computerized registries of child-support orders with access to each other's data, as well as a national registry. That will make it harder to escape responsibility by slipping across state lines, which happens in about 30% of the cases, or by changing jobs. And procedures for establishing paternity in out-of-wedlock births will be streamlined.

Time is running out, as it should, for the deadbeats who live the good life while their children suffer in poverty.

USA

Jodrey  
3/20/95

Date: 03/18/95 Time: 09:52

For release 10:06 a.m. EST

WASHINGTON (AP) President Clinton urged Congress today to use the threat of revoking driving and professional licenses to help states collect child support payments and reduce welfare rolls.

The president said deadbeat parents should be sent a loud signal: "If you neglect your responsibility to support your children, we'll suspend your license, garnish your pay, track you down and make you pay."

In his weekly radio address, Clinton said license suspension is the major element missing from the GOP welfare reform plan in Congress.

If all of the billions of dollars in unpaid child support payments were made, Clinton said, "we could move immediately 800,000 mothers and children off welfare."

"And millions of children of working parents would have more secure lives and brighter futures if the errant parents absent parents paid what they owed."

Clinton used license suspension to contrast his view of a useful government with what he said is "the extreme view that government is the source of all our problems."

"I think we have to chart a course between the old way of big government and the new rage of no government," he said.

Government, he said, must both offer opportunity and demand responsibility. And, he said, that is doubly true when it comes to welfare reform and the problem of "child care deadbeats."

The child support crackdown Clinton seeks also includes: Requiring employers to report new hires in order to track child support delinquents who move from job to job, uniform interstate child support laws, computerized statewide collection efforts and a streamlined system to identify the father in all child support cases.

Coupled with license suspension, these provisions could increase child support collections by \$24 billion over the next decade, the president said.

Nineteen states now use the license revocation threat as a legal crowbar to compel child support payments.

The White House press office said the threat has been sufficient to collect the delinquent debt in 21,000 cases, while only 45 drivers' licenses and licenses to practice such professions as medicine, law architecture and real estate actually have had to be suspended.

"For the nine states who keep records, collections are up a reported \$35 million because of license programs," a press office statement said.

APNP-03-18-95 0957EST

a0687-----

r wbx

^AM-Welfare-GOP,6404

^GOP Leaders Hear Anti-Abortion Lawmakers' Worries on Welfare Plan

^By JENNIFER DIXON=

^Associated Press Writer=

WASHINGTON (AP) — House Republican leaders are under pressure from GOP anti-abortion lawmakers to temper plans to cut cash benefits to teen-age mothers and the children born to women already on welfare.

Some Republicans contend the GOP's welfare reform legislation, which goes to the House floor next week, could lead to a significant increase in abortions.

Another GOP lawmaker, Rep. Ileana Ros-Lehtinen of Florida, said the bill is too tough on legal immigrants, who would be denied cash welfare, food stamps and Medicaid. She promised Wednesday to vote against it unless the restrictions on aid are not scaled back significantly.

Although she supports changes in the welfare system, Ros-Lehtinen said, "I don't think it should be on the backs of people who are full-fledged, legal residents of the United States. ... They can pick on some other groups before they pick on people who need help."

GOP leaders were drawn into negotiations this week with the anti-abortion advocates, who want to give low-income mothers affected by a cash ban vouchers for the purchase of diapers, clothing, school supplies or other necessities.

The GOP's original welfare reform proposal included a lifetime ban on cash welfare to any woman who gave birth, out of wedlock, before her 18th birthday.

But some Republicans insisted the measure was too harsh, and the bill was changed to require a cash ban until the mother turned 18.

The GOP legislation also includes a "family cap," which requires states to end the automatic increases in cash benefits to women who have additional children while on welfare.

Anti-abortion Republican Reps. Christopher Smith of New Jersey, Barbara Vucanovich of Nevada and Jim Bunn of Oregon say such a rule would, in many cases, push women "towards aborting those pre-born infants who have had the 'bad judgment' to be conceived in such circumstances."

But Rep. Jim Talent, R-Mo., said the bill has been "watered down to the point that it's of mostly symbolic value at this point. ... We can't just keep paying cash to people for having one child after another after another out of wedlock. It's destroying families and neighborhoods in the cities, and we've got to stop it."

The GOP bill, meanwhile, has been rewritten to allow legal immigrants to continue to receive certain social services. But the income of an immigrant's sponsor, such as a relative, would be counted in determining eligibility.

The legislation also makes legally binding the sponsor's promise to support the immigrant as a condition of coming to the United States.

It also bars most immigrants from the largest welfare programs: cash aid to low-income families with children; food stamps; Medicaid; Supplemental Security Income for the elderly and disabled; and some block grants to the states for social services.

Exceptions are made for the very elderly, refugees, active duty military and their spouses and children, and veterans.

Ros-Lehtinen said her Miami district is "chock-full of U.S. permanent residents."

"They comply with the law, pay their taxes, serve this country. Yet they're going to be discriminated against, and not able to get the benefits they may need if they fall on hard times," she said.

Ros-Lehtinen, who refused to sign the Republican "Contract With America" because of the ban on aid to immigrants, also complained that the GOP intends to use the savings to finance tax cuts and other proposals in the campaign manifesto.

"I'm voting against the (welfare) bill as long as they cut into the benefits that legal residents are now receiving. ... I'm ready to chip off a vote here and a vote there," she said.

GOP lawmakers are also split over whether states should be required to take away the driver's and professional licenses of parents who refuse to pay child support.

# Study Challenges House GOP Contract

*Plan Is a Big Government Document, Power Will Not Shift, Brookings Report Says*

By Stephen Barr  
Washington Post Staff Writer

The House Republicans' "Contract With America," which seeks to dramatically reduce the reach of the federal bureaucracy, serves more as a slogan than as a feasible plan to shift power from Washington to state and local governments and private institutions, according to a new Brookings Institution study.

"Make no mistake: the Contract With America is a big government—and a big government from Washington—document," the study says. In defense and national security affairs, the contract does not call for significant cuts, while in the domestic policy arena, "it would maintain a large federal policymaking, administrative and funding role in crime policy, environmental management and many other areas," the study says.

"Fine Print," written by John J. Dilulio Jr. and Donald F. Kettl and scheduled for release today, analyzes the "devolution" debate on Capitol Hill—from shifting programs to states to increasing Washington's reliance on block grants and so-called privatization—and provides examples of previous, usually flawed, attempts to reorder federal programs and spending.

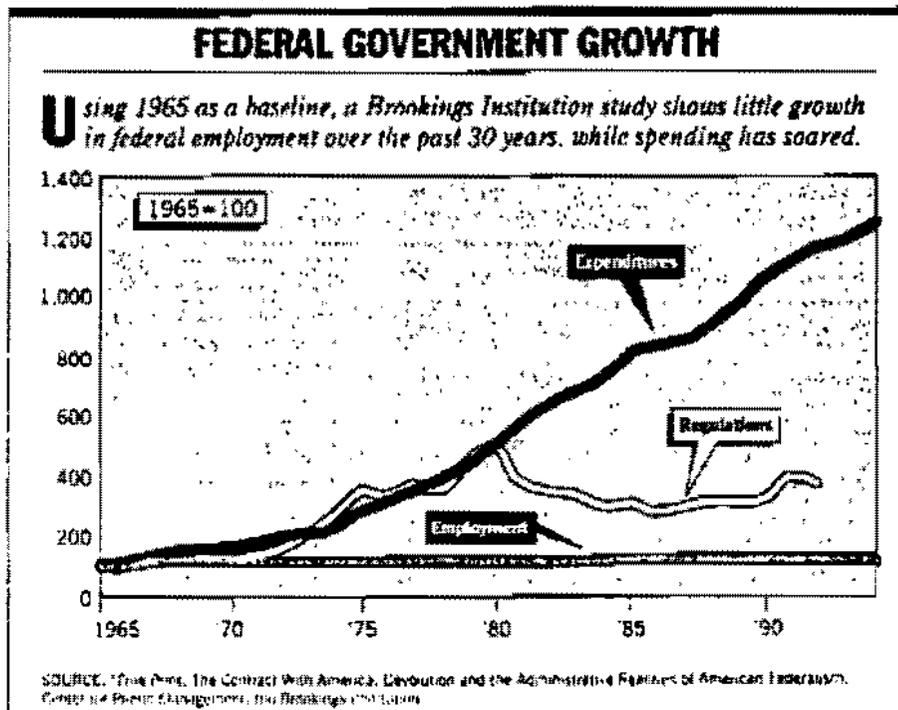
Dilulio and Kettl write that their report "is not about the desirability of the contract" but about "the administrative realities of contemporary American federalism." They conclude that the GOP contract "contains virtually no administrative fine print.

"The language of devolution does more to hide than to highlight the administrative realities of federal-state relations, more to distort than to delineate the facts about how existing intergovernmental policies are implemented, and more to delay nitty-gritty implementation decisions than to define precisely how 'devolved' domestic policies can be administered so that they might succeed where existing federal policies have ostensibly failed."

In particular, Dilulio and Kettl try to deflate the popular argument that a bloated federal bureaucracy is to blame for many policy failures and for long-standing problems of waste, fraud and abuse.

Between 1965 and 1994, they note, the amount of federal dollars spent and the volume of federal regulations rose much faster than federal employment, which has essentially remained flat at about 2 million workers, the authors report. Except for defense, most of the government revolves around pay subsidies to farmers, veterans, schools and hospitals; transferring money to states and localities, and enforcing laws written by Congress.

Virtually every major domestic policy pro-



gram—from Medicare to highways to the environment—involves state and local governments, which employ more than 15 million workers. State and local spending, about \$1.3 trillion, rivals total federal spending, the authors point out.

Although popular accounts portray Washington bureaucrats as lording it over states and cities through federal regulatory power, the Brookings study says "an entire generation of empirical research on intergovernmental affairs reveals that the rule is more nearly the reverse: Washington has had, and continues to have, tremendous difficulty in executing even relatively straightforward policies precisely because state and local governments enjoy such wide latitude in deciding how best to translate federal policies into action, or whether, in fact, to allow federal policies at all."

In 1988, for example, Congress approved the Job Opportunities and Basic Skills (JOBS) program, designed to change the way states run some welfare programs by emphasizing "workfare" requirements. Six years later, the study says, most states have not fully implemented the program.

Other studies show that welfare reforms envisioned under the contract "can be achieved only where significant resource increases are made in the government bureaucracies that administer the new programs," the study says. One study of Wisconsin Republican Gov. Tommy G. Thompson's plan

showed that overhauling welfare may save money "but it requires more bureaucracy rather than less."

The study also sounds a warning against a rush to sell off government assets, create new quasi-governmental corporations or contract out services in the name of "privatization." The study says the government "has privatized far more functions than most Americans realize" and that "drawing the line between functions that could be turned over to the government and what government itself needs to do is deceptively difficult."

In their closing chapter, Dilulio, a Princeton University professor, and Kettl, a University of Wisconsin-Madison professor, question the depth and commitment behind the public's call for less government. Downsizing the federal work force or abolishing a department represent relatively minor efforts when Medicare, Social Security and the military consume giant portions of the budget, they argue. Americans, who live in a "national culture," still maintain expectations about government delivering uniform standards for public health and safety, they add.

"What can easily be lost in the debate over devolution is the fact that, despite the explosion in Washington's powers, America's federal system remains one in which who gets what still depends greatly on who lives where," the authors write.

# How Hard a Push on Welfare Reform?

*Clinton Bill Likely in 1994, but Depth of Commitment Is Uncertain*

By William Claiborne  
Washington Post Staff Writer

President Clinton will send a welfare reform bill to Congress next year containing four or five key elements of his campaign promises to "end welfare as we know it," administration officials confidently predict.

What is less certain is how aggressively the administration will push the measure because of the simultaneous and distracting battle over health care reform and the potential for strong resistance to any efforts to cut other social service entitlements. The cuts would

be needed in order to fund broad changes in the way public assistance to the poor is dispensed.

No decisions have been made at the White House concerning the timing of the legislation or where the money to pay for it will come from, officials stressed. They said that Clinton has been so immersed in drafting next year's budget that he has not had time to closely follow the deliberations of a 33-member inter-agency welfare reform task force he appointed last May, or to read a preliminary list of options that are to be presented to him next month.

Although the president's intentions probably will not be known until he delivers his State of the Union message on Jan. 25, his domestic policy advisers and other senior administration officials said that Clinton's strong personal interest in fundamentally changing welfare means he is prepared to risk taking on two gargantuan challenges—health care and welfare—at the same time.

When he was governor of Arkansas, aides noted, Clinton demonstrated an impressive understanding of the complex and often conflicting forces that come into play when governments begin to alter the social safety net.

He was a major contributor to the federal Family Support Act of 1988, which required all state Aid to Families with Dependent Children (AFDC) programs to include education, training and job placement for virtually all able-bodied recipients with children over age 3.

"He knows more about welfare reform than any of us," said Bruce Reed, a White House domestic policy adviser and co-chairman of the interagency welfare reform task force.

The political popularity of his oft-repeated pledge to change the culture of welfare bureaucracies and make recipients work for their benefits also strengthens Clinton's resolve, aides said.

"The president is absolutely determined not to just tinker around the margins of this issue, but to effect fundamental change," said William Galston, a domestic policy aide.

"Health care will be the No. 1 issue in 1994, and welfare reform won't do anything to diminish that importance," Reed said. "But he [Clinton] has demonstrated that he can do more than one thing at a time, and there's no reason to think welfare will be put on a back burner."

He said Clinton believes that "anyone elected as a reform president shouldn't worry about too much reform."

David T. Ellwood, assistant secretary of health and human services, who also is a co-chairman of the task force, concurred. "The goal is not to put in a halfway plan. The goal is to take the next big step in fundamentally changing welfare. I believe that will happen," he said.

Being committed to welfare reform is one thing; being able to finance it is quite another, administration officials acknowledged.

Although the public perception is that welfare costs are enormous, it costs less than 2 percent of the federal budget—or about \$25 billion—to provide benefits to the 4.9 million families on AFDC, the main cash assistance program. Adding food stamps and housing subsidies raises the cost to about 6 percent of federal spending, a sizable sum but one seen by many welfare advocates as disproportionately small compared to the emotional controversy that often surrounds it.

The paradox of welfare reform has been that training poor people and providing them with jobs costs far more than simply issuing them subsistence checks. Moreover, follow-up studies of costly welfare reform pilot projects at the state level frequently have shown caseload reductions only in the 4 to 5 percent range, raising questions about whether the programs were worth the investment.

Both the task force and Health and Human Services Secretary Donna E. Shalala have said the Clinton administration's welfare reforms will be made with "deficit-neutral funding," meaning that expensive job training, education and

child care programs will be funded by new taxes, by tapping discretionary funds in the annual budget process or by cutting other entitlements for the poor.

Since new taxes are unlikely and since there are tight appropriations caps through the late 1990s, cutting other programs for the poor appears to be Clinton's only realistic funding option.

Administration sources said that because of these financial restraints, the scores of options contained in the task force's draft proposal are likely to be condensed to four or five major initiatives that include:

# How Hard a Push on Welfare Reform?

CONTINUED...

■ Reducing teen pregnancy, which Clinton has called "the most important indicator of welfare dependency."

■ Establishing paternity of welfare children and enforcing child support.

■ Making work pay by supplementing a welfare family's earned income tax credit, food stamps, housing allowance and other benefits whenever a job pays less than welfare.

■ Imposing a two-year time limit on welfare benefits, after which a recipient would be forced to find a job or perform community service work.

However, some of these programs involve enormous costs, especially time-limited welfare, which, while holding promise of saving money in the long run, requires creating new jobs in an economy with 8.3 million people out of work.

Mark Greenberg, senior attorney for the Center for Law and Social Policy, said that based on the current AFDC caseload—and assuming generous exemptions—between 1.2 million and 1.5 million families would be in need of placements in either private-sector jobs or community service positions.

Conservatively estimating that each job created for recipients forced off welfare at the end of two years would cost \$3,000, Greenberg concluded that the annual cost of the jobs component of the program would be between \$3 billion and \$5 billion.

Other estimates have put the child care component, which would allow welfare mothers to accept jobs, and transportation allowances ~~and~~ additional \$3,000 per person a year. That would double the annual total.

While a gradual phase-in of time-limited benefits would soften the cost impact during the program's early years, the administration eventually would have to make major cuts in other entitlement programs to find upwards of \$10 billion a year just to finance one element of the reform program, welfare experts said.

Administration officials have not decided how long a phase-in would last, although options being considered include initially imposing the two-year limit only on new recipients, imposing it only in some states or applying it only to recipients with older children.

Administration proposals to supplement welfare benefits for work-

ing families when their jobs pay less than welfare could add billions of dollars more to the reform plan, as could proposals to guarantee child support awards and costly education and training programs aimed at reducing teen pregnancy.

"It will be extremely difficult—and perhaps impossible—to design a coherent and constructive [workfare] program within the probable budget constraints," Greenberg said. Combining such an ambitious welfare reform plan with deficit reduction and health care reform startup costs would be an even more formidable task, he and other welfare experts said.

Moreover, Clinton will face powerful political pressures in Congress, from welfare rights advocates and conservative policy groups outside of government and even from conflicting ideological factions—liberals against centrist "New Democrats"—within his own administration.

Clinton often has said the thing that has surprised him the most about Washington is its resistance to reform. There is little reason for him to believe that he will not encounter such resistance from Congress, from the permanent federal bureaucracy and from the "poverty industry" of welfare rights groups, social services contractors and other special-interest groups that lobby on behalf of the poor.

In Congress, welfare reform will be pulled in opposite directions by two groups of Democrats. One is a coalition of 77 centrists, loosely allied with the Democratic Leader-

ship Council, that is pressing Clinton to stick by his campaign promises to force welfare recipients into work after two years of benefits. The other is a group of 89 liberal and urban representatives that has warned that time-limited benefits are too harsh and that milder reforms should be accompanied by more spending for improved unemployment benefits, an increase in the minimum wage, expanded income tax credits for the working poor and more child care.

Waiting on the sidelines are House Republicans, who have drafted their own welfare reform program in an effort to ride a wave of public opinion that seems to favor transforming welfare from an entitlement to a benefit that must be earned through work.

The Republican plan would impose even tougher time limits than those being considered by the administration; would cut benefits to welfare mothers who continue having children out of wedlock; would force teen mothers on welfare to live at their parents' homes; and would cut welfare and Supplemental Security Income benefits to immigrants, among other changes that critics have branded Draconian.

Although the Republicans estimate that the job training and mandatory work provisions of their bill would cost nearly \$12 billion over five years, they estimate that savings from other programs would net \$31 billion, resulting in a budget deficit reduction of \$20 billion in five years.

Just the presence of the Republican bill could create enormous pressure on the administration to aggressively push its own welfare reforms in Congress or face charges that the opposition party is doing more to ful-

MORE...

# How Hard a Push on Welfare Reform?

fill Clinton's campaign promises than the Democrats.

"If he drops it [welfare reform], we'll kill him on this. Look at the polls. You can't be too conservative on some of these issues, particularly on illegitimacy and making people work for benefits," said a House minority staff member who was involved in drafting the Republican measure.

Greenberg said Clinton might have been better off declaring early in his administration that he was going to get a health care bill through Congress before turning his attention to welfare reform.

"Health care and welfare reform together is probably disastrous. Yet the administration faces increasing pressure to come forward with a plan that reflects the president's

campaign promises. They must feel they have to get something out there that lays out his views," Greenberg said.

He added, "But once the bill is introduced, the question is whether they'll make it go anywhere. There's no good timing scenario that I can see."

## WELFARE: WHAT STATES HAVE DONE

### SINGLE PARENTS AND THEIR BABIES

■ New Jersey provides free health insurance, food stamps and \$64 a month for each child to mothers on welfare, but the state's "child exclusion" provision draws the line at children born to mothers already on welfare. Having more babies no longer increases the monthly check.

**Results:** In August and September, welfare mothers who had conceived after the program took effect had 1,679 babies, 336 fewer than for the same two months the previous year.

■ Georgia now requires unmarried women under the age of 18 who are pregnant or already mothers to live with a parent or guardian to be eligible for welfare. Georgia also will freeze the welfare benefits of mothers on welfare for two years if they have another child.

■ Minnesota next year will automatically withhold child and spousal support from the paychecks of deadbeat parents.

### MANDATORY EMPLOYMENT

■ Florida's \$30 million-a-year "Project Independence" requires its 18,000 single-parent participants to attend orientation sessions and contact at least 12 employers in their job search.

■ Project Independence requires enrollees with a 10th grade education or recent work experience to find jobs, teaching job-seeking skills such as

résumé-writing and interviewing techniques to those who do not find work immediately. More extensive—and costlier—training programs are for those with less education or work experience.

**Results:** A recent study by an independent research group found that the program, which started in 1990, reduced the welfare rolls by about 5 percent and the earnings of program participants were 7 percent higher than those of welfare recipients not in the program.

■ California's 7-year-old Greater Avenues for Independence (GAIN) program costs more than \$120 million a year and has about 60,000 participants who train for several months, in some cases up to a year, before seeking work.

**Results:** A study last spring found that two years after entering the program, single parents, on average, earned about 20 percent more than a similar group of non-participants. Like Florida, GAIN reduced the welfare rolls by about 4 to 5 percent.

### DEADLINES

■ Wisconsin's "Work Not Welfare," signed into law this month by Gov. Tommy G. Thompson (R), calls for two counties to require welfare recipients to work for their benefits. Beginning in 1995, about 1,000 Wisconsin welfare enrollees must find full-time work or a job training program within 30 days of signing up for assistance. After two years, their cash benefits will be cut off although they would still receive health care and food stamps.

Date: 03/23/95 Time: 18:46

## House Votes To Strip Deadbeat Parents of Their Driver's Licenses

WASHINGTON (AP) The House voted Thursday to yank the driving and occupational licenses of parents who scorn their child support obligations as Democrats and Republicans reached a rare agreement in their bitter fight over the GOP's welfare reform plan.

One by one, Republicans who voted against the amendment in committee took to the House floor to declare their support. "I've come along to your way of thinking on this," said one, Rep. Clay Shaw of Florida.

The measure passed, 426-5, after three days of emotional debate on the GOP's plan to reverse 60 years of social policies and replace the federal welfare system with block grants to the states.

"There is probably no greater scandal in American society today than ... the millions of young children who are living in poverty because of the lack of responsibility and accountability by the men who caused those families," said Rep. Jim Moran, D-Va.

The Clinton administration says taking away licenses will raise \$2.5 billion in child support over 10 years.

At the White House, President Clinton applauded the vote, saying the provision "sends a clear signal: No parent in America has a right to walk away from the responsibility to raise their children."

In a series of voice votes, the House also approved GOP amendments that would increase funding for child care, require states to hold down the costs of infant formula purchases, and permit some ill and disabled immigrants to continue to receive welfare benefits.

Democrats said those changes merely tinkered with a bill that shrinks welfare spending by \$66 billion over five years. Much of the savings comes from denying cash, food stamps and health care to 2.2 million legal immigrants.

Rep. Corrine Brown, D-Fla., complained that the legislation does not create a single job and does nothing to help the poor make the transition from welfare to work.

"Haste makes waste," she declared. "Republicans are in a hurry to pay for the tax breaks for the rich at the expense of hungry children, the elderly and veterans. Once the sound bites are over the American people will realize that the 'Contract With (America)' is a Contract On. Shame, shame, shame. Republican shame."

Votes were scheduled later on two Democratic alternatives: a liberal prescription from Rep. Patsy Mink of Hawaii and a centrist bill from Rep. Nathan Deal of Georgia.

Deal's plan requires parents on welfare to move immediately into a work, education or training program, and requires recipients to move into a job after two years. Teen-age mothers could receive cash, provided they live at home, stay in school and cooperate with child support enforcement.

Mink's plan provides recipients with the education, job training and child care necessary to find and keep a job. There are no time limits on benefits.

Wearing ties and scarves decorated with images of children, Democrats attacked the GOP bill as cruel and coldhearted.

Republicans lashed back.

"The people on the other side who are attacking our effort to reform welfare should be made to bear the burden of the system they would keep," said Speaker Newt Gingrich, R-Ga.

"Every night on television, everywhere in America, people see

on their local news the deaths, the drug addiction, the rapes, the child abuse, the spouse abuse, the despair. This is a failed system. It's a failed system for the very poor who are trapped in it," Gingrich said.

Republicans acknowledged that their original bill did not set aside enough money to cover the child-care needs of single mothers on welfare who would be required to work. The change approved Thursday adds \$150 million a year to the \$1.94 billion, an amount slightly below current levels, already set aside in the legislation.

But Democrats said 300,000 poor children would still be denied child care by 2000.

The House also agreed to require states to use "cost-containment" measures when purchasing infant formula for the Women, Infants and Children supplemental feeding program.

Current competitive bidding requirements save \$1 billion a year and allow WIC to serve an additional 1.5 million pregnant women and children.

Democrats insisted that only competitive bidding would hold down formula costs and keep the formula manufacturers from setting up profitable deals with the states.

"We're going to be eliminating competitive bidding. That's going to take milk from the mouths of poor infants and it's going to give cookies and cream to the infant formula companies and that is wrong," said Rep. Ron Wyden, D-Ore.

APNP-03-23-95 1851EST

Date: 01/10/96 Time: 13:47

CClinton Vetoes Welfare Overhaul Bill, Pledges to Work on New

FAX to  
MELISSA

WASHINGTON (AP) Asserting that the Republican plan to overhaul welfare wouldn't actually get people into jobs, President Clinton vetoed the GOP bill but pledged to work with Congress on a version more acceptable to him.

House Majority Leader Dick Armey, R-Texas, said today the Republicans have been trying to do just that during budget negotiations.

Welfare reform is an essential part of getting to a balanced budget. Armey indicated he and other congressional negotiators are moving beyond the vetoed bill, but Clinton still is balking.

'We've gone every inch we can go,' Armey said in an interview.

He said that during talks between Clinton and Republican leaders, which broke down Tuesday, the GOP offered to revive key features of the bill that originally passed the Senate. Clinton gave tacit support to that bill in September when it passed the Senate, 87-12.

The bill he vetoed, however, was a blended version of the House and Senate bills. The revisions eroded Senate support and it passed there, 52-47, well short of the votes needed to override a veto. The House also lacked the two-thirds majority needed to override.

Armey said House Republicans haven't agreed to all the provisions in the original Senate bill, but are willing to accept its level of savings rather than sticking with the House-Senate version.

Anticipating Clinton's veto, House Ways and Means Chairman Bill Archer, R-Texas, issued a statement in advance saying Clinton now must submit a bill specifying what he would accept.

'By vetoing welfare reform, the president has demonstrated what he is against,' said Archer. 'He must now demonstrate what he is for. No vague statement of principles. No unkept promises. I expect a complete bill, nothing less will do.'

In his veto message, Clinton said he was determined to work with Congress 'to enact real, bipartisan welfare reform.'

The veto was Clinton's 12th. Only one of Clinton's previous 11 vetoes has been overridden.

Clinton charged that the bill was designed to meet an arbitrary budget target rather than to achieve serious welfare reform. He said it would make structural changes and budget cuts that would fall hardest on children and undermine states' ability to move people from welfare to work.

He said he wanted a welfare plan motivated by the urgency of reform rather than by a 'budget plan that is contrary to America's values.'

'The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it,' he said. But the legislation was 'burdened with deep budget cuts and structural changes that fall short of real reform.'

Clinton called for smaller cuts in foster care and adoption assistance, help for disabled children and legal immigrants, food stamps and the school lunch program.

A centerpiece of the House GOP's 'Contract With America,' the rewrite of the nation's 60-year-old federal welfare system would have replaced federal guarantees to the Aid to Families with Dependent Children program with block grants that could be used by the states to fashion their own welfare plans.

It also would have capped the total amount of federal funding for welfare, with savings estimated at \$58 billion over the next

seven years.

Clinton said Congress must improve work and child care provisions in the bill and that the final welfare legislation should:

Provide sufficient child care to enable recipients to leave welfare for work.

Reward states for placing people in jobs.

Restore the guarantee of health coverage for poor families.

Require states to maintain their stake in moving people from welfare to work.

Protect states and families in the event of economic downturn and population growth.

He also said Congress should abandon efforts to gut the earned income tax credit, which he called a "powerful work incentive."

APNP-01-10-96 1347EST



DEPARTMENT OF HEALTH & HUMAN SERVICES

**Melissa T. Skolfield**

Acting Assistant Secretary for Public Affairs

Phone: (202)690-7850

Fax: (202)690-5673

To: Bruce Reed

Fax: 456-5557 Phone: \_\_\_\_\_

Date: 12/15/95 Total number of pages sent: \_\_\_\_\_

Comments:

200 Independence Avenue, S.W., Bldg. HHH, Room 647-D, Washington, D.C. 20201

Times Publishing Company -- St. Petersburg Times  
December 14, 1995, Thursday

SECTION: EDITORIAL; Pg. 22A  
LENGTH: 329 words  
**Cutting out care for the poor**  
BYLINE: (editorial)

*To Rahm-Buwa  
Fyl. Meline*

**BODY:**

If President Clinton did not already have a good reason for vetoing the Republican welfare bill, he has one now. Republicans want to eliminate the guarantee that welfare recipients would automatically get health insurance through Medicaid.

That means that some of the people who most need health coverage would not receive it if this provision survives. The New York Times reported that a confidential draft of a report by a conference committee hammering out the differences between the House and Senate welfare bills contains the little-noticed provision to sever the link between welfare and Medicaid.

This is not welfare reform. It is callousness. What are poor people to do when they become sick if they lose Medicaid coverage? Most of them will wind up in hospital emergency rooms, where the cost of treatment will be passed on to the public in one form or another. Even Republicans should know that preventive treatment costs less than emergency room treatment.

This addition to the welfare reform bill, if it should become law, would tie the hands of governors whom the Republicans insist they are helping by turning the entitlement programs into block grants to the states. States can better decide how to help their needy, the Republican reasoning goes, and governors will get more flexibility out of a program they design. But this measure would prohibit any expansion of Medicaid coverage of the poor once the block grants are set. Some governors have talked of expanding health insurance for the poor through Medicaid, including Gov. Lawton Chiles, though he is facing stiff resistance in the Florida Legislature.

If welfare recipients are denied health care through Medicaid, they likely will be on the public dole longer. And they probably will get their medical care in emergency rooms, which will push the cost of health care up for those with insurance. The GOP welfare reform bill will spread plenty of misery without this addition.

LANGUAGE: ENGLISH  
LOAD-DATE: December 14, 1995

Arizona Republic; 8-2-95

# U.S. child support law voided in Arizona

## Judge drops counts against Illinois dads

By Pamela Manson  
The Arizona Republic

Congress has no power to regulate payment of child support, a federal judge in Phoenix has ruled in dismissing criminal charges against two Illinois men who have children living in Arizona.

The federal Child Support Recovery Act is aimed at prosecuting spouses who fail to support children living in other states.

In separate rulings, Judge Paul Rosenblatt of U.S. District Court in Phoenix declared the act unconstitutional and threw out the indictments of the Illinois men.

The ruling affects only the two cases before Rosenblatt, but other federal judges in Arizona could look at Rosenblatt's decision for guidance.

The 3-year-old act makes it a federal crime to willfully fail to pay child support of at least \$3,000 for a child living in another state.

Rosenblatt based his decision, in part, on the U.S. Supreme Court's recent ruling that Congress acted beyond its constitutional authority when lawmakers made it a federal crime to possess a gun within 1,000 feet of a school. The judge said payment of child support, like possession of a firearm near schools, does not affect interstate commerce and, therefore, can't be regulated by federal law.

In orders handed down last week, Rosenblatt wrote, "If the collection of debt were sufficient to warrant federal criminal intervention, Congress would be able to legislate in virtually any area."

Even alimony payments would become a federal matter, despite the traditional role of the states in regulating marriage and divorce, the judge said.

"This potential for unlimited congressional authority, coupled with the absence of a showing that the failure to pay child support affects interstate commerce, supports this court's finding that the (act) is unconstitutional," he said.

Michael Bidwill, an assistant U.S. attorney prosecuting the two cases, expressed disappointment with the ruling and said that a federal judge in Kansas has ruled that the act is constitutional. A decision on whether to appeal hasn't been made yet, he said.

In Arizona, the federal law was used for the first time against Donald W. Schroeder and Allan Mustari, who were indicted by a federal grand jury

— See **KDCE**, page B3

# Judge voids U.S. child-support law

— **KDCE**, from page B1

in January on one count each of failure to pay child support.

The indictments claimed that Schroeder owes more than \$24,000 for his four children and that Mustari owes \$40,000 for his two children. Both men work in Illinois; their children continue to live in Arizona, where the child-support orders were issued.

Bidwill argued in court papers that the act applies to these cases because child-support payment is an economic activity.

"Payment of child support by the non-custodial parent often means economic independence for the custodial parent and the children," he wrote.

But lawyers for the defendants, federal public defenders Sigmund Popko and David Lee Titterington in

Phoenix, argued that paying child support is not a commercial activity that Congress can regulate.

"If the government's argument is accepted, it would mean that there would be no limit to Congress' power to regulate the activities of persons if they ever moved across state lines," they said in court briefs.

States continue to handle the majority of child-support cases, and the federal government will not step in until all other means of enforcement have been exhausted.

Many states, including Arizona, have criminal statutes covering failure to pay support. In addition, Arizona and 47 other states have passed a civil act that covers the extradition of parents who are in arrears.

One estimate puts unpaid child support nationwide at \$36 billion, with \$14 billion of that owed by out-of-state parents.

To Bruce  
Et. Rahm  
Rahm - FYI -  
Any way DOJ  
could fight  
this?  
Melissa

## COVER STORY

# Uneasy Compromise Reached On Welfare Overhaul

*Moderates get more federal money for child care,  
get rid of provisions on out-of-wedlock births*

Senate leaders reached an uneasy bipartisan compromise to overhaul the nation's welfare system Sept. 15 after a coalition of moderate Republicans and Democrats forced a series of concessions.

The agreement capped a week of mainly successful efforts to chip away at conservatives' influence on the bill. Moderates added more federal money for child care, raised requirements for state welfare funding and eliminated a key conservative plank designed to reduce out-of-wedlock births among welfare recipients.

In asserting their strength, GOP moderates smoothed the way toward expected passage of the bill, giving Majority Leader Bob Dole, R-Kan., at least a preliminary victory on a key issue. (Story, p. 2805)

Dole delayed a vote on final passage until Sept. 19, when nearly every Republican and many Democrats are expected to vote for the bill. "This will pass by a very nice margin," predicted Don Nickles, R-Okla., chairman of the Republican Policy Committee.

Support for the Senate version of HR 4 is wide but shallow, however, and members of all stripes agree that the real battle lies in a forthcoming conference with the House, which passed a much more stringent welfare bill March 24.

The conference may occur on HR 4 as a freestanding bill or as part of the huge deficit-reducing budget-reconciliation bill. Either way, the schism between moderate and conservative Republicans that dominated much of



From top, Domenici, Snowe, Dodd, Chafee and Breauz.

the Senate floor debate on welfare is likely to reappear.

Indeed, the success of Senate moderates only served to widen the gap between the two chambers' bills.

Moderates characterized the Senate's actions the week of Sept. 11 as improvements that made the bill more likely to protect children and help welfare recipients get jobs. Conservatives viewed it as a serious breach of Republican goals, especially to curb out-of-wedlock births.

Already, the two sides have different expectations about what lies ahead. "My hope is we'll end up with something like the Senate bill," said James M. Jeffords, R-Vt., a moderate. Not so, promised Majority Whip Trent Lott, R-Miss., a conservative: "It's going to be more like the House bill," he said.

One thing seems certain: Any welfare bill that emerges from Congress this year would end the 60-year-old federal commitment to provide welfare checks to eligible low-income mothers and children.

Both the House and Senate versions would eliminate Aid to Families with Dependent Children (AFDC), the nation's main cash welfare program. States would instead gain broad discretion to run their own welfare programs, receiving federal funding in predetermined lump sums, known as block grants, to help offset the costs.

Both versions also would save substantial amounts of federal money, the House bill more than the Senate. That is why the measure seems headed for the budget-reconciliation bill, which seeks to reconcile deficit reduction goals with spending and tax policy.

President Clinton, eager to fulfill

## BOXSCORE

**Bill:** HR 4 (S Rept 104-96) — Welfare overhaul.

**Latest action:** Senate debated the bill Sept. 11-15, but did not vote on passage.

**Next likely action:** Senate vote on passage Sept. 19.

**Reference:** Weekly Report, pp. 2722, 2443; Finance Committee, p. 1503; House passage, p. 872.

By Jeffrey L. Katz

## GOP Moderates Flex Muscles

The most influential senators on welfare turned out to be a small, unheralded group of moderate Republicans who reshaped the overhaul bill.

Their emergence as a powerful force suggests that they are likely to be heard again on issues such as Medicare and tax cuts.

Although greatly outnumbered within the GOP caucus, the core group of about seven moderates occasionally formed a powerful welfare coalition on the Senate floor with the chamber's 46 Democrats — much to the chagrin of Republican conservatives.

Together, they bolstered the bill's funding for child care and increased how much states would have to contribute to their welfare programs.

They also blunted conservative attempts to impose restrictions on welfare assistance. The moderates struck provisions in the bill to deny welfare checks to children born to welfare recipients, and rebuffed conservative efforts to bar checks to unwed teenage mothers.

Conservatives grudgingly acknowledged the moderates' success. "Republicans have had a confusing environment to operate in," said James M. Inhofe, R-Okla., a conservative. "We've never resolved the differences between the factions, and that has opened the door" for moderates.

The core group of GOP moderates on welfare included four New Englanders — John H. Chafee of Rhode Island, James M. Jeffords of Vermont and William S. Cohen and Olympia J. Snowe, both of Maine — plus Nancy Landon Kassebaum of Kansas, Pete V. Domenici of New Mexico and Arlen Specter of Pennsylvania. Each had misgivings about the welfare bill that the House passed in March, and viewed the bill that emerged from the Senate Finance Committee in May as a mixed blessing.

They agreed with other Republicans to end the 60-year federal commitment to provide welfare checks to low-income mothers and children.

They also agreed with Bob Packwood, R-Ore., then Finance Committee chairman, that states should get their limited federal funds with few restrictions attached. The committee's bill heartened moderates by excluding House-passed provisions denying cash assistance to unwed teenage mothers and for children born to welfare recipients. The bill also, unlike the House, guaranteed child care for welfare recipients with children under age 6.

The moderates also applauded denying states the broad control over other social services — such as school lunches and foster care — that had provoked sharp criticism in the House.

But Packwood's insistence on giving states flexibility to spend what they wanted on welfare displeased moderates.

And when the bill bogged down on the floor this summer, moderates thought Majority Leader Bob Dole, R-Kan., seemed more accommodating to conservatives.

Dole was also pressed by Phil Gramm, R-Texas, a rival for the 1996 presidential nomination, who persistently demanded that Dole toe a conservative line on welfare.

Even so, moderates realized that Dole did not provide the final word. "We knew we could be the counterweight on the floor" between Democrats and conservative Republicans, Snowe said.

As a result, moderates were able to:

- Overturn a provision that would have denied cash assistance for children born to welfare recipients.
- Block conservatives from inserting provisions denying welfare checks to unwed teenage mothers.
- Modify the bill to require states to continue at least 80 percent of their welfare funding over five years.
- Add \$3 billion over five years for child care for welfare recipients and modify the bill so that recipients with children age 5 or under who are unable to get child care are not penalized for not working.

Some of the victories unnerved conservatives, especially Gramm and Lauch Faircloth, R-N.C., who said the bill should try to curb out-of-wedlock births. "We have a handful of moderate members who basically end up moving us away from our conservative agenda," Gramm said.

But Domenici sounded undaunted, saying: "Everyone's going to have something in this bill that they don't like."

There were limits to the moderates' effectiveness. When they split on amendments, the initiatives failed.

For instance, when only two Republicans voted for a Democratic amendment to add \$6 billion to funding for child care, the measure narrowly lost. Other moderates said they opposed the amendment because it cost too much or because it did not include offsetting revenues.

Moderates also split on a Democratic amendment to require states to continue to provide at least 90 percent of their welfare funding. That, too, failed narrowly. And they were unable to strike a provision that would give states a bonus for decreasing out-of-wedlock births.

John B. Breaux of Louisiana, a moderate Democrat, said like-minded Republicans have had difficulty resisting their party's conservative tide. He said of the GOP moderates: "They're under a tremendous amount of pressure. Their arms get bent and twisted."

Snowe said moderates might try to exert their influence on Medicare, tax cuts and other upcoming issues.

"We're a small group," she said, "but we can make a difference on these issues."

—Jeffrey L. Katz



# House, Senate Bills Compared

The pending Senate welfare overhaul bill (HR 4 — S Rept 104-96) would give states broad authority over welfare while aiming to restrain federal spending. It is

similar to the bill the House passed March 24, with key differences. And more amendments, such as elimination of job training block grants, are expected. Under the bills:

	House Bill	Senate Bill
<b>Block Grants</b>	States would gain broad control over social service programs including cash welfare, child care, child protection programs such as foster care and adoption assistance, school meals, and nutritional aid to low-income pregnant women and their young children. In each case, states would receive federal money to help offset the costs of these programs in predetermined lump sums, or block grants. The bill would end the 60-year federal guarantee of cash aid to low-income mothers and children; instead, eligibility for the aid would largely be determined by states. States could receive their food stamp funding in a block grant if they provided benefits through an electronic system.	States would receive block grants for cash welfare, child care and job training. States could also opt to receive their food stamp funding in a block grant. As in the House bill, the federal guarantee of cash assistance to low-income mothers and children would end.
<b>State Funding</b>	States could contribute whatever they wanted to their own welfare programs.	States would be required to spend at least 80 percent of what they spent in fiscal 1994 on cash welfare programs. They could use this money for specified social services, such as cash assistance and child care.
<b>Work and Time Limits</b>	Most recipients would be required to work within two years of receiving welfare benefits. Recipients would generally be ineligible to receive cash benefits for more than five years, though states could exempt up to 10 percent of their caseload from the time limit.	Most recipients would be required to work within two years of receiving welfare benefits. Recipients would generally be ineligible to receive cash benefits for more than five years, though states could exempt up to 15 percent of their caseload from the time limit.
<b>Family Cap</b>	No federal funds could be used to provide welfare checks for children born within 10 months of when a family received cash welfare benefits. Cases of rape or incest would be exempted. States could give vouchers redeemable for baby care expenses.	States would have the option to deny cash assistance for children born to families receiving welfare checks.
<b>Teenage Mothers</b>	No federal funds could be used to provide welfare checks for children born out of wedlock to a mother under age 18, except in cases of rape or incest. The children would be eligible for cash benefits once the mother turned 18.	States would have the option to deny welfare checks for children born out of wedlock to a mother under age 18. The children would be eligible for cash benefits once the mother turned 18.
<b>SSI</b>	Drug addiction and alcoholism would no longer be considered a disability under Supplemental Security Income (SSI), which provides cash to the low-income aged, blind and disabled. It would be harder for children who have behavioral disorders to qualify for SSI. Children not now receiving SSI could receive the cash benefits only if they required 24-hour care.	Drug addiction and alcoholism would no longer be considered a disability under SSI. It would be harder for children with behavioral disorders to qualify for SSI.
<b>Non-citizens</b>	Most legal immigrants who are not citizens would be ineligible for five federal programs: SSI, cash welfare, social services block grant funds, Medicaid and food stamps. The bill would dramatically increase the duration and circumstances under which an immigrant's sponsor would be financially responsible for that individual.	Immigrants who arrive after enactment would be ineligible for low-income social services for five years. Most non-citizens would be ineligible for SSI, and states could opt to deny them welfare checks and food stamps. The bill would increase the duration and circumstances under which an immigrant's sponsor would be financially responsible for that individual.
<b>Overall Savings</b>	The bill would save about \$62.1 billion over five years and \$102 billion over seven years, according to the Congressional Budget Office (CBO). Most of the savings would come from Aid to Families with Dependent Children (AFDC), food stamps and SSI.	The bill would save about \$43.5 billion over five years and \$70 billion over seven years, according to CBO. (Estimates do not reflect floor amendments.) Most of that would come from AFDC, food stamps and SSI.

—Jeffrey L. Katz

his campaign promise to "end welfare as we know it," embraced the Senate's moderating influence. White House spokesman Mike McCurry said Sept. 14 that the Senate was "moving this bill in the right direction" in addressing Clinton's concerns, pushing away from the "truly awful" House version.

But the applause from the White House drew a sharp rebuke from New York Sen. Daniel Patrick Moynihan, ranking Democrat on the Finance Committee. Moynihan, the major architect of the 1988 welfare reform effort (PL 100-485), repeatedly said that abandoning a poor family's entitlement to cash assistance would produce dire consequences. He has indicated that Clinton ought to veto any welfare bill that eliminates the entitlement, a threat that Clinton has not made.

"If this administration wishes to go down in history as one that abandoned, eagerly abandoned, the national commitment to dependent children, so be it," Moynihan said. "I would not want to be associated with such an enterprise."

But most Democrats were more charitable about the Senate's action.

"We've taken a terrible piece of legislation and made it a reasonable piece of legislation that I intend to support," said Minority Leader Tom Daschle, D-S.D. "But it is a far cry from anything I would be enthusiastic about."

Other presidential matters — the 1996 GOP presidential nomination — provided another undercurrent to the Senate's deliberations on the welfare bill. Dole, the leading Republican presidential contender, has been buffeted throughout the summer by a need to deal with GOP moderates to move the bill, and by his desire to keep at bay his conservative presidential rival, Phil Gramm, R-Texas.

Gramm was smarting after the bill's most dramatic moment Sept. 13, when 20 Republicans joined all 46 Democrats in voting to strike a provision that would deny welfare checks to children born to welfare recipients. Gramm insinuated that Dole — despite supporting the provision — had failed to exercise leadership in its behalf.

"When you look at who voted for the Democratic amendment," Gramm said, "they certainly weren't people who are heavily influenced by me."

A proposed compromise reached Sept. 15 contained more aspects de-



Jeffords, a moderate, says he expects a House-Senate conference to produce a welfare bill similar to the Senate's. Lott expects something closer to the more stringent House measure.

manded by moderate Republicans and Democrats — an additional \$3 billion over five years for child care, \$1 billion for a contingency fund, for states in economic distress and elimination of provisions to consolidate job training programs. Approval is expected before final passage Sept. 19.

#### What's Ahead

If the Senate passes the bill as expected, Dole could seek a House-Senate conference on the legislation or put many of its provisions in the reconciliation bill — or both.

Even if a conference on HR 4 begins — and Dole and House Speaker Newt Gingrich, R-Ga., said they would call one soon — major aspects of the legislation are almost certain to be included in reconciliation. That is because unless Clinton signs a free-standing bill by Sept. 22 — the date by which committees must submit spending cuts for inclusion in the omnibus bill — those savings cannot be counted toward the Republican goal to balance the federal budget by 2002.

Debate and amendments on the reconciliation bill, however, are limited under Senate rules, so Democrats and many Republicans would object to using it for welfare.

Regardless of the procedural option, the widely varying expectations of what should emerge from a House-Senate conference may make it difficult for a final version to draw widespread support.

For instance, although Gramm said he intended to vote for the Senate bill to keep the process moving, if the House-Senate conference agreement "does not have an illegitimacy provision, then I'm not going to vote for it."

Meanwhile, moderate Republicans

and Democrats hope Clinton weighs in and threatens a veto, if necessary, to push conferees closer to the Senate version.

"We have the final arbiter sitting in the White House," said John B. Breaux, D-La., who worked closely with GOP moderates.

Other Democrats were less optimistic that their hard-earned victories would survive. "I'd be very surprised if it comes back from conference looking much like it does here," said Christopher J. Dodd, D-Conn., who pushed for more child care funding.

Key differences between the House and Senate versions include the number of social services over which states would

gain broad control, child care funding, requirements for state welfare funding and restrictions on cash assistance. (*Bills compared, p. 2807*)

The conference will be particularly difficult for the Senate because the senator who wrote that chamber's original bill — Bob Packwood, R-Ore. — is resigning. And the senator who operated as point man in recent welfare negotiations — Dole — is busy running the Senate and running for president. The new Finance Chairman, William V. Roth Jr., R-Del., had no visible role in fashioning the bill.

#### Conservative Restrictions

The split between moderate and conservative Republicans crystallized over whether to deny federal funding in welfare checks for children born to welfare recipients. This provision is known as a "family cap."

The House bill includes the cap. Dole, pressed by conservatives, added it to the Senate version Sept. 8. But moderates objected. And by a 66-34 vote, senators adopted an amendment Sept. 13 by Pete V. Domenici, R-N.M., to strike the provision. (*Vote 416, p. 2839*)

Conservative Republicans had insisted on the family cap as a critical element in any attempt to curb out-of-wedlock births.

Gramm warned that Domenici's amendment would "perpetuate a system that subsidizes illegitimacy, which gives cash bonuses to people who have more and more children on welfare." Dole appealed to moderates to reject the amendment and keep the family cap so that Republicans remained unified behind the bill.

But Domenici argued that each state ought to decide if it would deny

the aid, even though he doubted that such a strategy would reduce births.

"Can we really believe, with the problems teenagers are having and the societal mixup that they find themselves in, that cash benefits are going to keep them from getting pregnant?" he asked.

Senators on both sides of the amendment presented information from New Jersey, the first state to impose a family cap on welfare recipients three years ago, to try to show if it was effective. Bill Bradley, D-N.J., asserted that no conclusions should be drawn yet.

"It is an experiment," he said. "We have inconclusive data. We should not mandate something when we don't know what we are doing."

Conservatives also failed to insert a provision to deny federal funds from being used for welfare checks to unwed teenage mothers. The House bill contained such a ban; the Senate version would give states the option to do so.

Lauch Faircloth, R-N.C., offered an amendment to make the ban mandatory in the Senate bill as well. He said giving welfare checks to 17-year-old mothers was "a cash incentive to encourage teenage women to have children out of wedlock."

But opponents argued that denying unwed teenage mothers the aid would not necessarily reduce out-of-wedlock births, though it might be harmful to their children and encourage some women to abort their pregnancies. The amendment was rejected, 24-76, on Sept. 13. (Vote 419, p. 2840)

Another Faircloth amendment, to prohibit teenage welfare recipients from living with a parent or guardian who has recently received welfare checks, was rejected, 17-83, on Sept. 14. (Vote 422, p. 2840)

But conservatives retained a provision that would give states a bonus for reducing their out-of-wedlock birth rates without increasing abortions. An amendment by Jeffords to remove this bonus was defeated, 37-63, on Sept. 14. (Vote 423, p. 2840)

### Child Care

After several days of negotiations, Senate leaders Sept. 15 settled on a bipartisan agreement to add more child care funding to the bill.

The bill originally included \$5 billion over five years to help welfare recipients get child care so they could go to work. However, the money, which represented a freeze on current spending, was included in the cash welfare block grant and was not specifically set aside for child care.

Democrats argued that the money was insufficient to help states meet requirements in the bill that half of their welfare caseload be working by fiscal 2000. They rallied behind an amendment by Dodd to set aside the \$5 billion for child care, and add an additional \$6 billion. The additional money would have been offset by unspecified reductions in corporate tax breaks.

Rick Santorum, R-Pa., argued that the amendment practically amounted to a federal guarantee of child care for welfare recipients. He said it was unfair to tell working families, "you are on your own. But if you go on welfare, even if you are married, we are going to provide a full-time government day-care slot for you."

Republicans also maintained that governors would have flexibility to use other federal welfare funding to provide child care. And they noted that mothers with children age 5 or under who were unable to obtain child care could not be penalized for not meeting work requirements.

But Democrats said states would have to provide the child care to meet the work requirements or — more likely — states would find it cheaper to withhold child care and accept a 5 percent penalty in federal welfare funding for not meeting the work requirement.

Daschle described Dodd's amendment as "the linchpin to welfare reform. We are not going to get it without child care."

But many moderate Republicans balked at the \$6 billion in new funding. The Senate voted 50-48 on Sept. 11 to table, or kill, the Dodd amendment. Among Republicans, only Jeffords and Ben Nighthorse Campbell, R-Colo., voted against killing the amendment. (Vote 406, p. 2838)

Moderate Republicans and Democrats later agreed with Dole to set aside the original \$5 billion over five years for child care, plus an additional \$3 billion.

Senators on Sept. 11 also approved, 76-22, an amendment by Nancy Landon Kassebaum, R-Kan., to prohibit states from transferring money from the child care block grant — which benefits low-income families other than welfare recipients — to the cash welfare block grant. The original bill would have let states transfer up to 30 percent of their child care funds. (Vote 407, p. 2838)

### State Funding

Senators tightened provisions to require states to continue to spend much of their own money on welfare.

States now provide about half of all welfare funding, and are encouraged to do so through matching federal funding. The federal match would be dropped under a block grant. Under the House bill, states could spend whatever they wanted on welfare programs. The Senate version, as proposed by Dole, would require states for the next three years to spend at least 75 percent of what they spent in fiscal 1994.

Democrats and moderate Republicans wanted to increase that percentage. Breaux offered an amendment to require states to spend 90 percent of what they spent in 1994 over the next five years.

Olympia J. Snowe, R-Maine, said it was "essential that we ensure a continued federal-state partnership." Without a strong requirement to do so from the federal government, she said, "some states may not keep their end of the deal."

But John Ashcroft, R-Mo., responded that the amendment was "designed to institutionalize, and guaranteed to maintain, the current system." He said states should have flexibility.

Senators voted 50-49 on Sept. 12 to table, or kill, Breaux's amendment. (Vote 411, p. 2839)

However, that defeat occurred after GOP leaders had apparently agreed to a compromise. John H. Chafee, R-R.I., later modified the bill to require states to continue 80 percent of their welfare spending for five years.

### Federal Funding

The GOP leadership beat back Democratic attempts to rewrite the bill's welfare funding formula that determines how much federal money each state gets.

Dianne Feinstein, D-Calif., sought to redistribute money set aside to help states with high population growth. As written, the bill would provide \$877 million over five years for states that had high rates of population growth and low welfare benefits per recipient. Feinstein's amendment would distribute the money to states based on their growing rate of poor children — regardless of the state's benefit rate. The Senate rejected it, 40-59, on Sept. 12. (Vote 410, p. 2839)

Bob Graham, D-Fla., sought a more wholesale change in distributing aid. He offered an amendment that would base the entire cash welfare block grant on each state's share of poor children. It was rejected, 34-66, on Sept. 13. (Vote 415, p. 2839) ■

## WELFARE

# Senate Overhaul Plan Provides Road Map for Compromise

*Conferees would seek to resolve child care, block grant and 'family cap' issues*

The Senate provided a road map for a bipartisan welfare overhaul Sept. 19, voting overwhelmingly for a more moderate plan than one endorsed by the House six months earlier.

The strong margin of support for the Senate measure, which passed, 87-12, reflected widespread public interest in some kind of welfare reform. And Democrats, who were ignored all year on the issue by Republicans, jumped at their chance to work with GOP moderates to refine the bill.

Nevertheless, the measure was largely drawn on conservative Republican terms, with key aspects of the Senate's bill based on the House initiative. Like the House, the Senate voted to give states unprecedented authority to run their own welfare programs. Both chambers would end the 60-year-old federal guarantee of providing welfare checks to eligible low-income mothers and children.

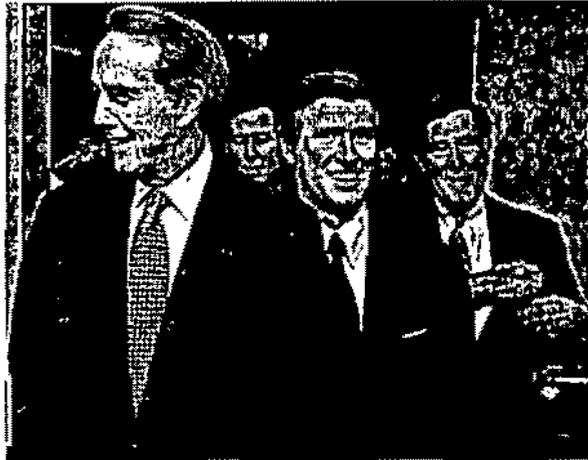
Republicans rejoiced that they were reaching far beyond President Clinton's campaign pledge to "end welfare as we know it."

Said Majority Leader Bob Dole, R-Kan.: "We are closing the books on a six-decade-long story of a system that may have been well-intentioned but ... failed the American taxpayer and failed those who it was designed to serve."

Most Democrats voted for the bill reluctantly, saying that it was still flawed despite recent improvements. "It is the best bill that we are going to get under the circumstances," said Minority Leader Tom Daschle, D-S.D.

Both Dole and Speaker Newt Gingrich, R-Ga., seem eager to quickly resolve their differences and send Clinton a far-reaching bill. That will mean working through some contentious matters.

Moreover, the coalition supporting the Senate bill was large but fragile. If



SCOTT J. FERRELL

Dole, Cohen and Chafee after hearings Sept. 19.

## BOXSCORE

**Bill:** HR 4 (S Rept 104-96) — Welfare overhaul.

**Latest action:** Senate passed the bill, 87-12, on Sept. 19.

**Next likely action:** House-Senate conference, possibly as part of conference on the deficit-reducing budget-reconciliation measure.

**Background:** HR 4 would give states broad authority over welfare while restraining federal spending.

**Reference:** Senate debate, pp. 2804, 2722; Finance Committee, p. 1503; House passage, p. 672.

the bill that emerges from conference swings too far either way, it risks losing either the party's conservative base or the moderates who provided a crucial margin in the Senate.

The final product may reflect a series of compromises that makes it look

somewhat more like the Senate bill. For instance, the House may drop its call for broad state control over other social services — such as school lunches and nutritional assistance — that provoked sharp public criticism. House Republicans also seem likely to bargain on provisions they had resisted — such as requiring states to spend a certain amount of their own funds for welfare and exempting from work requirements welfare recipients who have preschool children.

The most contentious issues may be the House's insistence that no federal funds be used to provide welfare checks for unwed teenage mothers and for children born to welfare recipients. In both cases, the final bill might give states some choice in the matter.

To the chagrin of many liberals — who believe that even the Senate's version would destroy the social safety net — Clinton seems eager to fulfill his promise by signing a welfare bill.

The president said, though, that the version sent to his desk ought to look more like the Senate's.

"If welfare reform remains a bipartisan effort to promote work, protect children and collect child support from people who ought to pay it, we will have welfare reform this year and it will be a very great thing," he said Sept. 19. "But if the Congress gives in to extremist pressure and walks away from this bipartisan American common ground, they will kill welfare reform."

Regardless of final details, the legislation is going to set an ambitious agenda for states as they try to move welfare recipients into jobs — a task at which states have had only modest success.

### Going to Conference

The legislation's importance was underscored as the Senate's vote on final passage neared.

About a dozen House Republicans,

By Jeffrey I. Katz

including Gingrich and Majority Leader Dick Armey of Texas, appeared on the periphery of the Senate floor to congratulate their colleagues.

Overhauling welfare was a centerpiece of the House Republicans' "Contract With America," and one of its most challenging tasks.

It passed the House on March 24 after a bitterly partisan and sometimes raucous debate.

Deliberations were slower and more muted in the Senate, which discarded some of the more controversial aspects of the House plan. But GOP senators clearly relied on the House bill as a basis for their efforts, particularly the notion of using a block grant to replace Aid to Families with Dependent Children (AFDC), the nation's main cash welfare program. States would get broad authority to run their own programs and lump sum federal payments to help offset the costs.

Still, sticky issues await conferees, who may negotiate on a free-standing welfare bill or on welfare provisions as part of the deficit-reducing budget-reconciliation bill.

Here is how some of those issues might be resolved:

- **Family cap.** A compromise is possible between the House prohibition on welfare checks for children born to welfare recipients and the Senate willingness to give states that option. The legislation could impose this so-called "family cap" — but give states the chance to opt out if they pass legislation to do so.

- **Teen mothers.** A similar compromise is possible between the House prohibition on welfare checks to unwed teenage mothers and the Senate's state option. Again, the legislation could deny welfare checks to these unwed teens — but give states the chance to opt out through legislation.

- **Child protection.** The House would replace 23 federal child welfare programs with a block grant to the states. The Senate had no comparable provisions. A possible compromise would be to continue to guarantee federal funds to states for each low-income child they placed in foster care or assisted in adoption procedures — but to provide a block grant for other child protection programs.

- **Other block grants.** The House might drop its suggested block grants for school lunch programs and for nutritional assistance to pregnant women and young children, neither of which attracted much public support.

- **State funding.** The two sides

## Remarks From the Floor

The following are comments from senators during floor debate on the welfare bill (HR 4), which the Senate passed overwhelmingly Sept. 19.

### From supporters of HR 4:

"Welfare will be a hand up but not a handout. Welfare will be there for a transition, for people in trouble, but it will not become a way of life."

— Kay Bailey Hutchison, R-Texas

"We are not only fixing welfare; we are revolutionizing it. We are writing truly historic landmark legislation, legislation that ends — ends — a 60-year entitlement program."

— Majority Leader Bob Dole, R-Kan.

"I do not think anyone, in as short a time as two years ago, would have expected us to pass a bill as dramatic, as progressive and as focused in trying to create a dynamic system to try to help people out of poverty..."

— Rick Santorum, R-Pa.

"...the product we vote on now is a substantial improvement over what was originally proposed."

— Christopher J. Dodd, D-Conn.



Santorum

"It does reflect, in my view, the political reality of today. It is the best bill that we are going to get under the circumstances that exist in the caucus, in the Senate, in the Congress, and in the country."

— Minority Leader Tom Daschle, D-S.D.

"My concern is that, being a block grant, it does nothing to solve the problems of welfare reform. It just puts all the problems in a box and mails it off to the states and hopes the states do a good job."

— John B. Breaux, D-La.

### From opponents of HR 4:

"... this is welfare as we knew it, back to the days of street urchins and friendless foundlings and homeless half-orphans."

— Carol Mosely-Braun, D-Ill.

"Federal politicians should not simply transfer pots of money to state politicians without any standards about what the money would be used for. We do not need to transfer money from one bureaucrat to another bureaucrat."

— Bill Bradley, D-N.J.

"I fear we may be now commencing the end of the Social Security system. The one thing not wrong with welfare was the commitment of the federal government, to help with the provision of aid to dependent children. We are abandoning that commitment today."

— Daniel Patrick Moynihan, D-N.Y.



Moynihan

"It is a missed opportunity for the Senate to send out a loud and clear message that society does not condone the growth of out-of-wedlock child-bearing..."

— Lauch Faircloth, R-N.C.

## Some Key Differences

The House and Senate agree on the general thrust of a welfare overhaul bill (HR 4), but there are key differences. Among them:

- **Block grants.** The House bill would give states broad control over five social services: cash welfare, child care, child protection, school meals, and nutritional aid to low-income pregnant women and their young children. The Senate bill would give states broad control over only cash welfare and child care programs.

- **State funding.** The House bill would let states contribute whatever they wanted to their welfare programs. The Senate bill would penalize states that spent less than 80 percent of what they spent in fiscal 1994 on cash welfare.

- **Family cap.** The House bill would prohibit federal funds from being used to provide welfare checks for children born to welfare recipients. The Senate bill would give states the option to deny those checks.

- **Teenage mothers.** The House bill would prohibit federal funds from being used to provide welfare checks for children born to unwed teenage mothers. The Senate bill would give states the option to deny those checks.

- **Child care.** The Senate bill would prevent single welfare recipients who have children age 5 or under and who are unable to get child care from being penalized for

not working. The House bill contains no such provision.

- **SSI.** Both bills would make it harder for children with behavioral disorders to qualify for Supplemental Security Income (SSI), which provides cash to the low-income aged, blind and disabled. The House bill stipulates that children not now receiving SSI could not receive it unless they required 24-hour care.

- **Non-citizens.** The House bill would make most legal immigrants who are not citizens ineligible for five federal programs: SSI, cash welfare, social services block grant funds, Medicaid and food stamps. The Senate bill would make immigrants who arrive after enactment ineligible for most low-income social services for five years. Most non-citizens would be ineligible for SSI, and states could opt to deny them welfare checks and food stamps.

- **Overall savings.** The House bill would save about \$62.1 billion over five years and \$102 billion over seven years, according to the Congressional Budget Office (CBO). The Senate bill would save about \$38.6 billion over five years and \$65.8 billion over seven years, according to a preliminary CBO estimate. Both chambers would derive most of the savings from Aid to Families with Dependent Children (the nation's main cash welfare program), food stamps and SSI.

—Jeffrey L. Katz

seem likely to bargain on Senate provisions that would penalize states that spent less than 80 percent of what they spent in fiscal 1994 on cash welfare. The House would let states spend whatever they want. A compromise might let states spend a slightly lower percentage of their funds and give them a wider array of social services on which to spend it than did the Senate.

- **Child care.** The two sides also seem likely to bargain on Senate provisions that would prevent single parents who have children age 5 or under and who are unable to get child care from being penalized for not working. The House had no comparable provision.

The House, however, has a key overall bargaining tool: Its bill would go further in helping Republicans achieve their goal of balancing the federal budget by fiscal 2002. The House bill would save \$102 billion over seven years, according to the Congressional Budget Office (CBO). The Senate bill would save \$65.8 billion, according to a preliminary CBO analysis. The budget resolution assumed welfare savings much closer to what the House derived. (*Reconciliation*, p. 2863)

Welfare conferees are expected to be named soon. Regardless of who they are — and whether the matter is ultimately handled in the reconciliation bill — the issue will be closely watched by the upper echelon in both chambers.

"This is a leadership level issue," said Ed Gillespie, an aide to Armev. "This is major legislation, historic changes in welfare policy in this country, and an important element of the contract."

Clinton, too, will wade into the debate, said Bruce N. Reed, a domestic policy aide to the president and key welfare adviser.

"We'll make clear what we want to see happen in conference," Reed said. "It'll be up to the conferees to decide whether they want to produce a bill that the president can sign or whether they want to force a veto."

### Senate Passage

Although the overwhelming majority of senators from both parties voted for the welfare overhaul, Republican and Democratic supporters registered different tones. (*Vote 443*, p. 2936)

While GOP supporters emphasized

the sweeping changes in the bill, Democrats endorsed it with reluctance. And those Democrats who opposed the measure offered the most pointed remarks of the day, predicting dire consequences for children.

Republican supporters described the bill as a dramatic change from the current system. "I do not think anyone, in as short a time as two years ago, would have expected us to pass a bill as dramatic, progressive, and as focused . . . to try to help people out of poverty," said Rick Santorum, R-Pa.

Dole, praised by many of his Republican colleagues for putting together a coalition to pass the bill after months of negotiations, recalled that the media had portrayed the welfare bill as being "on its last legs." Said Dole: "The media got the story wrong because what is on its last leg in this Congress is the status quo."

Several Republicans said that states could be trusted to develop new welfare systems to help move recipients into the work place and still be compassionate to children. But Democrats were less sure.

Christopher J. Dodd, D-Conn.,

said he would vote for the bill "with a high degree of reluctance" and on the basis that it was "a substantial improvement over what was originally proposed." He was alluding to recent amendments pushed by Democrats and moderate Republicans that would provide more money for child care, raise requirements for state welfare funding and blunt most conservative efforts designed to reduce out-of-wedlock births.

Both Daschle and Dodd cautioned that if the conference committee pulled the bill to the right, they would vote against it and recommend that Clinton veto it.

But for nearly a dozen Democrats the measure already went too far. They doubted that states would have enough resources to help move welfare recipients into the workforce, and seemed most troubled at ending the federal entitlement for AFDC.

Paul Wellstone, D-Minn., the only one of the bill's opponents seeking reelection next year, said children would suffer if it was enacted. "They do not have a lobbyist. They do not have the PACs. They are not the heavy hitters," he said.

"The Senate is on the brink of committing legislative child abuse," added Edward M. Kennedy, D-Mass.

Some Democrats asserted that shifting responsibilities from the federal government to the states would not solve problems with welfare.

"The one thing not wrong with welfare was the commitment of the federal government to help with the provision of aid to dependent children," said Daniel Patrick Moynihan of New York, ranking Democrat on the Finance Committee and the major architect of the 1988 welfare reform effort (PL 100-485).

The only Republican to oppose the bill was Lauch Faircloth of North Carolina, who maintained that it ought to include conservative efforts to curb out-of-wedlock births. He was particularly interested in denying welfare checks to unwed teenage mothers and for children born to welfare recipients.

"It is a missed opportunity for the Senate to send out a loud and clear message that society does not condone the growth of out-of-wedlock child-bearing," he said.

There were other warning signs for Dole. Phil Gramm, R-Texas, an outspoken conservative and a rival of Dole's for the 1996 presidential nomination, said he would oppose a conference report that did not deal directly

with combating out-of-wedlock births.

Beyond that, 11 Republicans voted against a Dole-Daschle compromise amendment that included several provisions sought by Democrats and moderate Republicans, including an additional \$3 billion over five years for child care. Among the GOP dissenters were two members of the leadership — Majority Whip Trent Lott of Mississippi and Policy Committee Chairman Don Nickles of Oklahoma.

The amendment was approved, 87-12. (*Vote 442, p. 2936*)

### The Impact

The legislation would directly affect the 5 million families who depend on monthly AFDC checks. The \$23 billion federal-state program serves about 14.5 million people, including one in seven children nationwide.

Just how they would be affected is unclear. States, which now set benefit rates, would receive unprecedented authority to determine eligibility and standards as well.

Some federal mandates would apply. The House and Senate bills would require welfare recipients to work within two years of receiving benefits. Recipients would generally be ineligible to receive cash benefits for more than five years, though states could exempt some of the caseload from that limit.

States also would have to meet work requirements. The House would require half of a state's welfare caseload to be participating in work activities by fiscal 2003; the Senate would require it by fiscal 2000.

States have already conducted experiments to reduce welfare dependence and move recipients into jobs, sometimes by obtaining waivers from federal rules and regulations.

These experiments have included subsidizing jobs, conditioning benefits on willingness to perform community service or attend school, and allowing welfare families to keep more of their earned income. (*Welfare-to-work, p. 2001*)

The notion of giving states broad control over eligibility is a particular leap of faith for Democrats, who have traditionally defended providing a federal social safety net for the poor.

"They're willing to take the risks involved in ending the entitlement ... to make it better reflect the basic American values of work, family and responsibility," said Joseph I. Lieberman, D-Conn.

Gov. Howard Dean, D-Vt., former chairman of the National Governors'

Association, believes that the most far-reaching impact of the welfare bill will be the five-year limit on benefits. "It won't stand," he said, because too many people will suffer.

In the meantime, Dean predicts that the bill's impact will vary by state. In those with conservative governors, he said, "I think you'll see a backlash if children go hungry, which is possible."

Republican supporters of the welfare overhaul have argued that states would shape the program to local needs. "We're very pleased with both bills moving through to conference," said John Truscott, a spokesman for Gov. John Engler, R-Mich., a leading advocate of maximum state flexibility.

However, Engler opposes both the Senate provision to require minimum state spending on welfare and the House prohibition on welfare checks to unwed teenage mothers and children born to welfare recipients. "It invites the bureaucrats to get back into micromanaging the states," Truscott said.

The House's controversial restrictions on welfare checks to teenagers and others are only a hint of what is to come, predicted Mark S. Greenberg, a senior staff attorney at the Center for Law and Social Policy, a liberal public research group.

Greenberg said block grants give Congress "the ability to freeze program spending without having to identify who will be hurt by that decision. It's not possible to identify today who a state might cut off in a year or two or three."

To Robert Rector, a senior policy analyst at the conservative Heritage Foundation, nothing matters more than reducing the number of out-of-wedlock births. "The Senate bill is deliberately designed to muzzle debate about illegitimacy," he maintained.

Providing states with a choice of whether to deny aid to teenagers and others is useless, he said, because "those bureaucrats are largely autonomous, they can thwart any reform. I do not believe that this nation will make any progress on illegitimacy unless it is provoked at the national level."

A conservative senator who supported the welfare bill also spoke about the limits of shifting more responsibility to the states. "State officials are fully capable of repeating the same mistakes as federal officials," said Daniel R. Coats, R-Ind., "and state welfare bureaucracies can be just as strong and just as wrong as federal programs."

THE BOSTON GLOBE • FRIDAY, JULY 14, 1995

# Weld hits welfare 'loophole'

## Says House override threatens reform plans

By Doris Sue Wong  
GLOBE STAFF

Gov. Weld yesterday charged that a House veto override earlier this week could tear down a cornerstone of the Massachusetts welfare reform plan by allowing able-bodied people to evade a two-year cap on benefits if they enroll in education programs.

"Basically, you could spend 10 years going to school part-time, maybe taking one course a semester at night-time working toward a degree in basket weaving, and still demand taxpayer support full time all the way," said Weld, who had waited several days before commenting.

Supporters of the controversial budget amendment said that Weld was engaging in hyperbole. Weld estimated that at least 4,000 of the 30,000 to 40,000 able-bodied people now receiving Aid to Families with Dependent Children could fall under the education exemption and the exemption could cost the state \$35 million over the next three years.

"The loophole is so large that the entire welfare caseload could find the time to camp out there if they wanted to," Weld said. "It is what every welfare advocate or activist who would like to kill the welfare reform plan that was finally passed by the Legislature in February has been looking for."

As Weld turned up the heat on the Senate to reject the override, he also called in as backup at his State House press conference two single mothers who are working multiple jobs to make ends meet.

Maggie Getchell, 27, of Danvers, who has two children, said she works full time at an errand-running service and holds two part-time jobs, as a nursing home aide and aerobics instructor, to support her family.

Although she had received welfare benefits for three months, Getchell said it "angers and mystifies" her as to why AFDC recipients should be entitled to take more than two years to obtain a college education, when she had to forgo a college education in order to earn a living.

"I don't feel the government should be spending my

# Weld assails House for veto override on welfare measure

chell, "when I am not going to be able to afford to offer my daughters a college education, even at a community college, on my three combined incomes."

Rep. Daniel Bosley (D-North Adams), sponsor of the education exemption provision, said, "Basket weaving? God. This is nothing more than histerionics."

Suggesting that the governor may be more interested in reducing the welfare caseload than helping people stay off the rolls, he said, "All the statistics show that people are much more prone to staying off welfare if they have higher education."

Bosley pointed to a 1990 national study that more students than not, regardless of whether they were on public assistance, took five years to complete a four-year college degree program. Bosley said welfare recipients usually are trying to complete college under more adverse circumstances than other students.

Included as an outside section to the fiscal 1996 budget, Bosley's provision states that able-bodied people would be subject to the two-year time limit "unless the recipient is enrolled in an educational program or institution of higher learning approved by the department."

Weld had vetoed the outside section, but earlier this week the House overrode the veto.

Weld contended that the outside section does not give Welfare Commissioner Joseph Gallant the leeway to impose conditions on the exemption, such as requiring recipients to earn good grades or take a minimum number of courses per semester. But Democratic legislators and human services advocates disagreed.

Sen. Therese Murray (D-Plymouth), a principal legislative architect of the reform plan, said, "I'm really surprised he's going ballistic over this. When it was passed on voice vote during the budget debate, there were no squeals or squawks coming from the Republicans. Where was [Health and Human Services Secretary Gerald] Whitburn and Gallant and the rest of them

when this was happening?"

"It does not gut the plan," said Murray. "God forbid welfare recipients go to school. He says it's a mandatory exclusion. That's not true. We believe the commissioner has the authority to say yes or no to any of these courses."

Murray said the provision, however, is "poorly worded" and she was not certain how she will vote when veto overrides are taken up in the Senate on Monday.

Jessica Bewsee, 27, a single Springfield mother of one who was on welfare for five years, said in a telephone interview that she would not have become self-sufficient two years ago if she hadn't been allowed to complete a three-year court reporting course at Springfield Technical Community College.

Bewsee said that after two years of working as a free-lance court stenographer, a job that paid \$41 an hour, she now works at WGBH-TV as a closed-caption operator because it includes benefits.

"In a way, I feel they want it both ways. We want you to get off welfare, but we don't want you to have a college education that will help keep you off welfare," she said.

Rich

## Senate Rejects Move to End Aid for Children Born to Mothers on

WASHINGTON (AP) Heeding warnings that a national welfare "family cap" would drive up abortions and punish poor families, the Senate derailed a conservative push Thursday to deny additional cash payments to single mothers who have more children.

Twenty Republicans sided with every Democrat as the Senate approved an amendment by Sen. Pete Domenici, 66-34, to strip a family cap policy from the Republican blueprint to overhaul the nation's welfare programs.

Conservatives said the government, if it is ever going to bring down the rising rates of illegitimate births, must stop subsidizing the "reckless, irresponsible" behavior of single women who ask taxpayers to support their children.

But GOP moderates and Democrats said there was no evidence to suggest that slicing a small amount from a family's welfare check would discourage poor women from having children out of wedlock.

"If you believe that ... you believe in the tooth fairy. It just isn't going to happen," said Domenici, R-N.M., while warning that the family cap could increase abortions and add to the misery of the poor.

The family cap has divided Republicans as Bob Dole, the Senate's majority leader and top contender for the GOP presidential nomination, tries to win approval for historic legislation to turn responsibility for welfare over to the states, cut spending by \$70 billion, and require recipients to go to work.

Dole has said he hopes to pass the bill, the centerpiece of the GOP's social agenda, by Thursday. Several issues remain to be settled, among them demands that spending on child care be dramatically increased.

The White House applauded the passage of Domenici's amendment. "It does by no means satisfy all the president's concerns," said White House spokesman Mike McCurry, "but they are beginning to move this legislation in the direction of real reform of our welfare system. ... We're going to continue to encourage them to improve this bill ... but we're getting closer."

But conservative Republican Sen. Phil Gramm of Texas, one of Dole's rivals for the presidential nomination, said Wednesday's vote marks "the unraveling of our consensus" on welfare. "It puts a lot of us in the position of trying to decide what we want to do."

Speaking against Domenici's amendment Wednesday, Dole warned lawmakers that "if we don't deal with out-of-wedlock births then we're really not dealing with welfare reform."

Dole, R-Kan., added the family cap to his welfare bill late last week, heeding the demands of Senate conservatives and forces in the Christian right, who have made reducing illegitimate births one of their priorities.

But his decision angered the GOP's moderate wing.

Addressing the Senate late Tuesday, Domenici said he did not want on his conscience a vote for a welfare bill that says to teen-agers: "Maybe you ought to get an abortion."

"Can we really believe that with the problems that teen-agers are having, and the societal mix-up they find themselves in, that cash benefits are going to keep them from getting pregnant?" he added. "I cannot believe it. Frankly, there is no evidence of that."

Domenici also argued that at a time when the Senate is moving to give states maximum flexibility to experiment with welfare reform,

it is wrong to impose such mandates on governors and legislatures. Conservative strings, he said, are no better than liberal strings.

Under his amendment, however, states could still choose to adopt a family cap policy, as a dozen have done already.

But Sen. Lauch Faircloth, R-N.C., countered that a national policy was necessary. He said it was time for Congress to do something "firm and strong" to discourage out-of-wedlock births, which he contended are the root cause of welfare dependency.

One-third of all children are now born to unmarried mothers, and some predictions suggest that half of all births may be out of wedlock within the next decade.

"Only by taking away the perverse cash incentive to have children out of wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency," Faircloth said.

The House, which passed its welfare overhaul in March, included a family cap. Under the bill, families affected by the loss of cash would be instead provided with vouchers to purchase diapers, formula and other necessities to care for their newborn children.

APNP-09-13-95 1452EDT



DEPARTMENT OF HEALTH & HUMAN SERVICES

**Melissa T. Skolfield**

Acting Assistant Secretary for Public Affairs  
Phone: (202)690-7850 Fax: (202)690-5673

To: Bruce Reed

Fax: 456-5557 Phone: 456-6515

Date: 10/11 Total number of pages sent: 4

Comments:

WASHINGTON (AP) President Clinton is promising to end the current welfare system by himself, one state after another, if Congress fails to pass bipartisan legislation overhauling the country's anti-poverty programs.

In a letter to lawmakers last week, the president said the country would have "real welfare reform" if Congress agrees to a bill that is tough on work and fair to children.

"But let me be clear," he warned. "If Congress walks away from this bipartisan common ground and sends me a bill that is weak on work and tough on children, it will kill welfare reform, and I will be forced to continue to end welfare through the waiver process, one state at a time, until Congress gets it right."

Since taking office in 1993, the Clinton administration has given 35 states exemptions, or waivers, from federal rules to experiment with changes in their welfare programs.

The latest was Massachusetts, which was told by the administration on Tuesday that in three weeks it could begin requiring every able-bodied welfare recipient with school-age children to find a 20-hour-per-week job or perform community service.

Teen-age mothers would have to stay in school and live at home or in supervised settings to retain their benefits under Massachusetts' plan and recipients would no longer get added benefits when they have additional children.

Twenty states are trying time limits on cash benefits, and 13 have permission to deny families on welfare additional cash benefits when another child is born.

The House passed its welfare overhaul in March; the Senate followed in September. Both bills would impose time limits on benefits, cut off aid to immigrants and some disabled children and end the federal government's guarantee to support single mothers and their children.

Lawmakers will soon begin drafting compromise legislation and have said that they expect to get the final plan to Clinton's desk sometime this fall.

Clinton has signaled his support for the Senate legislation, which passed with the solid support of 35 Democrats.

But aides say he would veto the House bill, which cuts teen-age mothers off the welfare rolls and turns the responsibility for school lunches and foster care programs over to the states.

In his letter to lawmakers, Clinton said there is an overwhelming consensus that reform must be about moving families from welfare to work.

"That means imposing time limits and tough work requirements, making sure people get the child care they need to go to work and rewarding states and holding them accountable for their efforts to put people to work, not for cutting people off," Clinton said.

He said there is also a consensus that welfare reform should not punish children and that the American people "know that ending welfare is not about walking away from abused children or taking away poor children's school lunches."

Clinton administration lobbyists are also spreading the word on Capitol Hill. They insist that the compromise bill require states to spend their own money on welfare programs, include enough money for child care and keep school lunches and foster care programs at the federal level.

APWR-10-11-95 0847EDT

NEWS From

CONGRESSWOMAN

CONNIE MORELLA

8th District, Maryland

223 CANNON HOB  
WASHINGTON, D.C. 20515  
(202) 225-5341

FOR IMMEDIATE RELEASE  
October 11, 1995

CONTACT: Mary Anne Leary  
202-225-5341

Congresswoman Morella Pushes for Change in  
House Welfare Reform Proposal

Congresswoman Connie Morella has released the text of a letter she is circulating among moderate House Republicans regarding the House leadership's welfare reform bill, the Personal Responsibility Act. The Congresswoman, who is a member of the Republican Moderates Caucus -- the "Tuesday Lunch Bunch" -- is spearheading an effort to convince House Republican conferees to accept key provisions of the more centrist Senate welfare bill.

Congresswoman Morella's letter states that the signatories are "united in our belief that comprehensive reform will best be achieved through a conference report that attracts substantial bipartisan support in the House of Representatives," a reference to the fact that unlike the overwhelming support in the Senate for its welfare bill, the House-passed legislation was approved with a slim majority. Five Republicans, including Congresswoman Morella, voted against the House bill.

Congresswoman Morella cites three areas where moderate Republicans agree with the Senate version of the bill: higher funding for child care; a "state maintenance of effort" requirement prohibiting state spending from dropping below a specified level; and the continuance of certain child welfare programs -- foster care and protective services, for example -- as federal entitlements.

"Americans want welfare reform that is effective and compassionate," said Congresswoman Morella. "They do not want Congress to embrace the extreme in this debate. My letter to conferees focusses on issues where moderates of both parties -- and the American people -- have arrived at a reasoned consensus."

A dozen Republicans have signed the letter to date. The text of the letter is attached.

Dear Republican Conferees:

As Republicans who share your commitment to enacting comprehensive welfare reform this year, we are writing to express our views on several issues that are likely to arise during the forthcoming House-Senate conference on the Personal Responsibility Act.

While the undersigned Republicans may differ on various issues facing the House-Senate conference, we are united in our belief that comprehensive welfare reform will best be achieved through a conference report that attracts substantial bipartisan support in the House of Representatives. In this regard, we believe that the vast majority of our House colleagues -- Republicans and Democrats -- can support a conference agreement that requires work, embraces responsibility, and includes:

- \* Child care funding levels, such as those adopted in the Senate, that will ensure that states are able to meet the work requirements in the bill, and a stipulation that mothers of young children who do not have access to affordable child care services will not be penalized for their inability to participate;

- \* An assurance that states will continue to contribute a reasonable share of resources to their welfare programs, as stipulated through meaningful "maintenance of effort" criteria; and

- \* An assurance that child welfare services, including foster care, protective services, and adoption, will continue to be guaranteed to eligible children, as maintained in the Senate bill.

A welfare reform conference report that addresses these major issues would deserve and, in our estimation, receive the support of a strong bipartisan majority in the House. For this reason, we urge you to adopt these provisions in conference so that we may keep our promise to the American people to reform welfare this year.

Sincerely,

---

---

---

---

---

---

---

---

## HUMAN RESOURCES

### Dole, Gramm Reach Accord On Welfare; Moderates Upset

Senate Majority Leader Dole and Sen. Phil Gramm, R-Texas, announced today they have worked out key differences over welfare reform -- apparently pushing moderate Republicans farther away, sources said. Dole said at a pre-recess news conference -- which followed a meeting of GOP senators on welfare -- that he believes he has picked up significant conservative support, and expressed confidence his bill will pass in September with bipartisan support. But Dole's concessions to conservatives apparently infuriated moderates, who left the meeting "feeling that there was a slight bias" against them, one source said. None of the moderate senators joined Dole at the press conference as planned. While Dole and Gramm -- rivals for the GOP presidential nomination -- said they had worked out a compromise on work requirements and were "on the verge of working out an agreement on aliens," moderate Republicans were not satisfied with Dole's proposal on state maintenance-of-effort and child care provisions.

Moderates, concerned the Dole bill does not require states to use any of their own money for welfare and does not include any funding for child care, felt Dole had made more concessions to conservatives than to the moderate wing of the party, sources said. Moderates apparently rejected a proposed compromise that would exempt from work requirements welfare mothers who have children under the age of one and that would require a two-year maintenance-of-effort from states to continue to fund welfare programs. Dole, meanwhile, said he was "encouraged by a couple of inquiries I have received from the Democratic side." He said Sen. Max Baucus, D-Mont., and another unnamed Democrat have said they will support the Dole bill. Meanwhile, Dole said the Senate will take a 5 p.m. roll call vote on the Defense appropriations bill on Sept. 5, delaying resumption of debate on welfare reform by one full day.

The Congress Daily --- Friday --- August 11, 1995

FAX to:  
RAYM  
RICH  
MELISSA

Welfare Reform, 1st Ld-Writethru, a0450,700  
Gramm Writing Conservative Welfare Alternative

conservatives of holding reform hostage to 'extreme' views, DELETE  
outdated material; PICKS UP 8th graf pvs bgng, 'According to  
Gramm'

With PM-The Untouchables Bjt

By JENNIFER DIXON-

Associated Press Writer-

WASHINGTON (AP) President Clinton accused Senate conservatives  
today of holding welfare reform legislation hostage to "extreme  
positions," including their call to ban cash support to unmarried  
teen-age mothers and their children.

Clinton's attack came as a small group of Republican  
conservatives, led by Sen. Phil Gramm, began writing an alternative  
GOP bill that would give states control over dozens of programs for  
the poor while restricting benefits to certain immigrants and  
children.

The president, speaking in the Rose Garden after meeting with  
Senate Democrats and city and county leaders, said lawmakers should  
be able to build on a developing consensus to overhaul the nation's  
welfare system.

"The reason we can't is that some people on the far right are  
blocking any action on welfare reform in the Senate, especially  
now, that doesn't cut off children and parents if the parents are  
young, poor and unmarried," Clinton said, repeating similar  
complaints made last week.

"I think that is a terrible mistake. We shouldn't punish babies  
for their parents' mistakes. We ought to be building strong  
families and independent workers," he said.

Gramm, meanwhile, has been critical of the leading GOP plan to  
rewrite the nation's welfare rules and programs. That bill has the  
backing of Gramm's rival for the GOP presidential nomination,  
Senate Majority Leader Bob Dole of Kansas.

But Dole has been unable to open the welfare debate because of  
opposition from conservatives, who have threatened a filibuster  
because they say the bill fails to address rising rates of  
out-of-wedlock births. The legislation also is caught in a fight  
between senators from the Sunbelt and the North over a formula for  
dividing welfare dollars among the states.

Gramm, of Texas, said Wednesday that when his plan to redo the  
welfare system is written, "We're going to change the welfare  
debate."

Dole, meanwhile, told reporters that he believed the impasse in  
the Senate could be resolved.

"We believe we'll be able to work it out," Dole said, adding  
that there are "a lot of things at stake here. But the primary  
mission is to reform welfare, and to save money in the process, and  
to give states more flexibility."

According to Gramm, who has been meeting with a handful of  
conservative lawmakers, his legislation would give states  
responsibility for dozens of means-tested welfare programs that  
cost states and the federal government a total of \$301 billion a  
year.

Gramm's bill targets Aid to Families with Dependent Children,  
food stamps, Medicaid, housing subsidies, job training, and many  
smaller programs. The federal bureaucracy that runs these programs

also would be eliminated, he said.

By comparison, the Senate Finance Committee legislation would send only one major welfare program, AFDC, to the states as a block grant, and sets federal spending at \$16.8 billion a year for the next five years.

The legislation lets states decide whether to pay AFDC to immigrant families, unmarried teen-age mothers, and whether to increase the assistance checks of women who have additional children while on welfare.

Conservatives, however, believe the bill should prohibit states from spending federal dollars to support these families and children.

"I can't support a welfare bill that deals with only 7 percent of the problem, that doesn't deal with the explosion of illegitimacy, that has weak work requirements, and continues to invite people to come to America to go on welfare," Gramm said.

Gramm's plan would bar new immigrants from collecting welfare, require recipients to work for their benefits, and prohibit mothers on welfare who have additional children from receiving additional assistance.

Gramm said he has been working with Sen. Lauch Faircloth, R-N.C., on his plan, and has begun discussions with Republican Sens. Rick Santorum of Pennsylvania and John Ashcroft of Missouri.  
APWR-07-13-95 1142EDT

Copyright (c) 1995 The Associated Press  
Received by NewsEDGE/LAN: 7/13/95 11:44 AM

JULY 17 &amp; 24, 1995

WR -  
Newships

# WORK FEAR

President Clinton, it's now clear, made two large mistakes in his attempt to "end welfare as we know it." The first, as his own chief of staff acknowledges, was his 1994 decision to delay welfare reform while he pursued a doomed health care overhaul. The second is more subtle, but ultimately more damaging: his failure, at any time in his presidency, to make the case that ending welfare requires a system of last-resort, public-service jobs, and that this costs money.

Sure, Clinton talked vaguely about public jobs during the campaign. After two years on welfare, he said, "those who can work will have to go to work, either by taking a job in the private sector or through community service." Private employment is to be preferred, in this logic, but community service jobs are a necessary backup. How do you enforce a work requirement on destitute recipients who claim, often plausibly, that they can't find private-sector work? By having a public job ready and waiting.

But public jobs have many enemies. Conservatives anticipate big-government boondoggles; the idea does seem terribly Old Democrat. Yet a key Old Democrat interest group, organized labor, also hates it, fearing that low-wage "workfare" workers will displace unionized civil servants. It wasn't long ago that liberal Democrats routinely denounced public-sector work requirements for welfare recipients as "slaveware."

Above all, public jobs are expensive. To support a single mother on welfare, you need to pay for a check. To support that mother with a public job, you need the same check, plus (according to the Congressional Budget Office) about \$6,000 for supervisors and child care.

This may explain why, in 1994, Clinton kept to a minimum the number of public jobs his two-years-and-go-to-work proposal would have required. There are about 5 million families receiving checks from the basic federal welfare program, Aid to Families with Dependent Children (AFDC). The Clintonites exempted much of this caseload from their plan's work provisions, which let them claim that they needed to create only about 170,000 public jobs by 1999. Even today, Clinton flirts with the idea that the private sector can be induced, through subsidies, to employ a large percentage of welfare recipients, though such schemes have uniformly failed in the past. Meanwhile, in the Senate, the Democratic welfare bill (endorsed by Clinton) ostentatiously disdains public jobs, giving states credit only for "getting recipients into real jobs... not workfare."

By failing to defend public jobs, Clinton and the

Democrats set the stage for the most stunning and cynical development in this year's welfare debate—the Republicans' retreat from a "work" solution to the welfare mess. "Workfare," remember, was Ronald Reagan's idea, not Bill Clinton's. A long time ago—last November, to be precise—the House Republican Contract with America earmarked \$10 billion to pay for workfare jobs. But the money quickly disappeared in the GOP's tax-and-budget-cutting push. Today a Republican endorsing the Contract with America's work provisions would probably be denounced as a Belway big spender. After all, Democrats seem to agree that workfare jobs are a bad idea. Why should taxpayers fund them?

In place of workfare, Republicans now offer "block grants." The House has already passed a bill that ends AFDC and parcels out the federal share of its cost to the states in the form of grants. The Senate may soon begin floor debate on its own block grant bill. Governors are supposed to take these fixed block grants and devise their own welfare systems. They do not have to contribute any state money to the effort. They do not, in fact, have to offer any cash benefits to the poor at all.

Michael Kinsley charges that the GOP block grant bills lack "even a theory" as to how they will end the problem of welfare dependency. Other liberals predict that they will produce a "race to the bottom," as states compete to lower local taxes by cutting benefits and chasing the poor to other jurisdictions. But maybe the Republicans do have a theory, and the theory is that there will be a race to the bottom. As states rush to slash benefits and impose time limits (and future Congresses slice away at the block grants) the word will go out that welfare is no longer a reliable means of support. Young women will avoid making the choices—e.g., bearing children outside of marriage—that they now make in the tacit expectation that welfare will maintain them. It's a harsh theory, to say the least, depending as it does on the possibility that hundreds of thousands of needy Americans may wind up on the streets.

Why not offer those needing help the chance to earn it? The prospect of work should by itself encourage potential single mothers to make better choices (such as teaming up with another breadwinner). Yet a work solution is the one reform the budget-driven Republican bills would discourage. True, the GOP's House and Senate bills both have impressive-sounding work "requirements." The House bill, for example, would seemingly require half of



those on welfare to be working, in workfare jobs if necessary, by 2003. But because the bills provide no money to fund the work, these requirements are almost certainly hollow. (See "So Now You Know," by Paul Offner, July 10.) The Congressional Budget Office estimates that virtually every state will fall the Senate work requirements. States will only be able to meet the House standard by exploiting a GOP loophole that allows them to count as "working" those who are simply lopped off the rolls.

The White House has horrified liberals by not threatening to veto a welfare bill that "block grants" the basic AFDC program. Block grant opponents fear this isn't a cynical political calculation by Clinton—as an ex-governor, he may actually think block grants are a good idea. Clinton's aides, for their part, suggest that if the president threatens to veto a block grant bill that will only encourage Republicans to pass it. But it's pretty clear that Clinton would happily sign such a bill if it contained modifications designed to ensure that states kept spending their own money on the poor ("maintenance of effort"), that states could get extra funds in times of recession or population growth, and that more money generally were available for putting recipients to work.

We agree with Clinton's implicit argument that, despite the drawbacks of block grants, such a deal would constitute an improvement over the status quo. The problem of welfare dependence is so acute, and our knowledge about how to solve it so limited, that a period of experimentation is in order—if the money is there to fund the approach that is most promising, namely requiring work.

But the White House will almost certainly not be able to cut such a deal without a veto threat (or an actual veto). The Senate majority is currently moving away from Clinton, not toward him. Republicans show no inclination to spend more money. There is even talk of tossing the food stamp program into the block grant (something the administration has promised to veto).

Two strategies are called for. First, Clinton needs to find some concessions to make to the right. For example, Senator Lauch Faircloth, a conservative Republican, has a reasonable complaint about the legalistic procedures that make it hard for states to introduce "pay for performance" schemes (in which recipients get their checks only after they've worked). And then there is the right's cherished "family cap" proposal, which would deny mothers additional federal benefits for additional children they have while on welfare. The mother's check would not be reduced; she just wouldn't get a (relatively small) increase. Is that so awful?

Second, to make a veto threat credible, the president could start to make, to the voters, the case he hasn't made—that real welfare reform requires billions in spending to fund last-resort public jobs. This is no time for Clinton's preferred New Democrat balance of toughness with compassion. It's toughness, in this case, that requires the spending. Without money, the Republicans' "work" provisions are phony. With money, they can be real. Will taxpayers be willing to spend more in order to end welfare? We think that's the one reason they might. \*

## NOTEBOOK

**S**IC TRANSIT: The New York State Assembly had to recess after Grateful Dead concertgoers reserved all available hotel rooms in the state capital. . . . The Pentagon concluded that Air Force officials did not violate military policy when they spent \$116,000 to fly former Lt. General Joseph Ashy and his cat from Italy to Colorado. . . . Teenagers in Lexington, Kentucky, threw rocks and attacked motorists following the "What Else You Gonna Do 2" party, designed to keep kids off the streets and out of trouble. . . . Late for school, a 7-year-old boy from Colebrook, New Hampshire, abandoned his bicycle and stole a Ford Escort. . . . Georgia Insurance Commissioner John Oxedine objected to a 4 percent insurance tax on religious organizations as a "tax against God." . . . Freedom Enterprises in Columbia, South Carolina, began marketing an "anti-Confederate" flag that features a black fist clenched at the center of a traditional Confederate flag. . . . On NBC's "Meet the Press," Senate Majority Whip Trent Lott remarked that Republicans are "the party of Mars, but we would like to have the Venus side of the American society in our party, too."

## MOUTHS OF BABES:

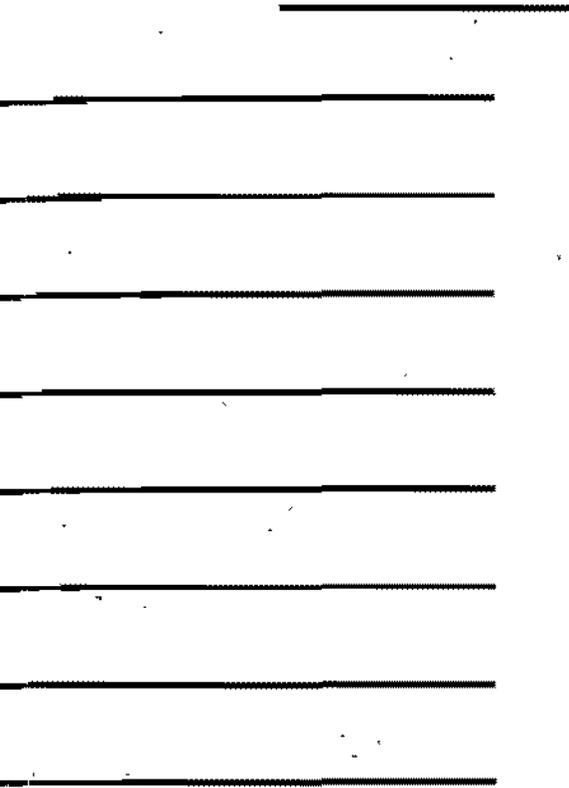
### Chick Accuses Some of Her Male Colleagues of Sexism

Accusing some of her male colleagues of sexism, Los Angeles Councilwoman Laura Chick lashed out at City Hall on Thursday as the "most sexist, good-old-boys work environment that I've ever been in."

—The Los Angeles Times, June 23.

(Thanks to Gary Cleb of Sherman Oaks, California.)

**I**NDECENT ACTS: No one can deny that the Internet is alive with every fetish and perversion you can imagine—and a thousand or two more you can't. Chances are you would sleep better knowing there's a way to prevent junior from creeping downstairs at three in the morning to sneak a peek at alt.sex.nakednewt. But the ominously titled Communications Decency Act that passed overwhelmingly in the Senate last week isn't it. The bill, sponsored by James Exon of Nebraska, would punish people who transmit or receive pornography on the Internet, or who make so-called indecent material available to minors. Offenders face two-year prison terms and fines of up to \$100,000. There's so much wrong here it's hard to know where to begin. Since there's no reliable way to tell if legal yet "indecent" material, whatever that may mean, is deliberately being sent to children, enforcing the law would be impossible. To duck the problem, Exon worded the bill so broadly that it makes criminals not



# American Political Science Review



MARCH 1995  
VOLUME 89 NUMBER 1



## PARTY CLEAVAGES AND WELFARE EFFORT IN THE AMERICAN STATES

ROBERT D. BROWN *University of Mississippi*

**A**ttempts to determine the impact of party control on state welfare policy have produced mixed and inconclusive results, in part due to our inability to account for variations in the state partisan environments. I used CBS/New York Times surveys combined over the period 1976-88 to offer a detailed examination of the state party systems, resulting in a description of the dominant social group partisan cleavage in each state. This information is then used to examine the impact of party control on state welfare benefits. The findings show that the coalitional bases of the parties vary in important ways, both within and across the states. These differences in the state party systems have an important influence on the relationship between party control and state welfare effort. Specifically, party control has a significantly greater impact in states where partisan divisions reflect class-based New Deal-type coalitions. When examined in the context of state partisan environments, party control has a much greater impact on state welfare effort than has been suggested by previous studies.

**O**ne of the most enduring goals of state politics scholars has been to understand the impact of political parties on policy outputs. The vast amount of research in this area is without doubt related directly to the extreme importance of this issue to our understanding of the U.S. governmental framework. If political parties, as the most prominent institutions linking citizens to the machinery of government, do not help produce policy-relevant responses, then we must question their theorized importance as linkage mechanisms and facilitators of representative democracy.

The large body of research generated to answer this question has produced decidedly mixed results. Initial failures may perhaps be described as a failure of theory, with an emphasis on interparty competition showing very little positive impact on policy outputs (Dawson and Robinson 1963; Dye 1966). Theory in this area has evolved, however, to the point where we now have a much better defined expectation of when parties may or may not matter. Rather than the level of interparty competition, or even which party is in control of government, Jennings (1979) theorized that it is differences in the constituency bases of party support that determine whether party control matters. Implicit in Jennings' theory is that parties are not likely to base their policy strategies on the preferences of the general public but, rather, on the preferences of those groups that provide the core support for the party. In Petrocik's (1981) terminology, the state party-policy linkage is dependent on the "social group bias" of the party coalitions.

Jennings' work represents a significant step in the evolution of theory linking political parties to policy outputs in the American states. Specifically, it leads to a more precise specification of the theoretical role of parties as intermediaries in state politics, one that focuses explicitly on the social group support coalitions of the parties. Our ability to examine this theory, however, has not evolved to the same degree. A significant stumbling block has been our inability to

present a more rigorous specification of when we may expect to find policy-relevant differences between the parties.<sup>1</sup> Even Jennings' analysis was based on largely impressionistic evidence from only a handful of states. The unfortunate result is that while our theory has evolved, we are still left with largely mixed results regarding the impact of political parties on state policy.

I shall address this problem by systematically describing the party coalitions in each state. This information is then used to examine the party-policy linkage in a way that is much more consistent with the development of theory in this area. Analyzing the impact of political parties on state policy allows for the combination of two important aspects of party theory. First, I address a central tenet of party theory, that political parties in the United States are constituent organizations that organize social conflict into broad coalitions. In this view, parties are aggregates of social interests linking the mass public to the instruments of government (Burnham 1975). The coalitional bases of the parties are expected to be an important influence on the political behavior of individual partisans, party elites and, ultimately, public policy.

Focusing on the states allows for the incorporation of another fundamental aspect of the U.S. party system into the analyses. American state political coalitions have evolved in environments that vary tremendously in terms of social demography and political attitudes. Because of their nonhierarchical nature, parties and party systems at the state level have been shaped by their individual state constituencies and elites. The result is that rather than one all-encompassing party system, we have instead a national party system that is related to, but also distinct from, a set of 50 different state party systems. Each system reflects that fact that we are really a country of many different terrains in which the political landscapes can vary tremendously. Given the different ethnic and social make-up of state popula-

tions (Jewell and Olson 1988), as well as substantial differences in values, public opinion, and political culture (Elazar 1984, Wright, Erikson, and McIver 1985), state party systems should exhibit important differences in party coalitions. To appreciate the impact of political parties and party control on public policy, it is therefore imperative that we examine the nature of the party coalitions in the states.

## PARTY COALITIONS AND CLEAVAGES IN THE AMERICAN STATES

### Describing the State Party Coalitions

To describe the social group bases of the party coalitions, survey data are needed for the party identification and relevant social group characteristics of individuals in each state. The lack of such data has been a major obstacle in our efforts to determine the impact of political parties on public policy outputs in ways that are commensurate with the development of our theories. To facilitate these descriptions, I use CBS News/*New York Times* national polls, which, when aggregated for the years 1976-88 encompass over 170,000 respondents. These data are then disaggregated by state and treated like state samples.<sup>2</sup> The result is a set of 48 representative state samples that are large enough to provide reliable estimates of the group characteristics of the party coalitions in each state.

Race, religion, gender, education, income, labor union membership, and place of residence are the social and demographic characteristics that we have traditionally come to speak of when we discuss the national party coalitions. Accordingly, the following social demographic group traits are used to describe the party coalitions: place of residence (rural and urban), gender, education (college degree versus not), race (black and white), religion (Protestant, Catholic, Jewish), union membership, and income (high and low).<sup>3</sup>

The next step in the analysis is to measure the relative contribution of each group to the party coalitions. Unfortunately, this is not an easy task. Recent efforts by Stanley, Bionco, and Niemi (1986) and Erikson, Lancaster, and Romero (1989) take one possible approach and use multivariate logit to measure the group bases of the national coalitions (party and voting coalitions, respectively) in terms of the probability that a group member will align with either party. This type of analysis allows one to estimate, for example, the probability that someone who is Catholic will identify with the Democratic party, holding each of the other group traits of that individual constant. While this method sheds considerable light on which group characteristics may or may not promote party identification, they are less help when we describe the party coalitions themselves.

The main problem arises in the interpretation of probabilities as measures of the group contribution to the party coalition. These probability coefficients do

not actually measure the group contribution to the party coalitions; rather, they constitute a model of the impact of group characteristics on party identification. This is a very important conceptual distinction. To rely on probabilities as descriptions of the party coalitions can be misleading because it fails to account for a very important point of variation in state populations. When we discuss party coalitions we need to know how group characteristics incline an individual toward a particular partisanship, and we need to know the relative size of each group in the state populations.

This distinction is important when viewed from the perspective of state party elites seeking to identify and mobilize group support at election time. To illustrate, let us look at the impact of race on party identification in Mississippi and Iowa. In each state, being black has a statistically significant impact on the likelihood of an individual being a Democrat, when all other group characteristics are controlled in a logit equation. This is just as we would expect and is consistent with the studies already cited. With regard to the party coalitions, however, we see that this information tells us little about the potential importance of blacks, as a group, to the Democratic party coalitions in each state. To appreciate the differing importance of blacks to the state Democratic parties, we must also consider the large difference in the proportion of blacks in the populations of these states (1% in Iowa vs. 35% in Mississippi). Given these differences, blacks will constitute a significantly greater proportion of the Democratic coalition in Mississippi than in Iowa. The result is that we may expect Democratic party elites in Mississippi to be much more attuned to the concerns of the black portion of their coalition than their counterparts in Iowa, because it is much more likely that their electoral futures will depend on this group. Thus, to describe the relevant social group bases of party coalitions, we need to know not only the inclination of the social groups to align with one party over the other (tapped by multivariate models of group identification with the parties) but also the sizes of these groups. As illustrated, this conceptual distinction has important implications for the relative size of each group in the party coalitions, and, ultimately, in the politics and policies of the states.

To account for these important social group variations in state populations I employ a variation on a technique developed by Robert Axelrod in his analyses of party voting coalitions in presidential elections (Axelrod 1972, 1986). This technique is quite straightforward, and is particularly useful because it yields figures for the social group make-up of the party coalitions that account for the general partisan inclination of each group as well as the size of each group in the population. Specifically, this technique produces figures for the percentage contribution of each group to the total party coalition based on the size of the group, its loyalty to the party, and the total number of party identifiers. The result is a formula that simplifies to

TABLE 1

Social Group Basis of the Party Coalitions Percentage Contribution of Group to Party Coalition, Selected States

State and Party	Sociodemographic Groups											
	Rural	Urban	Female	College	White	Black	Prot.	Catholic	Jewish	Union	IncLow	IncHigh
Alabama												
Dem	33	14	58	7	68	31	73	4	0	10	27	12
Rep	19	24	55	15	86	11	69	6	0	6	18	24
Vermont												
Dem	72	0	55	17	98	0	30	45	0	9	34	12
Rep	69	0	54	24	94	0	55	18	0	0	18	20
Illinois												
Dem	21	29	59	11	69	27	45	30	3	17	15	20
Rep	24	12	54	19	94	3	54	20	0	10	11	28
Arkansas												
Dem	48	7	58	9	83	16	72	5	0	8	26	13
Rep	46	5	58	9	89	10	71	4	0	3	23	15

$$\text{percentage contribution} = \frac{\text{no. of group in party}}{\text{total in party}}$$

Thus the percentage that any group comprises of the total party coalition is a function of the number of Democrats in any particular social group divided by the total number of Democrats. In other words, this represents the percentage of the Democratic coalition with a given group characteristic. Table 1 shows the percentage contribution of each group to the Democratic and Republican party coalitions in four selected states.<sup>4</sup>

In examining Table 1, we see that in Alabama the Democratic party receives prominent contributions from individuals living in rural areas (33%), whites (68%), blacks (31%), women (58%), Protestants (73%), and those with lower incomes (27%). Smaller contributions are made by the urban (14%), college-educated (7%), Catholic (4%), union (10%) and high-income (12%) groups. The Republican party, on the other hand, is comprised primarily of white (86%), Protestant (69%), urban (24%), and, interestingly, both income groups (higher 24%, lower 18%). Thus while both parties can claim contributions from all groups, there are differences in the percent contribution of each group to the two parties.<sup>5</sup> For now, it is important to gain an understanding from Table 1 that social groups do make differential contributions to the parties, both within and across the states. Comparing the Democratic party coalitions of Alabama and Vermont, for example, we find the Vermont Democratic coalition comprised of a much greater percentage of Catholics and whites and a much smaller percentage of blacks and Protestants. These differences should have important consequences for the politics and policies of these two states. Moreover, an extensive examination of the 48 states in this study reveals substantial variation in the contribution of each group to the parties across all the states. Thus the Republican and Democratic parties in the states do aggregate social groups in different ways, result-

ing in distinctive coalitional configurations. The social group bases of the party coalitions do vary, both within and across the states.

### Describing the State Party Cleavages

The history of the national party systems leads us to expect the Democratic and Republican parties to be associated more closely with some group interests than others. In addition, differences in the sociodemographic group populations across the states are likely to result in different patterns of social group-party cleavages. Indeed, these observations have been the driving force behind the evolution of theory concerning the party-policy linkage. The major point is that given differences in the social group bases of the parties, the cleavages that define the party system in each state are likely to vary in meaningful ways. These differences are important for setting the political context in the states and thus for explaining variations in the influence of political parties on public policy.

To determine the dominant social group partisan cleavage in each state, we turn once again to the group contribution figures in Table 1. By looking down the columns for each group variable in each state, we see the differences in group support for each party. In doing so, we see that this measure of group contribution has another advantage. The percentage of the coalition figures leads to a simple yet intuitive measure of the bias in support that each group gives to one party over the other. These bias figures, shown for each state in Table 2, are simply the percent contribution of each group to the Republican party subtracted from that of the Democratic party. The result is an indicator of which groups tend to give differential support to one party over the other and the magnitude of this difference. Beginning again with Alabama, we see that the Democratic party benefits profoundly (relative to the Republican party)

TABLE 2.

## Basis in Group Support for State Party Coalitions

State	Sociodemographic Groups										Income	
	Rural	Urban	Female	College	White	Black	Prot.	Catholic	Jewish	Union	Low	High
	Alabama	14	-10	3	-8	-18	20	4	-2	0	4	9
Arizona	6	3	6	-11	-12	4	-19	20	2	9	7	-12
Arkansas	2	2	0	0	-6	6	1	1	0	5	3	-2
California	2	5	8	-8	-20	13	-9	8	3	8	7	-10
Colorado	-1	6	7	-5	-8	0	-16	18	1	7	3	-5
Connecticut	0	0	7	-7	-6	6	-23	19	1	7	4	-11
Delaware	2	-3	9	-5	-21	20	-7	7	1	9	10	-11
Florida	2	0	4	-9	-20	18	2	-3	3	4	9	-10
Georgia	7	-3	4	-8	-23	24	7	-5	0	2	10	-9
Idaho	-7	2	6	0	-1	-2	-15	13	0	5	7	-7
Illinois	-3	17	5	-8	-25	24	-9	10	3	7	4	-8
Indiana	2	1	-1	-10	-12	10	-7	6	1	6	5	-7
Iowa	0	1	5	-5	-4	0	-11	17	0	10	4	-4
Kansas	-3	9	-2	-9	-9	8	-7	9	0	8	2	-2
Kentucky	0	-3	2	-3	-3	2	-3	5	0	0	-2	-4
Louisiana	9	-5	4	-8	-18	19	2	3	0	3	10	-15
Maine	2	1	9	-5	-2	0	-38	27	0	7	6	-9
Maryland	-3	8	5	-5	-23	22	-9	8	5	3	6	-7
Massachusetts	-4	2	4	-7	0	1	-27	29	2	7	6	-6
Michigan	-2	9	4	-8	-22	22	-7	8	1	10	6	-8
Minnesota	0	3	3	-7	-3	2	-12	16	0	9	7	-8
Mississippi	7	-3	-4	-8	-33	32	6	1	0	2	23	-13
Missouri	0	9	3	-6	-13	13	-7	5	0	4	4	-6
Montana	5	-4	1	-5	-3	0	-21	22	0	8	11	-10
Nebraska	-13	12	-4	-3	-6	6	-14	18	1	8	3	-4
Nevada	0	0	3	-4	-10	10	-7	8	3	7	7	-11
New Hampshire	-6	-1	13	-4	-2	2	-34	24	0	5	6	-6
New Jersey	1	6	6	-5	-21	19	-10	11	3	6	5	-9
New Mexico	1	1	12	-5	-10	1	-27	17	0	7	4	-11
New York	2	20	7	1	-23	19	-9	4	7	6	4	-5
North Carolina	5	-3	-1	0	-28	28	1	-1	0	0	7	-4
North Dakota	2	-4	12	-9	-1	-2	-12	10	0	4	2	-4
Ohio	-2	8	6	-8	-12	11	-13	12	1	8	4	-8
Oklahoma	12	-6	4	-8	-12	10	-1	-1	0	2	11	-9
Oregon	0	2	2	-7	-3	1	-10	8	0	5	2	-4
Pennsylvania	-3	12	3	-5	-12	12	-15	15	3	7	4	-4
Rhode Island	-6	11	0	-4	2	-1	-27	22	1	5	5	-6
South Carolina	16	-6	-1	-9	-41	39	-1	-2	0	0	15	-14
South Dakota	9	0	6	-6	-1	0	-16	15	0	4	5	-3
Tennessee	1	2	3	-3	-21	21	-4	-1	0	6	5	-6
Texas	7	-5	3	-13	-22	15	-3	6	0	5	10	-15
Utah	-2	0	3	-12	-6	3	-14	10	0	7	7	-6
Vermont	3	0	1	-7	4	0	-25	27	0	9	16	-8
Virginia	6	-5	0	-7	-25	25	-1	-1	1	3	4	-6
Washington	0	5	2	-7	-6	4	-9	7	1	8	3	-8
West Virginia	2	1	-3	-5	0	1	-4	4	0	3	1	-3
Wisconsin	-4	10	3	-5	-10	9	-14	9	0	6	4	-9
Wyoming	18	3	4	-3	-4	1	1	5	0	6	6	-1

Note: Cell entries represent the percent group contribution to the Democratic party minus the percent group contribution to the Republican party.

from black (20), rural (14), and lower-income (9) group support. The Republican party receives substantial differential support from the white (-18), higher-income (-12), urban (-10), and college-educated (-8) groups. Clearly, however, the highest levels of differential party support come from the racial groups.

Table 2 also shows that the pattern of partisan support is very different in Vermont. Completely gone is the differential support of the racial groups. Instead, we see a prominent role for religion (Protestant -25, Catholic 27), as well as the class-related group characteristics of income (low, 16; high, -8), college education (-7), and union membership (9).

Finally, if we turn to a state with a large, diverse population such as Illinois, we see yet a different pattern of group-party bias. Indeed, this picture represents what we have come to expect from the Democratic party as a coalition of minorities and the Republican party as a more homogeneous constituency. Specifically, the Democrats receive preferred support from the black (24), urban (17), Catholic (10), union (7), female (5), lower-income (4), and Jewish groups (3), while the Republican party benefits from the white (-25), Protestant (-9), college-educated (-8), and higher-income groups (-8).

Taken together, these bias figures represent the dominant social group partisan cleavage in each of the three states. In other words, these are the differences in the social group bases of the parties, the aspects of group support that differentiate one party coalition from another. The Alabama party cleavage is an example of what I call (for reasons that will be more apparent later) the *southern partisan cleavage*. In this party system, race plays the fundamental role in differentiating the support coalitions of the two parties. Indeed, while we see evidence of a rural-urban split, as well as differential support regarding income and education, race is without a doubt the single most important biasing factor in the group support for the parties in this cleavage.

Vermont illustrates the second prominent party cleavage, the *New Deal party cleavage*. The pattern of partisan support in these states is very similar to the national New Deal party alignment. The most prominent group-party bias exists among the two large religious groups, with Catholics and Protestants giving differential support to the Democratic and Republican parties, respectively. Next we see that the other familiar New Deal group characteristics of lower income and union membership also benefit the Democrats, whereas the Republicans receive biased support from the higher-income and college-educated groups. Once again, this is all very consistent with the more class-based New Deal party system.

Finally, we see that Illinois illustrates the third major type of party cleavage in the states. In many ways this cleavage is a combination of the previous two-party cleavages and is illustrative of the evolution of the national party system. Unlike the New Deal class-based cleavage, race is a prominent factor here. In addition, we see that the group characteristics of religion, union membership, income, and education are also important. Finally, we see the addition of a substantial urban bias toward the Democratic party. Interestingly, this is not accompanied by a similar rural bias toward the Republicans. As a result of the strong racial and New Deal-type characteristics of this party system, reflecting changes in the partisan structure of the national New Deal alignment, I have termed this cleavage the *post-New Deal cleavage*.

Examining the party coalitions in each state reveals that these three cleavage structures depict, to varying degrees, the prevailing party cleavage in 44 of the 48 state party systems examined here. In addition, there

are four states (Arkansas, Kentucky, West Virginia, and Wyoming) in which there does not appear to be any discernable party cleavage. Looking at Arkansas, for example, there is a very slight bias in the two racial groups, with the remainder of the group bias figures being almost completely negligible. While one might be tempted to place Arkansas in the southern party cleavage, particularly given its proximity to the other states in this cleavage, the lack of any dominant pattern in group-party bias suggests that this is inappropriate.

States are listed in Table 3 according to their dominant party cleavage. Groups are listed under party bias categories according to the mean level of bias in each respective cleavage. Thus, in the Southern cleavage states, the two racial groups show the largest mean party bias, with the other groups following accordingly. States were categorized into party cleavages according to a careful examination of patterns in their group-party bias characteristics.<sup>6</sup>

It is important to note that these state party cleavages reflect the patterns of social group-party bias that have become the topic of much recent discussion regarding changes in national politics and the national party system. In particular, we see the varied importance of class and race as fundamental characteristics in the three types of state party cleavages. Race, for example, is by far the most important distinguishing feature of the southern party cleavage; it completely dominates the minimal role of class in the party politics of this region.

The group-party bias in the New Deal cleavage states indicates that the more class-based, New Deal party system is far from dead, at least in terms of social group alignments to the Republican and Democratic parties. Indeed, there are more states with this type of party cleavage than either of the other two cleavages. Regardless of whether the New Deal alignment adequately represents the dominant cleavage in the national party system, it appears to continue to do so for a substantial number of states. Thus, despite evidence of the rise of race and the decline of class as the basis of conflict in the national arena (Carmines and Stimson 1981; Huckfeldt and Kohfeldt 1989), New Deal party system characteristics still dominate the cleavage structure in these states.

In many ways the states in the post-New Deal cleavage combine the characteristics of the first two cleavages, most notably with regard to race and class as dominant characteristics of party bias. An examination of the states listed under this cleavage reveals that in each state, class-related characteristics are important, but that race is also a dominant characteristic. In comparison with the southern cleavage, however, note that race is not necessarily the dominant characteristic of the state populations as a whole. This set of states conforms very strongly to recent evidence on the changing nature of the national party alignment. Carmines and Stimson (1981) have demonstrated that the evolution of party differences on racial issues has resulted in the emergence of this set of issues as a dominant force in American

**TABLE 3:**

**Party System Cleavage Structures**

Cleavage 1: Southern		Cleavage 2: New Deal		Cleavage 3: Post-New Deal	
Bias:		Bias:		Bias:	
Democrat	Republican	Democrat	Republican	Democrat	Republican
Black	White	Catholic	Protestant	Black	White
Low Income	High Income	Low Income	High Income	Catholic	Protestant
Rural	College	Union	College	Urban	High Income
	Urban	Female		Union	College
				Low Income	
				Female	
				Jewish	

South Carolina	Vermont	Illinois
Mississippi	Maine	New York
Alabama	New Hampshire	Michigan
Texas	Massachusetts	Delaware
Louisiana	Arizona	New Jersey
Georgia	New Mexico	Maryland
Virginia	Connecticut	California
North Carolina	Montana	Pennsylvania
Oklahoma	Rhode Island	Ohio
Florida	Minnesota	Wisconsin
Tennessee	Colorado	Missouri
	Utah	Nevada
	Iowa	Indiana
	South Dakota	Kansas
	North Dakota	
	Idaho	
	Nebraska	
	Washington	
	Oregon	

Note: Arkansas, Kentucky, West Virginia, and Wyoming do not conform to these party cleavages.

politics, leading to changes in the coalitional alignments of the national party system. Macdonald and Rabinowitz (1987) have confirmed the importance of civil rights issues at the national level as a force for structural realignment. Stanley (1988) has verified the importance of race in the coalitional alignments of parties in the South.

Finally, Huckfeldt and Kohfeld (1989) show that race has become an important cleavage force outside of the South, especially in the context of declining class cleavages. Here we find strong evidence of what Huckfeldt and Kohfeld note as the strategic importance of blacks to the Democratic party. Largely as a result of black migration to large cities in the North, the black proportion of the population, while significantly smaller than that of the southern cleavage states, has become highly concentrated and thus of strategic importance to the Democratic party (p. 13). Major urban areas such as Chicago, Cleveland, and St. Louis are all examples of areas in which concentrated numbers of blacks have created a set of structural conditions assuring the importance of this group to the Democratic party in these states. Each state in this cleavage has a similar major urban area in which blacks tend to be highly concentrated. In terms of the state party cleavages, we therefore see the

emergence of race, in conjunction with the more traditional class-related groups, as the primary group characteristics differentiating the support coalitions of the post-New Deal state party systems.

**PARTY CLEAVAGES, PARTY CONTROL, AND STATE WELFARE EFFORT**

Having identified the dominant cleavage of partisan support in each state, I can now use this information to examine the impact of party control on public policy in a way that matches much more closely with how theory in this area has evolved. To restate this theory once again, we should not necessarily expect Democratic party control to lead to more liberal policies for the "have nots" in all states but in states where class-based interests define the most prominent cleavage in the state partisan environment. The preceding analyses of the state party systems allow us to examine this theory with systematic information about the state partisan environments for the first time. Our theoretical interest here is in the effects of partisan cleavage structures on the process of repre-

sentation and public policy. Here representation refers to the relationship between party control and public policy, as conditioned by the dominant partisan cleavage in the state. Thus I am exploring how the differences across party cleavages affect the impact of Democratic party control on state welfare effort.

In generating specific hypotheses about the conditional influence of partisan cleavage differences on the party control-policy linkage, I turn first to the class-based New Deal cleavage states. If party control has an impact on state welfare policy, it should be working most prominently in these states. In addition to strong coalitional differences in income, education, and labor union support, a pronounced ethno-religious dichotomy also exists, mirroring that found in the national New Deal party system. This strong religious differential is important, because Catholics, whether Democratic, Independent, or Republican are generally more likely to support the traditional New Deal social reforms of government intervention, government support of employment, and income equalization than their Protestant counterparts (Greeley 1978, 284). Indeed, Greeley argues that despite the rise of the social issue agenda (abortion, in particular), Catholics are likely to stay with the Democratic party, so long as the party continues in its basic stands regarding social and economic welfare (*ibid.*, 292). The result is a party cleavage containing an important culture-class nexus in which welfare-related programs are both necessary and seen as an appropriate part of governmental activity. Once again, then, if Democratic party control does make a difference, we should expect to find it at its strongest in the New Deal cleavage states.

With regard to the other cleavages, there is certainly no reason to expect a negative effect for Democratic party control. Thus I am not suggesting that the relationship between party control and welfare effort is positive only in the New Deal states. Rather, I hypothesize that this relationship is positive, but significantly weaker in the non-New Deal cleavage states. Indeed, such a finding may well explain the rather lackluster relationship generally found between party control and state welfare effort. If the impact of party control on welfare effort is relatively meager in states where class is not a dominant aspect of the party cleavage, then the effect of these states may overwhelm even the stronger relationship between party control and policy in the New Deal states. The specific hypotheses, then, are that while the relationship between party control and welfare effort will still be positive in the southern and post-New Deal cleavage states, it will be significantly less powerful than in the New Deal states.

#### Data

The variables used to test these hypotheses are relatively straightforward and should be familiar to students of the party-policy debate. While several indicators of policy benefits toward the poor have been

used as dependent variables, I use the policy measure suggested by Albritton (1990), namely, the ratio of indigenously raised state and local government Aid for Families with Dependent Children (AFDC) spending to total state personal income.<sup>7</sup>

Democratic party control is measured as an index consisting of three dichotomous indicators: whether the governor is a Democrat, whether the state House of Representatives is controlled by the Democratic party (1 if Democrats hold a majority of seats, 0 otherwise), and a similar measure of Democratic control in the state Senate. These three indicators are then used to create an index of Democratic party control running from 1 to 4. Specifically, states are scored 1 if Republicans control all three branches of government, 2 if Republicans control any two branches, 3 if Democrats control any two branches, and 4 if Democrats control all three branches.

In addition to party control, I expect that a variety of other aspects of the state political and economic environments will affect variations in state welfare benefits. Once again, these reflect some of the most prominent alternative explanations found in the literature. To control for variations in the states' ability to provide benefits to the less fortunate, I use a variation of the common measure of personal income per capita.<sup>8</sup> In addition, I include an indicator of the relative size of the welfare-receiving population: the percentage of the state population receiving AFDC benefits. While Plotnik and Winters (1990) found a negative relationship between this measure and the benefits given to each individual recipient, I expect that a larger percentage of recipients should be positively related to overall levels of welfare spending.

In addition to these characteristics of state populations, I include a measure designed to tap the overall liberalism of the state political environments. Specifically, I account for the general liberalism of the state party elites, using a measure developed by Erikson, Wright, and McIver (1989, 1993). This measure is a composite of the following four separate indicators of the ideological preferences of Democratic and Republican state elites, which are combined into a comprehensive measure of state elite ideology: congressional candidate conservatism-liberalism, state legislator conservatism-liberalism, local party chairmen conservatism-liberalism, and national convention delegate conservatism-liberalism.<sup>9</sup> Erikson, Wright, and McIver (1993) have found the liberalism of party elites to be a potent force in state politics, from responding to public opinion to influencing public policy. The expectation here is that greater party elite liberalism will be related to more generous welfare effort.

Finally, I attempt to account for one other rival explanation, the potential effects of a population's attitude toward welfare recipients—in particular, black welfare recipients. Wright (1977) reported, for example, that racial prejudice had a substantial effect on attitudes toward welfare spending independent of other measures of liberalism. In an attempt to tap this important potential influence on state welfare policy,

I include a variable for the percentage of the states' population that is black.

### Analysis

To examine these hypotheses, a pooled cross section (or panel) design is used, with data for the years 1976–85. Pooling cross sections of states over time has several advantages, two of the most important being an increased number of cases and the ability to generalize results across both the states and time.<sup>10</sup>

Unfortunately, these advantages often come with a cost. Because the design pools the same sets of units (states) over time, pooled cross-sectional models are prone to two important violations of the ordinary least squares model. Specifically, the disturbances are likely to be both nonconstant between units (heteroscedastic) and correlated over time (autoregressive). Using ordinary least squares to estimate pooled cross-sectional data is therefore likely to result in inefficient coefficients that have severely inefficient standard errors, thereby running the risk of giving a false impression of accuracy. To overcome these problems, I adopt a cross-sectionally heteroscedastic and time-wise autoregressive model for estimation (Kmenta 1986, 618–21). In this model, data are subjected to a double transformation, one to remove heteroscedasticity and the other to remove autocorrelation. The final model is then reestimated using ordinary least squares and results in consistent estimators and disturbances that are nonautoregressive and homoscedastic.<sup>11</sup>

Does Democratic party control have an impact on state welfare effort, and is this effect conditioned by the state partisan environment? The evidence is presented in Table 4. Note first that the familiar variables of state income and percentage of welfare recipients both exert a strong influence on state welfare effort. In addition, party elite liberalism also has the expected effect. As state elites are more liberal, welfare effort is greater. Finally, the control for the percentage of the states' population that is black also has a significant independent effect. As the black portion of the state population increases, welfare effort is diminished. Note that this is the case even with a dummy variable controlling for the South.

Our primary concern, however is the impact of party control on state welfare effort, and, more specifically, whether this relationship is conditioned by the social group-partisan cleavage in the states. The coefficients for the party control and interaction variables tell the complete story and show it is important to account for differences in the state partisan environments when examining the impact of party control. Specifically, the slope for party control in the New Deal states (.00039) is significantly greater than in either the southern (slope calculated as .00039 – .00032 = .00007) or the post-New Deal (slope calculated as .00039 – .00035 = .00004) states. This pattern illustrates the main hypothesis, and it does so in striking fashion. Recall that the conditional slopes are interpreted as shifts from the baseline slope of party

TABLE 4

### State Welfare Effort by Democratic Party Control and State Party Cleavage

VARIABLES	MODEL ESTIMATES
Recipients as % of population	.11079** (.00618)
State wealth	.44006** (.08795)
Party elite liberalism	.000837** (.00009)
Percent black	-.00006** (.000014)
Southern cleavage dummy	.00161* (.00075)
Post-New Deal cleavage dummy	.00115* (.00047)
Party control	.00039** (.00012)
Southern party control interaction <sup>a</sup>	-.00032* (.00019)
Post-New Deal party control interaction <sup>b</sup>	-.00035* (.00017)
Adjusted R <sub>2</sub>	.903
N	420

Note: Table entries are unstandardized regression coefficients, estimated with a dual transformation to remove heteroscedasticity and autocorrelation and then reestimated using ordinary least squares. Standard errors are in parentheses. The dependent variable, state welfare effort, is measured as the ratio of indigenously raised state and local AFDC spending to total state personal income.

<sup>a</sup> 1 if state is in southern cleavage, 0 otherwise.

<sup>b</sup> 1 if state is in post-New Deal cleavage, 0 otherwise.

\*  $p \leq .05$ .

\*\*  $p \leq .01$ .

control in the New Deal states. That is, they represent the difference in the magnitudes of the impact of party control on welfare effort in the New Deal versus southern and post-New Deal states respectively. These coefficients indicate, therefore, that while the impact of party control in welfare effort is positive within all three cleavages, the slopes for the southern and post-New Deal cleavage states shift significantly downward from the New Deal cleavage baseline. Indeed, the coefficients shift to virtually zero and indicate that the impact of party control on state welfare effort is roughly 5.5 stronger in the New Deal states than in the southern cleavage states and an even more impressive 9.5 times greater than in the post-New Deal cleavage states. Differences in the nature of the state party coalitions have a significant influence on the relationship between party control and state welfare effort, the relationship being much stronger in New Deal cleavage states and much flatter or less responsive in both the southern and post-New Deal states.

Overall, then, I find strong evidence for the influence of party cleavage differences on the nature of

policy representation in the states. Moreover, these effects stand out even when controlling for important rival forces, be they political (party elite ideology), economic (state income), or structural (percentage of recipient population). Party control has a clear impact on state welfare effort, and this effect is strongest where we would expect to see it the most—in states where the social group-partisan conflict is organized along class-related lines.

## CONCLUSION

The evolution of theory on the impact of political parties on state policy outputs has led us to look toward the support coalitions of the parties themselves to understand when this linkage may be present. I have described the coalitional bases of the state party systems and the dominant patterns of partisan cleavage that result from these coalitional foundations. These investigations indicate that the social group bases of party support vary in important ways, both within and across the states.

Using this information, I find support for the conditional influence of party control on state welfare policy. Democratic party control of government matters where theory tells we should expect it to matter the most, in party systems where the dominant cleavage of social group support for the parties is drawn along class-related lines. Comparisons of class-based states with non-class-based states confirm these conclusions, showing significant differences in the impact of party control on welfare effort across these groups of states.

The literature on linkages between party control and public policy in the American states is replete with mixed and inconclusive results. By examining this linkage in the context of the state partisan environments, the findings reported here present conclusive evidence that political parties have an important influence on state policy outputs.

In addition, these findings should lead us to look once again to variations in the states to help us understand the general role of political parties in American politics. The New Deal party system may no longer be dominant at the national level, but neither has it completely disappeared from the political landscape. Importantly, the presence of this more class-based party system is not merely descriptive but also has important implications for our understanding of the role that political parties play in transmitting the preferences of partisan groups into public policy. In this important sense, variations in the social group support for the political parties add another dimension to our understanding of party control of government and the process of policy representation in the states. Whether the "party's over" (Broder 1972) at the national level or whether it has "just begun" (Sabato 1988), party systems do vary across the states. These differences are an important influence on the place of political parties in American politics.

## Notes

I would like to thank Jerry Wright, Chuck Smith, Leroy Rieselbach, Ted Carmines, Jim Garand, and Jeffrey Stonecash for their help and comments on this project.

1. For interesting approaches to this problem, see Dye 1984; Garand 1985.

2. A report on the reliability and validity of these data for the years 1976-82 can be found in Wright, Erikson, and McIver 1985. The original data set has been updated to encompass the years 1976-88, resulting in a national sample of over 170,000 respondents and state samples ranging from 348 (Wyoming) to almost 16,000 (California). Alaska and Hawaii are excluded from the sampling framework.

3. Low and high income are defined as follows: 1 = low income (<10,000), 0 = else; 1 = high income (> 40,000), 0 = else. In the initial analysis, dummy variables for age were also included to account for the potential impact of younger and older social group membership on partisanship. These variables were dropped from the analysis to ease interpretation because they did little to differentiate one party from another. In addition, several other groups come to mind as being important for differentiating the support coalitions of the parties, particularly hispanics and religious fundamentalists. Unfortunately, questions asking about these group characteristics were not included in a sufficient number of surveys to warrant their inclusion here.

4. For reasons of space consideration, only the 4 states used as examples in the text are included in Table 2. The analyses were done, of course, for each of the 48 states in this study and will be summarized later in the analysis.

5. As a result of overlapping group membership, the group contribution figures do not sum to 100%. This allows for the fact that individuals have multiple group characteristics. While this may seem an inconvenience, it is not necessarily a disadvantage, especially when we consider that the party coalitions are often defined as coalitions of diverse, overlapping minorities. Thus, the fact that individuals do have multiple and overlapping groups traits helps make this an accurate description of the group bases of the party coalitions. Note that while an individual may get counted more than once (due to multiple group traits and thus resulting in total coalitional percentages exceeding 100%, group characteristics do not.

6. To help confirm placement of states in each cleavage category, a scoring system was developed. Cleavage scores were calculated by taking the absolute value of each group bias figure and then taking the mean of the relevant absolute value bias figures for each cleavage. Absolute values were taken to account for negativity in the Republican party bias figures, and means were taken to account for differences in the number of groups in the three party cleavages. In the southern cleavage, for example, the cleavage scores were calculated by taking the mean of the absolute values for the black, low-income, rural, white, high-income, college, and urban group bias data as follows:

$$\text{Cleavage 1} = (\text{ABSblack} + \text{ABSincomelow} + \text{ABSrural} + \text{ABSwhite} + \text{ABSincomhigh} + \text{ABScollege} + \text{ABSurban})/7.$$

Scores for cleavage 2 and cleavage 3 were derived in a similar fashion:

$$\text{Cleavage 2} = (\text{ABSscath} + \text{ABSunion} + \text{ABSincomelow} + \text{ABSfemale} + \text{ABSprot} + \text{ABSincomhigh} + \text{ABScollege})/7$$

$$\text{Cleavage 3} = (\text{ABSblack} + \text{ABSscath} + \text{ABSurban} + \text{ABSunion} + \text{ABSincomelow} + \text{ABSfemale} + \text{ABSjewish} + \text{ABSwhite} + \text{ABSprot} + \text{ABSincomhigh} + \text{ABScollege})/11.$$

In most cases the process of cleavage categorization was reasonably clear, with states exhibiting biased group party support strongly consistent with one of the dominant cleavages. In a few states, however, the patterns of group bias were not so clear, falling on the border between two cleavages. In these instances, additional information was used to

place the state into one party system over the other. In Connecticut, for example, there are strong class-related bias figures, consistent with the New Deal cleavage. In addition, however, there is also a moderate racial bias, suggesting that Connecticut may also be placed in the post-New Deal cleavage. Further examination of the party coalitions shows that in post-New Deal states the average level of racial group bias is +15 for blacks toward the Democratic party and -17 for whites toward the Republican party. This is far greater than the +6 and -6 bias figures shown for the racial groups in Connecticut. In addition, the demographic data for Connecticut show that the black group comprises only 5.5% of the total state population. Once again, this is well below the average (10.9%) for the post-New Deal states. Thus, while there is some evidence of racial cleavage in Connecticut, it is the dominant overall pattern of bias in each state that determines under which cleavage a state party system is categorized. In Connecticut, this pattern is much more consistent with the New Deal cleavage.

7. Perhaps the most commonly used indicator of state welfare effort is AFDC expenditures per capita. Albritton argues persuasively that this measure is not entirely adequate because persons with larger incomes are able to make larger contributions while at the same time retaining larger net incomes. Recognizing convention, however, I performed all analyses with both dependent variables, the results being largely similar. All expenditure and income variables used in these analyses are expressed in constant 1982 dollars.

8. Because the dependent variable—ratio of AFDC spending to total personal income—includes a state-level income component in its denominator, I modify the familiar per-capita-income independent variable by expressing it in terms of national aggregate per capita income. This measure, identical to that used in a recent analysis by Hill and Leighley (1992), remains an expression of the comparative wealth of the states, while avoiding problems of extreme similarity between the dependent and independent variables.

9. Scores for party elite ideology are derived from four earlier studies of different groups of activists: congressional candidate conservatism-liberalism (Wright and Berkman 1986), state legislator conservatism-liberalism (Uslaner and Weber 1977), local party chairmen conservatism-liberalism (Cotter et al. 1984), and national convention delegate conservatism-liberalism (Miller and Jennings 1987).

10. The number of cases for the regression analysis is 420—42 states multiplied by 10 time points. The number of states is reduced to 42 because of the original exclusion of Alaska, Hawaii, and Nebraska. Nevada is excluded because measures for party elite liberalism were not available. Finally, the interactive model excludes those states that do not conform to one of the three dominant cleavages (Arkansas, Kentucky, West Virginia, and Wyoming).

11. A recent article by Beck and his colleagues (1993) addresses problems associated with panel data in which the number of units is greater than the number of time points. They discuss problems associated with one particular means of dealing with these problems—Park's (1967) method of feasible generalized least squares as discussed by Kmenta (1986, 622-25). The method used here, also discussed by Kmenta (pp. 618-21) is different from the Parks method, and provides coefficients and standard errors that are not tainted by serial correlation or heteroscedasticity.

## References

- Albritton, Robert B. 1990. "Social Services: Welfare and Health." In *Politics in the American States*. Ed. Virginia Gray, Herbert Jacob, and Robert Albritton. 5th ed. Glenview, IL: Scott, Foresman/Little Brown.
- Axelrod, Robert. 1972. "Where the Vote Comes From: An Analysis of Electoral Coalitions." *American Political Science Review* 66:11-20.
- Axelrod, Robert. 1986. "Presidential Election Coalitions in 1984." *American Political Science Review* 80:281-284.
- Beck, Nathaniel, R. Michael Alvarez, Geoffrey Garrett, and Peter Lange. 1993. "Government Partisanship, Labor Organization, and Macroeconomic Performance: A Corrigendum." *American Political Science Review* 87:945-8.
- Broder, David S. 1972. *The Party's Over*. New York: Harper and Row.
- Burnham, Walter Dean. 1975. "Party Systems and the Political Process." In *The American Party Systems: Stages of Political Development*. Ed. William Nisbet Chambers and Walter Dean Burnham. 2nd ed. New York: Oxford University Press.
- Carmines, Edward G. and James Stimson. 1981. "Issue Evolution, Population Replacement, and Normal Partisan Change." *American Political Science Review* 75:107-18.
- Cotter, Cornelius P., James L. Gibson, John F. Bibby, and Robert J. Huckshorn. 1984. *Party Organizations in American Politics*. New York: Praeger.
- Dawson, Richard E. and James A. Robinson. 1963. "Inter-Party Competition, Economic Variables, and Welfare Policies in the American States." *Journal of Politics* 25:265-89.
- Dye, Thomas. 1966. *Politics, Economics, and the Public: Policy Outcomes in the American States*. Chicago: Rand McNally.
- Dye, Thomas R. 1984. "Party and Policy in the States." *Journal of Politics* 46:1097-1116.
- Elazar, Daniel J. 1984. *American Federalism: A View From the States*. 3rd ed. New York: Thomas Y. Crowell.
- Erikson, Robert S., Thomas D. Lancaster, and David W. Romero. 1989. "Group Components of the Presidential Vote, 1952-1984." *Journal of Politics* 51:337-46.
- Erikson, Robert S., Gerald C. Wright, and John P. McIver. 1989. "Political Parties, Public Opinion, and State Policy in the United States." *American Political Science Review* 83:729-50.
- Erikson, Robert S., Gerald C. Wright, and John P. McIver. 1993. *Statehouse Democracy*. New York: Cambridge.
- Erikson, Robert S., John P. McIver, and Gerald C. Wright. 1987. "State Culture and Political Attitudes." *American Political Science Review* 81:797-813.
- Garand, James C. 1985. "Partisan Change and Shifting Expenditure Priorities in the American States." *American Politics Quarterly* 13:355-91.
- Greely, Andrew M. 1978. "Catholics and Coalition: Where Should They Go?" In *Emerging Coalitions in American Politics*. Ed. Seymour M. Lipset. San Francisco: Institute For Contemporary Studies.
- Hill, Kim Quail, and Jan E. Leighley. 1992. "The Policy Consequences of Class Bias in State Electorates." *American Journal of Political Science* 36:351-65.
- Huckfeldt, Robert and Carol Weitzel Kohfeld. 1989. *Race and the Decline of Class in American Politics*. Urbana: University of Illinois Press.
- Jennings, Edward T. 1979. "Competition, Constituencies, and Welfare Policies in American States." *American Political Science Review* 73:414-29.
- Jewell, Malcolm E. and David M. Olson. 1988. *Political Parties and Elections in American States*. 3rd ed. Chicago: Dorsey.
- Kmenta, Jan. 1986. *Elements of Econometrics*. 2d. ed. New York: Macmillan.
- Miller, Warren E., and M. Kent Jennings. 1987. *A Longitudinal Study of Party Elites and Party Supporters*. New York: Russell Sage.
- Parks, Richard W. 1967. "Efficient Estimation of a System of Regression Equations When Disturbances Are Both Serially and Contemporaneously Correlated." *Journal of the American Statistical Association* 62:500-509.
- Petrocik, John R. 1981. *Party Coalitions: Realignment and the Decline of the New Deal Party System*. Chicago: University of Chicago Press.
- Plotnik, Robert D. and Richard F. Winters. 1990. "Party, Political Liberalism, and Redistribution." *American Politics Quarterly* 18:430-58.
- Sabato, Larry J. 1988. *The Party's Just Begun*. Glenwood: Scott, Foresman.
- Stanley, Harold W. 1988. "Southern Partisan Changes:

Dealignment, Realignment, or Both?" *Journal of Politics* 50:64-88.

Stanley, Harold W., William T. Bianco, and Richard Niemi. 1986. "Partisanship and Group Support Over Time: A Multivariate Analysis." *American Political Science Review* 80: 969-78.

Uslaner, Eric M., and Ronald E. Weber. 1977. *Patterns of Decision Making in State Legislatures*. New York: Praeger.

Wright, Gerald C. 1977. "Racism and Welfare Policy in America." *Social Science Quarterly* 57:718-30.

Wright, Gerald C., and Michael B. Berkman. 1986. "Candidates and Policy in United States Senate Elections." *American Political Science Review* 80:567-88.

Wright, Gerald C., Robert S. Erikson, and John P. McIver. 1985. "Measuring State Partisanship and Ideology with Survey Data." *Journal of Politics* 47:469-89.

---

Robert D. Brown is Assistant Professor of Political Science, University of Mississippi, University, MS 38677.

Morning Edition (NPR), March 20, 1995

March 20, 1995

Transcript # 1566-2

TYPE: Package

SECTION: News; Domestic

LENGTH: 882 words

HEADLINE: Debate Begins on Welfare Reform in the House

GUESTS: Rep. HOWARD DEAN (D-VT); Rep. HENRY J. HYDE (R-IL), Chairman, Judiciary Committee; Rep. E. CLAY SHAW, Jr. (D-FL), Chairman, Welfare Subcommittee; Rep. CONSTANCE A. MORELLA (R MD)

BYLINE: PETER KENYON

HIGHLIGHT:

Tomorrow debate begins on welfare reform in the House of Representatives. Republicans want to convert many adult and child welfare programs into block grants that would be run by individual states.

BODY:

BOB EDWARDS, Host: The House opens debate tomorrow on welfare reform. The measure would convert many adult and child welfare programs into block grants run by the states. It also would deny welfare benefits to most legal immigrants and to unmarried teenage mothers. Criticism of the bill increased over the weekend. On Saturday, Catholic bishops denounced ending payments to teenaged mothers, saying it would lead to more abortions. And yesterday, Democrats and child welfare advocates said the bill threatened school lunches to pay for tax cuts. NPR's Peter Kenyon reports.

PETER KENYON, Reporter: In trying to meet the compressed timetable of the Contract With America, House Republicans find themselves ending federal welfare entitlements and dropping some people from the rolls completely at the same time they're preparing to offer more than \$180 million in tax cuts to Americans. That combination has proved to be an irresistible target for Democrats.

At yesterday's rally, Majority Leader Richard Gephardt called the bill 'immoral and mean-spirited.' The head of the National Governors Association, Vermont Democrat Howard Dean, was one of many at the rally sporting a button that read 'Pick on someone your own size.'

Rep. HOWARD DEAN (D-VT): All right, Newt Gingrich, pick on somebody your own size! [applause and cheers from the crowd]

Rep. HOWARD DEAN: How about it, Dick Arney! Pick on somebody your own size, huh! [applause and cheers from the crowd]

Rep. HOWARD DEAN: How about it, Bill Archer! How about it, Bill Goodling! Pick on somebody your own size! [applause and cheers from the crowd]

Rep. HOWARD DEAN: Pick on somebody your own size! If you want to give tax cuts to people who make \$200,000 a year, find a place to cut, but don't cut it out of our kids' lunches!

GOP bashing of the poor and elderly. The President obviously missed the lesson of last year's health-care debate, which was that Americans are deeply suspicious of the Federal Government. So, as Republicans try to reform these hulking entitlements, they can take comfort in one last similarity with last year's health-care debate: the President will be on the wrong side.

## The Latest Welfare Trap

**R**EPUBLICAN PLANS for welfare reform came unraveled last week as Florida Republican Clay Shaw, chairman of the principal subcommittee overseeing the effort, unveiled a new bill which repudiated major elements of the Republican Contract with America. Shaw's bill, which will become the major legislative vehicle for reform, took the expected step of ending the entitlement element in Aid to Families with Dependent Children but surprised all by abandoning federal work requirements for AFDC recipients.

The new bill nominally requires 2 per cent of AFDC parents to work in 1996 and increases the amount to 20 per cent in 2003. Republicans were shocked when Democrats quickly pointed out that the Shaw bill was more lenient on work than the Clinton bill and existing law. Even worse, the bill's pitiful work requirements are meaningless. "States can apparently define work as looking for a job one day each year. This bill reverses two decades of progress on workfare and effectively takes Congress out of the business of requiring work in federally funded welfare programs," says Robert Rector, welfare analyst at the Heritage Foundation.

Nearly 90 per cent of voters believe that welfare recipients should work for benefits. Shaw's collapse on this popular issue was the result of strong behind-the-scenes pressure by Michigan Governor John Engler. Representing the National Governors' Association, Engler has strongly opposed the work and anti-illegitimacy provisions of the Contract.

Engler has a national reputation as a strong proponent of welfare reform. And that record has some sub-

stance. His fame comes from abolishing Michigan's General Relief, a program that gave cash largely to able-bodied single males. But he also has urged fellow governors to aggressively expand the caseload of the Supplemental Security Income (SSI) program by providing cash benefits of around \$5,000 per year to children with vague "attention-deficit disorders." This practice of ballooning welfare rolls by giving "crazy checks" to any child who occasionally acts up has been deplored even by the *Washington Post*.

What explains the discrepancy? The answer is simple: General Relief was funded by the state; SSI is funded by the feds. Engler's attitude toward federal money should serve as a clear warning to those conservatives who believe that welfare reform means raising some \$250 billion in welfare funds each year in Washington and then blindly dumping it on the states with "no strings."

Everyone agrees reform means requiring welfare recipients to behave responsibly. The reform signal fails to achieve that aim, ironically, because the governors, as the nation's largest welfare recipients, are insisting on receiving their federal largesse without requirements or strings. Following that line, once again they have gutted real reform.

## Who Is Henry Foster?

**I**T DEPENDS which day you ask. First the White House trumpeted the "fact" that Dr. Foster, its nominee for the post of Surgeon General, had performed only one abortion. (This is the same White House that says abortions shouldn't matter anyway, since they're perfectly legal.) The figure was quickly bumped up to fewer than 12—Dr. Foster's estimate at the time. Then a transcript surfaced in which a Dr. Henry Foster took credit for seven hundred abortions and amniocenteses. Dr. Foster denied that his namesake was himself but allowed that, as one hospital's records show, he did perform at least 39 abortions. Then an article by Dr. Foster in a medical journal turned up, describing his supervision of 59 abortions by an experimental vaginal suppository. Dr. Foster says he "abhors" abortion and got involved with the suppository experiment only to maintain the accreditation of a residency program, which in any event lost its accreditation. As yet, nobody has explained why an accreditation council would require that a hospital experiment with pill-induced abortions.

Then another article was discovered in which Dr. Foster discussed involuntary hysterectomies he had performed on retarded women. This last, says White House official John Podesta, was "consistent with medical theory and practice at the time"—like the tortures inflicted on George III in *The Madness of King George*. Who knows what other milestones of Dr. Foster's ca-

### *D'Amato Opens Hearings*

No, not to chart Whitewater's flow,  
But where the dough that Mexico  
Received from Mr. Clinton goes;  
So be prepared to hold your nose  
When AI's report reveals The Street  
(The one on Wall) is on the teat.

W. H. VON DREELE

# Test Drive

**Welfare reform will undoubtedly be a hot-button issue in the 104th Congress. But while Washington talks, governors and state legislatures from coast to coast have been aggressively experimenting with reforms. So far, though, the view from the states is disappointingly hazy.**

**BY ELIZA NEWLIN  
CARNEY**

**D**ETROIT—Every day Kiki Joyce, 19, makes her way through a neighborhood of boarded-up houses and trash-strewn parks to attend class at a big, modern school building downtown.

Joyce has long wanted to earn her general educational development (GED) degree—her high school education was interrupted by her two children, now 4 and 5—and get off welfare.

But right now Joyce's class time isn't filled with multiplication tables, history or grammar. She's learning how to dress for a job interview, express herself clearly and get places on time, along with 20 or so other welfare recipients in her class, which is run by CareerWorks Inc., a Detroit-based job-training firm.

Joyce still hopes to get her GED. But new welfare rules in Michigan require that she work at least 20 hours a week or lose her benefits, and Joyce has caught on quickly. "I know that getting a job is first," she said. "Education will always be there."

Joyce is one of thousands of welfare recipients in Michigan who are being funneled into jobs, job placement and training as part of the state's most recent welfare reform effort—aptly dubbed "Work First." The program, which is one element of a reform package that was launched statewide in 1992, has drawn fire from advocacy groups worried that the new rules will in fact prevent young mothers such as Joyce from completing their educations.

But Republican Gov. John M. Engler has trumpeted the state's reform experiment as a national model. Engler says that Michigan's reforms have saved taxpayers \$22 million, reduced the number of families seeking assistance and boosted the percentage of welfare recipients who are working from 15 per cent to more than 24 per cent.

Engler isn't alone. From New Jersey to Oregon, governors and state legislatures have embraced welfare reform experiments with gusto. Many are well into approaches that still are just rhetoric in Washington, among them work incentives, penalties for parents whose children

don't attend school and two-year time limits for welfare benefits.

Some advocates for low-income families fear that state experiments have gone too far, creating a hodgepodge of poorly monitored programs that will put children at risk. More-conservative critics say that the reforms don't go far enough, amount to little more than public relations and are tinkering at the edges of a badly broken welfare system.

Whatever their pet solutions to the welfare crisis, Engler and other governors are eager to take the ball and run with it. At the Republican Governors Association meeting in Williamsburg, Va., last month, GOP governors issued a clear warning to Washington on welfare reform: Leave the states alone.

"The states should be freed to experiment with welfare reform in 50 different state laboratories," Engler said in an interview. "One strategy dictated from Washington and micromanaged by the federal bureaucracy simply will fail."

State legislators may not win the freedom they seek, but they've promised to resist any legislation from Washington that ties their hands too tightly. Either way, state welfare reforms are providing both an inspiration and a reality check for lawmakers in Capitol Hill.

## CARROTS AND STICKS

So far, the view from the states is disappointingly hazy. Most of the experiments are too young to have yielded concrete results. Although states have long been able to test new approaches to welfare, the state reform craze didn't hit its stride until the 1990s. Evaluations have barely begun, and many states are pursuing so many tracks at once that clear results may prove elusive. (See box, p. 2894.)

States have been on the welfare system's front lines since 1935, when the Social Security Act established aid to dependent children—now aid to families with dependent children (AFDC)—as a way to give cash assistance to families without fathers.

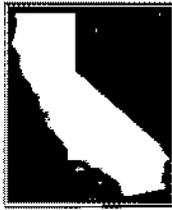
In addition to administering a host of

# REFORM ROULETTE: WHAT THE STATES ARE DOING

**W**elfare reform is still just talk on Capitol Hill, but it's already well under way in the states, where virtually every governor has pledged to radically overhaul public assistance.

Welfare experiments are in progress in more than 40 states, although most are too new to have yielded clear results.

Just what are the states up to? Here's a look at what some are doing:



**California:** Regarded as one of the most successful state welfare experiments, California's Greater Avenues to Independence (GAIN) program, launched in 1989, is a mandatory welfare-to-work program that combines education, training and job search services. The program emphasizes basic mathematics and reading for high school dropouts. Other reform experiments under way in California include a requirement that teenage mothers who haven't completed high school attend the state's "Cal Learn" education program, with a \$100 reward for grades above a C and a \$100 penalty for D's or F's.



**Colorado:** A pilot project in five counties requires mothers to immunize children under 2, and offers a \$500 reward for a high school diploma or a general equivalency degree earned while in the program. Participants get to keep the first \$120 of their monthly earnings, plus 58 per cent of any additional earned income. Able-bodied parents are required to work or attend job

training after two years. Food stamps, cash grants and child care are rolled into a monthly payment, with the aim of teaching money management.



**Florida:** Florida's Project Independence, a statewide job-training program initiated in 1989, mandates immediate entry into the work force or job training, even for single parents with pre-school-age children. Also in the works in Florida is a two-county demonstration project that limits families to two years of benefits, requires dropouts under 18 to attend high school, offers training as an alternative to cash assistance and allows families to keep up to \$5,000 in savings.



**Iowa:** Iowa is encouraging welfare recipients to work and build up savings through "individual development accounts," from which they can make withdrawals only to start a business, buy a home, pursue education or job training or take care of a family emergency. The state also requires participants to sign an agreement that identifies the date on which they'll leave the aid to families with dependent children (AFDC) program.



**New Jersey:** New Jersey faces a lawsuit from state advocacy groups for its "family cap" provision, which denies additional benefits to mothers who have a child while receiving AFDC.

The state also allows welfare recipients who are working to keep a higher per-

centage of their earnings than allowed under current law. A welfare parent who gets married does not lose benefits, even if the spouse is working.



**Utah:** Utah requires all able-bodied AFDC parents and children older than 16 to participate in activities designed to get them ready for jobs. Recipients may keep a larger portion of their earned income and still receive benefits. AFDC applicants with good job prospects may receive a one-time cash grant, and short-term medical and child care, in lieu of permanently joining the welfare rolls.



**Vermont:** In an experiment that mimics the two-year time limit in President Clinton's welfare reform bill, Vermont has launched a statewide pilot project that limits participants to 30 months on AFDC. After that, they must go to work or take a government-subsidized community service job. Teenage recipients with children must live with their parents or in a supervised setting.



**Wisconsin:** Wisconsin is testing a host of reforms, including a family cap, a two-year time limit, a 20-hours-a-week work requirement and different benefit levels for residents moving in from another state. A pilot project would allow up to \$10,000 in a restricted savings account. The Legislature has also agreed to abolish AFDC by 1999 and replace it with a new welfare program now in the planning stage.

complex programs, states are required to help pay for AFDC and Medicaid. (Food stamps are federally financed.) The state share of AFDC and Medicaid ranges from 20-50 per cent.

As caseloads and costs have burgeoned in the past two decades, states have grappled with the welfare monster up close. The number of AFDC recipients surged from 7.4 million in 1970 to 14.1 million in 1993, an increase of 91 per cent. AFDC expenditures (adjusted for inflation) went up 44 per cent in that time, from \$15.5 billion to \$22.3 billion.

Governors have technically had room to experiment since 1962, when an amendment to the Social Security Act gave states permission to seek waivers of the federal rules to conduct welfare pilot projects. But the state reform movement didn't start percolating until the 1980s, when President Reagan launched a push for work-based reforms and Congress granted states new leeway to impose job requirements on welfare recipients.

The resulting welfare-to-work programs formed the basis of the most recent welfare overhaul, the 1988 Family

Support Act, which sought to redefine welfare as a transition to work through the Job Opportunities and Basic Skills (JOBS) program.

JOBS was supposed to move welfare recipients into the work force through government-financed placement, education and training programs. But tight budgets in the 1980s prevented states from fully matching federal funds for JOBS, and results have been spotty. That's led states to seek a host of other solutions, spurred in part by easier access to waivers during the Bush Administration.

Since President Clinton took office, the stream of waiver applications has swelled to a flood. The Clinton Administration has granted waivers to 20 states for welfare demonstration projects, from school attendance requirements in Arkansas for AFDC parents under 16 to a cash bonus in California for teenage mothers who get good grades. All but two states now are conducting some form of welfare experiment.

While it's too early to draw sharp conclusions, some points of consensus have emerged. The biggest barriers to work, many state legislators agree, are federal welfare rules that reduce benefits dollar-for-dollar against earnings. (Under current rules, welfare recipients generally may keep \$30 of earnings a month for the first year on assistance.)

Accordingly, states are testing a host of incentives that attempt to "make work pay" by letting welfare recipients keep more of what they earn, build up their savings and own a better car. (Current rules prevent AFDC recipients from having more than \$1,000 in savings or owning a car that's worth more than \$1,500.) Some states are experimenting with restricted savings accounts that encourage recipients to invest in education or work training.

Also widely tested are measures aimed at eliminating what amounts to a marriage penalty: the current federal regulations that require two-parent households to be dropped from public assistance if one member of the family works more than 100 hours a month. Many states are also experimenting with new techniques of wringing child support from "deadbeat" spouses and providing extended child care and health care services to welfare recipients who work.

More controversial are a number of penalty-based reforms, including the two-year time limit that is the centerpiece of the Administration's welfare reform bill (the 1994 Work and Responsibility Act) and sanctions for behavior disapproved by the state. Some waivers—including a cap on family size in New Jersey and laws in California and Wisconsin that pay different benefits to recipients who move in from out of state—have even drawn court challenges.

To Republican leaders on Capitol Hill, the most sweeping state reforms are the most promising. The Personal Responsibility Act, the welfare reform bill proposed in the House GOP's "Contract With America," builds on the concept of the family-size cap to tackle what many Republicans see as the heart of the welfare problem: illegitimacy. Much in the Republican bill, however, goes far beyond what states have sought to test.

The legislation would end aid to most



**Mark Greenberg, a senior staff attorney at the Center for Law and Social Policy** *It's not "a matter of federal indifference whether a state assists poor families."*

noncitizens, would require mothers to establish paternity as a condition of receiving AFDC and would cut off benefits to the illegitimate children of minor mothers. It would also allow states to spend welfare money on adoptions, orphanages and supervised group homes for teen mothers.

Such proposals have rung alarm bells among advocates for low-income families, and even among many governors. State legislators argue that noncitizens or young mothers cut off from welfare will simply turn up elsewhere in the system, taxing state programs that serve the hungry, the homeless and abused or neglected children.

On the flip side, the Republican plan would allow states to opt out of AFDC altogether and instead craft their own welfare programs, which would be financed by fixed annual block grants. The proposal echoes the approach taken in Wisconsin, which, in addition to an ambitious series of welfare reforms already under way, plans to abolish AFDC by 1999 and replace it with a brand-new system.

Some on Capitol Hill see state autonomy as the key to welfare reform. Sen. Nancy Landon Kassebaum, R-Kan., has introduced legislation that would effect a "swap" between the states and the federal government. The federal government would take over Medicaid; states would take over the cost and responsibility for administering AFDC.

"Much of the framework for welfare [reform] is in place," Kassebaum said. "And each state, and state legislators, are going to feel some responsibility for making sure that it's working."

Democrats, too, are warming to the

idea of state autonomy. Inspired in part by his state's approach, Sen. Herbert H. Kohl, D-Wis., has introduced legislation that, like the GOP's Personal Responsibility Act, would block-grant AFDC and most food stamp money to the states. (Food stamps for the disabled and the elderly would stay in place, and the supplemental feeding program for women, infants and children would be expanded.)

"If we simply design another federal program, one size fits all," Kohl said, "the danger is awfully great that we will be right back where we are now in a few years, trying to fix the welfare program."

Not everyone agrees that states should have free rein. Many experts argue that full state autonomy would be a backward-looking reform and would create drastic variations in welfare benefits from state to state.

Economic downturns, some advocates for the needy fear, could tempt state legislators to sharply reduce public assistance. States also might compete to have the least-generous program to discourage low-income families from moving in from other states, they warn.

"There's an important distinction between trying to encourage state creativity in welfare reform efforts and saying that it's a matter of federal indifference whether a state assists poor families," said Mark Greenberg, a senior staff attorney at the Center for Law and Social Policy.

The Administration, too, favors national legislation as a way to ensure a minimum standard of help for needy families. At the same time, though, its reform bill also puts a premium on state flexibility. The bill would set aside money for state demonstration programs and give states the freedom to pursue a host of rule

Photo: Frank



Richard A. Illman

**S. Anna Kondratos of the Hudson Institute**  
"You can't have AFDC reform working in a vacuum..."

changes, including caps on family size. It's this philosophy of state freedom that's led the Administration to approve so many waivers.

"What the waiver demonstrations represent is a recognition on the part of the states, just as there is a recognition on the part of the federal government, that there need to be some pretty dramatic changes in the welfare system," said Mary Jo Bane, the assistant Health and Human Services (HHS) secretary in charge of the Administration for Children and Families.

Advocates of state flexibility argue that the states are in the best position to fix welfare: Reforms that work in New York, they say, will have little application in Wyoming, and vice versa. Governors won't want to put families in jeopardy, the argument goes, because if they do, it's the states that will have to pick up the pieces.

"It's easy to be concerned that somehow states will go the wrong way," Sheri E. Steisel, the human services committee director of the National Conference of State Legislatures, said. "But it's not in states' interests to suddenly have a group of people who are homeless. It's not in states' interest to have a group of children who are in foster care. Foster care is more expensive than AFDC."

To hear the governors tell it, welfare

reform in the states is one success story after another:

- In New Jersey, state officials point to nearly a 10 per cent reduction in the number of children born to AFDC families following implementation of the 1992 "family cap" law, which prohibits additional benefits to welfare mothers who have more children.

- In Iowa, a statewide reform package has reduced the average monthly size of AFDC grants from \$374 to \$249 since 1993, state officials maintain. Among other reforms, Iowa requires AFDC recipients to sign and stick to a "family investment agreement" that maps out steps to employment. Its reforms are also credited with lifting the percentage of two-parent families on AFDC from 7 to 10 per cent.

- In Utah, a demonstration project aimed at putting families to work and boosting family incomes has reduced the AFDC caseload by as much as 30 per cent in some areas, state officials say. Utah legislators also point to a rise in the number of AFDC clients who are working, from 18 to 25 per cent. (The national average is about 8 per cent.)

"There's been a real culture change," said William S. Biggs, the coordinator of the Single Parent Employment Demonstration Program at Utah's Human Services Department. "The line staff feel that they're really helping participants. They see participants moving into jobs. They see participants having increased income."

#### CAUTIONARY TALES

But many welfare policy analysts are skeptical of the states' success claims. The reform efforts tend to be long on public relations, they say, and short on public policy. New Jersey's reduction in the AFDC birthrate, for example, has been questioned by researchers who point out that the state has seen an over-all decline in family size.

The biggest problem facing state legislators is that it remains tremendously costly, in time and in money, to get young mothers with infants into the work force. Ironically, it often proves cheaper to simply write a welfare check than it does to furnish welfare recipients with day care, transportation and training.

"Every state runs its 'gee whiz' training programs, and every single one of them is a flop," said Robert Rector, the senior policy analyst for welfare issues at the Heritage Foundation, a conservative think tank.

Liberal critics are just as unhappy. Advocates for low-income families complain that the Administration has granted a plethora of waivers with little opportunity for public comment and with little thought to the impact on children of such controversial reforms as family caps and rigid time limits.

"Welfare reform is happening all over the country without Congress having held one markup session, and it is proceeding in a very chaotic and uncoordinated way," said Jennifer A. Vasiloff, the executive director of the Coalition on Human Needs, a group of liberal advocacy organizations.

HHS's Bane countered that the Administration has been careful to approve only waivers that are consistent with its welfare reform bill, that retain a safety net for families and that promise to yield concrete results. Federal rules require state waiver demonstration projects to be cost-neutral and to incorporate control groups.

But the sweeping approaches to welfare reform in the states may make credible evaluations virtually impossible, said Gary Burtless, an economist and senior fellow at the Brookings Institution who specializes in labor and social policy issues. Indeed, some states are carrying out as many as 40 waiver experiments at once. Too many variables, Burtless argues, make it impossible to isolate the approaches that work. "We are left with a laboratory," he said, "in which all results are inconclusive."

Not all welfare experiments, however, have been conducted in a vacuum. Those with the most concrete results are the early pilot projects initiated in the late 1980s, including California's Greater Avenues to Independence (GAIN) program, the nation's largest JOBS program, and a similar welfare-to-work program in Florida called Project Independence.

Evaluations by the New York City-based Manpower Demonstration Research Corp. (MDRC), a not-for-profit organization that field-tests public programs, found that both programs boosted the number of welfare clients in the work force, improved recipients' earnings and reduced their dependence on public assistance.

But as in other state experiments that MDRC has studied, welfare caseloads were not reduced dramatically, and costs remained high. Even in California, which is widely cited as a welfare success story, savings were not across-the-board. The

GAIN program more than paid for itself in two of six counties studied and broke even in a third over a five-year period. But in the other three counties, GAIN failed to save money. (For more on GAIN, see NJ, 1/15/94, p. 111.)

Some experts point to measurable successes in California and Florida as evidence that the JOBS program is working and argue that it should be fully financed before policy makers launch into a whole new round of reforms. Indeed, most state welfare experiments build heavily on the training and education infrastructure created by JOBS.

### THROW IT OUT

There's a growing impatience on Capitol Hill, though, and even in some state legislatures, with reforms that fail to drastically overhaul the system. Critics of state JOBS programs complain that they invest heavily in education and training with only a 10-15 per cent reduction in caseloads.

"One of the most important lessons we've learned [from the states] is the limits of the work-oriented approaches that have been tried up to now," Burtless said. "We haven't discovered penicillin. We've discovered aspirin, I suppose."

And for welfare reform advocates on Capitol Hill, especially Republicans, aspirin isn't enough. Among their most popular models is Wisconsin, which has attracted national attention because of Republican Gov. Tommy G. Thompson's promise to get rid of AFDC entirely by 1999.

Wisconsin already has waivers to test several approaches, including a two-year time limit, a cap on benefits for AFDC parents who have more children and a two-tiered benefits system based on residency. Now Thompson wants to scrap the whole system and start again.

"Anything you do is going to be an improvement," Thompson said in an interview. "And the more radically you try to change it, the better off you are going to be for the recipient, [and] for the state."

With the help of the Indianapolis-based Hudson Institute, Wisconsin is laying the groundwork for a host of new public assistance rules, some of which are being tried in other states. These include more partnerships with local businesses to train and place workers and the consolidation of job-training programs.

More broadly, Wisconsin is considering a redefinition of the welfare population to include not just single mothers with children, but also anyone who needs assistance. The idea would be to avoid government rewards for single-parent families. Like several other states, Wisconsin is also looking at ways to bring

health care, child care, job training and other public assistance programs under a single roof.

"You can't have AFDC reform working in a vacuum in areas that are severely distressed," said S. Anna Kondratas, a senior fellow in the Hudson Institute's Washington office.



Gerald H. Miller, the director of the Michigan Social Services Department  
"Conservative micromanagement is just as bad as liberal micromanagement."

Some policy makers are hoping that Wisconsin will become a national model for welfare reform. Those who want Congress to turn the welfare system on its head, however, may meet their strongest opposition in the states. State legislators have criticized the bills on Washington's table so far, whether Democratic or Republican, as overly complex, bureaucratic and intrusive.

Many governors see Clinton's proposal to cut off aid to welfare families after two years as too rigid. States with poor economies could be left holding the bag, they argue. At the same time, Republican proposals to cut off most noncitizens and minor mothers of illegitimate children have drawn fire from state legislators as overly proscriptive.

"Conservative micromanagement is just as bad as liberal micromanagement," Gerald H. Miller, the director of the Michigan Social Services Department, said. "The issue here in welfare reform is to get people a job and off of public assistance."

From Miller's point of view, contentious debates over illegitimacy simply divert attention from the primary focus of welfare reform, which is to get people working. In Michigan, legislators say that their statewide experiment, which combines incentives and penalties for welfare families, is doing just that.

Among other provisions, the state requires all families receiving welfare to sign a "social contract" in which they pledge either to work, go to school or volunteer in the community for at least 20 hours a week. Recipients who refuse to participate are phased off welfare.

For applicants entering the welfare sys-

tem for the first time, the rules are even stricter. Able-bodied new recipients must work at a private-sector job paying the minimum wage for at least 20 hours a week. An early result, according to Michigan caseworkers, is that some prospective recipients are calling up to cancel interviews with the news that they've already found work. Other welfare seekers are showing up at state agencies dressed for job interviews.

"We'll stand by our results," said Miller, who questions whether a two-year time limit on welfare would work in Michigan. "You have to recognize the reality of the economy we live in. If you go over to Wal-Mart now, you know what you're going to get offered? You're going to get offered 19 1/2 hours a week. And you know why? Because they don't want to have to pay benefits. That's the real world."

Whatever Congress may do, Michigan legislators want the freedom to complete the welfare reform experiments that they've launched. That would suit Kiki Joyce just fine. She has no complaints that the state forced her into job-training classes, and she has high hopes for a career in nursing.

"They're giving us a chance," Joyce said. "And if you don't take that chance, you will be one of the ones left without anything." ■

# Governor Assails GOP Welfare Proposal

Association Chairman Says Plan to 'Starve Children' Will Split Group

By Dan Balz  
Washington Post Staff Writer

The chairman of the National Governors' Association, Democratic Gov. Howard Dean of Vermont, yesterday ripped into the Republicans' welfare reform plan as a policy "to starve children and kick old people out of their houses" and attacked Republican governors in extraordinarily harsh language for helping to negotiate it.

Dean said the plan, outlined Friday in Washington, is the work of "extremists who have taken over Congress." In a telephone interview, he vowed, "I'll be damned if I'm going to let extremists take over the National Governors' Association."

The Vermont governor said the negotiations among Republicans in Congress and in the state capitals were "destructive" to the tradition of bipartisanship within the NGA and said many of his Democratic colleagues are so angry that they have talked about canceling the NGA's winter meeting and even dismantling the organization.

"It's impossible for me to tell you how angry they are," he said. "They're furious. Furious."

Dean said he planned to consult with Democratic governors in a conference call today to plan a counterattack but also vowed to seek alliance with moderate Republicans in the Senate and among the ranks of Republican governors in order to block the proposal.

"I think some of them think they've got a mandate to starve children, and they don't," Dean said. "We're going

to beat them inside the NGA and in the Senate, if we can't beat them in the House."

Wisconsin Gov. Tommy G. Thompson (R), the NGA vice chair and a target of Dean's attack, said he was disappointed by the Vermont governor's reaction and attributed it to the fact that he and other Democrats are jealous because they are no longer in power.

"He's disappointed because he wasn't there and now he wants to pick a fight," Thompson said in a telephone interview yesterday. "I don't want to pick a fight. I want us to get as much flexibility [for the states] as possible."

The NGA winter meeting is scheduled to begin Jan. 28, and the partisan flare-up between Dean and the Republicans is likely to color a session where business usually is conducted in an agreeable and often bipartisan way.

The outlines of the Republican plan were described Friday after a meeting between Republican governors and Republican congressional leaders. It would replace hundreds of federal welfare, job-training and nutrition programs with cash grants to the states and give states broad flexibility to manage the programs with little direction from the federal government.

Thompson said there is "no ironclad agreement" between the governors and Republicans in Congress about the details of the welfare reform plan, adding that he, Michigan Gov. John Engler (R) and others were fighting for principles that Democratic governors shared as much as Republican governors.

"If we had Democratic governors there and talked about block grants and more flexibility [for the states], Howard would be in a minority of one voting against it," he said.

Dean said he had become extremely frustrated with the actions of Thompson, Engler and other Republican governors. "We've given up on them," Dean said. "They talk to us and say, 'Yes, yes, yes,' and then they get intoxicated when [House Speaker Newt] Gingrich [R-Ga.] gets them in the room."

Engler could not be reached for comment, but his spokesman, John Truscott, said the Michigan governor was frustrated by the criticism. "The Democrats in Congress would never listen to Democratic governors," he said. "But the Republicans in Congress are definitely listening to Republican governors."

Dean said the Republican plan could cripple state budgets, particularly in larger states, and said the plan as outlined was so far-reaching it would give Democrats who oppose the idea of transferring power back to the states, which Dean said he favors, more ammunition in their fight.

Thompson said he still hoped to work harmoniously with Dean and the Democrats. "We're trying to work with the Republican leadership, and we want the NGA to be a powerful force in that regard," he said. "I'm going to do everything I can to make it that way."

# GOP Defends Private Briefing for Donors

By Dan Balz  
Washington Post Staff Writer

Republican congressional leaders yesterday defended plans to give \$1,000 contributors a private legislative briefing from House Speaker Newt Gingrich (R-Ga.) and Senate Majority Leader Robert J. Dole (R-Kan.) during a fund-raising gala here next month.

The private briefing is among events planned by the Republican National Committee (RNC) around its Feb. 9 fund-raiser, which is being billed as a GOP inauguration and could raise millions of dollars. Those who contribute \$1,000 to the party will be able to attend the briefing, according to the invitations.

Asked on NBC's "Meet the Press" yesterday whether the private briefing is a break with business as usual in Washington, House Majority Leader Richard K. Armey (R-Tex.) said, "That has nothing to do with the business we conduct on the floor of the

House and the Senate, the manner in which we legislate the nation's business."

Senate Republican Whip Trent Lott (Miss.) said, "What we're referring [to] there is the way we do business in the Congress and with the people's business, and that's what we're going to focus on, the substantive issues. . . ."

RNC spokesman Chuck Greener said the private briefing from Dole and Gingrich could be attended by 300 to 400 people and defended the practice as a way to express thanks to those who have supported the Republican Party financially.

"This is not inside information," he said. "These are events with several hundred people where they have an opportunity to listen to leaders who have an opportunity to express their gratitude to these people."

Asked whether this was a break with business as usual in Washington, he said, "I would say to you I don't think it comes as a surprise to anyone

that political parties raise money. In the context of talking about business as usual, the public is talking about situations where they have felt it is a closed congressional process and on the first day of the session that process was dramatically altered. These are two distinctively different things."

Giving major donors this kind of access is common in both parties, but it can be embarrassing to a party that, like the Democrats two years ago, has vowed to change the way Washington works.

Last summer, Vice President Gore was criticized for hosting a private barbecue at his residence for people who gave the Democratic Party at least \$5,000. Like the Republicans yesterday, Gore defended the practice at the time.

"Well, people who helped us in the campaign are people who I've gotten to know," he said, "and if I want to ask them to come over and share a social evening where I can spend an evening with them, what's wrong with that?"

Date: 09/21/94 Time: 15:35

## House Votes To Get Tough With Deadbeat Dads

WASHINGTON (AP) The House took a step Wednesday against parents who fail to pay child support, voting to prevent them from obtaining Small Business Administration loans.

Several lawmakers said similar language could be added to other legislation authorizing federal benefits.

The child support language was attached by voice vote to legislation that would significantly expand small business loan, investment and management assistance programs.

The measure goes to conference with the Senate, which did not have the child support language.

"This proposal is intended to preclude the use of federal taxpayers' dollars to assist individuals who fail to satisfy their most basic parental obligation to provide adequate support for their child," Rep. Michael Bilirakis, R-Fla., said.

"Our primary intent is to encourage payment," said Bilirakis, sponsor of the amendment.

The measure would require anyone applying for an SBA loan to certify that they are not in violation of any administrative order, court order, or repayment agreement requiring child support. Anyone caught lying could be penalized under existing federal fraud statutes.

The overall bill authorizes the programs of the SBA through fiscal 1997. It would provide relief to SBA participants who are paying high pre-payment penalties. The measure also would create new programs to expedite processing of some loan applications and expand the micro-loan program, which provides small businesses with small loans that are often unavailable from other lenders.

The legislation includes initiatives to support the development and growth of businesses owned by women.

"The SBA and its programs provide critical support to America's small businesses as they start up, expand and create more jobs for more Americans," said Rep. John J. LaFalce, chairman of the House Committee on Small Business.

Both the Clinton administration and members of Congress have proposed stiff measures against parents who fail to pay child support.

The administration's welfare reform task force reported last June that child support payments fall about \$34 billion short of what is potentially owed to children living with a single mother or father. That is more than the \$23 billion annual price tag for Aid to Families With Dependent Children, a key federal welfare program.

The administration believes its reforms could double public child support collections by 1999 from \$9 billion a year to about \$20 billion.

The administration's plan seeks to improve the establishment of paternity for all children born out of wedlock. Now, paternity is established in only about one-third of the 1.2 million births each year to single mothers.

Other measures call for periodic updating of child support orders to reflect changes in the parents' income, a national clearinghouse to track cases across state lines and more money to automate child support agencies swamped with requests for help.

Rep. Pat Schroeder, D-Colo., and other female members of Congress have proposed legislation to deny federal benefits to parents who are three months behind in support payments.

APNP-09-21-94 1534EDT

a0672-----

r wdx .

^AM-Welfare Reform, 350&lt;

^House Speaker Declares Welfare Reform Dead For Year&lt;

^By JENNIFER DIXON=

^Associated Press Writers=

WASHINGTON (AP) \_ Welfare reform was officially declared dead for the year on Monday by house Speaker Thomas S. Foley.

Foley, acknowledging what some lawmakers had been saying for months, told reporters that Congress had run out of time to overhaul the nation's welfare system before the November elections.

But, he said, there may still be a chance to strengthen child-support laws to get tough with the absent parents who refuse to pay.

'Welfare reform, there is not sufficient time to do that. But there might be some incremental legislation ... something in the way of making stronger the requirements for absent fathers to pay child support,' said Foley, D-Wash.

House Republicans and conservative and moderate Democrats had sought to change welfare with time limits and work requirements this year, but liberals said the debate was threatening to turn harsh and punitive as the fall campaigns got under way.

President Clinton announced his welfare reform plan in mid-June, but then did little to sell it, despite his campaign promises to 'end welfare as we know it.'

Foley's comments Monday were the first by a member of the House leadership to officially acknowledge that welfare reform was stalled for the year.

House Republicans, who proposed their own welfare reform bill a year ago, criticized the White House and the Democratic leadership for letting the chance to change the system slip this year.

Rep. Rick Santorum, R-Pa., a sponsor of the Republican welfare plan, said the Democratic leadership and the administration 'stalled and bowed down to the interests of the far left wing of the party and scrapped welfare ... it's going to come back to haunt them.'

Moderate Democrats also believe the White House squandered its chance to pass a bipartisan welfare reform bill by waiting until June to introduce its plan.

By the time Clinton announced his plan, there were already numerous competing plans in Congress, Republican sentiment had shifted to the right, and the liberal opposition quickly strengthened.

Date: 08/02/94 Time: 08:38

WR -  
Newsclips

## Race, National Origin to be Considered in State Welfare

WASHINGTON (AP) In a policy shift designed to allay the concerns of civil rights advocates, the Clinton administration will consider race when deciding whether states should be allowed to experiment with welfare reform.

The administration's plans, outlined in a draft obtained by The Associated Press, could also make it easier for the public to influence experiments by the states to change their Medicaid and welfare systems.

Mary Jo Bane, the assistant secretary for children and families at the Department of Health and Human Services, said states are proposing substantial reforms in their welfare programs and "we believe that they deserve public attention, they deserve public comment."

"We are not trying to design a cumbersome, bureaucratic procedure that slows things down," Bane said in an interview Monday. "We're trying to design a procedure to make sure that we get public comment and that we take it into account."

Critics, however, say the plan will slow experiments with reform in the states, which have taken the lead in changing welfare with work and education requirements, time limits and caps on benefits to recipients who have additional children.

They also see the plan as a way for the administration to quell a backlash from liberals who oppose some state welfare reforms as harsh and punitive. Three experiments are also the target of lawsuits involving Medicaid or welfare in California, New Jersey and Tennessee.

Gary Stangler, director of the Missouri Department of Social Services, said states are already developing reforms "within the glare of publicity."

"Anything that puts a chill on (state innovation) is counterproductive to trying to address the serious issues we're wrestling with in the area of human services," he said.

President Clinton told governors last year that he would give them the "elbow room" to experiment and promised to approve reforms that he did not necessarily agree with.

His administration has given 15 states permission to experiment with reforming Aid to Families with Dependent Children and 15 others have requests pending. Five states have received approval for statewide Medicaid reform projects and six others want permission to experiment.

Although AFDC and Medicaid are federal-state programs, the secretary of health and human services must waive certain federal regulations to allow experimental projects. The law gives the HHS secretary wide latitude to evaluate state requests for waivers.

According to the administration's draft, states would be required to give the public a chance to comment on experiments before HHS would consider the proposed reform, such as holding hearings.

Waiver requests would also be reviewed for potential violations of civil rights laws. States could be required to address the potential impact on groups protected by civil rights laws, such as minorities, who account for more than half of all welfare recipients.

Bane said HHS wants to make sure that "protected groups are not adversely affected" by state experiments.

"The civil rights question is whether the demonstration itself, in contrast to the current situation, has differential and negative

effects on members of protected groups," she said. "What the civil rights concerns asked us to do is to make sure in designing the demonstration, identifiably protected groups are not adversely affected."

Gerald Whitburn, the secretary of health and social services in Wisconsin, which leads the country in welfare waivers, said the administration proposal would "gum up the process and establish new hurdles."

"This is evidence of the backlash that he (Clinton) is getting from old-school liberals who hate many of the no-nonsense welfare initiatives states have been proposing and who vehemently oppose Clinton administration approval of them," Whitburn said. "It puts aggressive, innovative governors like Tommy Thompson (R-Wis.) through new hoops."

But Mark Greenberg, a senior staff attorney with the Center for Law and Social Policy, a liberal advocacy and research organization, said the changes are "very modest but desperately needed."

"The waiver process was supposed to be a way to authorize state research demonstrations," he said. "It has turned into a way to grant political favors to governors. It has turned into a process where virtually every state proposal gets approved no matter how much harm it might cause poor families."

APNP-08-02-94 0838EDT

## HUMAN RESOURCES

## Matsui: White House Should Consider Welfare Plan Delay

A key House Ways and Means Human Resources Subcommittee member is urging Clinton administration officials not to send Congress a welfare reform plan unless they are certain Congress has the time and inclination to pass it this year. "If they want to do it, they should send it now," Rep. Robert Matsui, D-Calif., told CongressDaily in an interview. "If they don't think they're going to get a bill out this year, then they should wait until 1995." Matsui said whatever welfare reform plan the administration sends to Congress will get picked apart on Capitol Hill -- and he contended allowing it to languish without any chance of approval this year would hurt any eventual attempt to pass it. An administration official earlier this week said President Clinton is likely to send his plan to Congress late this month or early May and that no final decisions have been made yet about how to finance it.

Matsui strongly urged the administration and House Democratic leaders to derail any effort to adopt a proposal to pay for welfare reform by cutting off all federal assistance to legal immigrants. That plan is being pushed by House Republicans and the moderate Democratic Mainstream Forum, who contend that together they have a significant number of votes for the plan. "The leadership will have to do everything they can to prevent that," Matsui said, warning that some liberal Democrats and House members with large immigrant populations feel so strongly about the issue they may threaten to withhold votes for healthcare reform because of it. "There would be a spillover into other areas," he said.

Nonetheless, Matsui said no consensus is developing about how to pay for the welfare plan, adding, "A lot of holes still need to be dealt with." He said it remains unclear how the administration plan would deal with a single mother who refuses to or cannot fulfill work requirements in the proposal. In addition, he said by focusing initial reform attempts on young welfare recipients, the plan could encourage states to focus their resources on the same population, neglecting older needy people. And he said is troubled by any plan that would cut other social programs to pay for welfare reform, contending that would result in more money for caseworkers and less for people who need it. "This is not a New Democratic proposal," he said, adding the "only thing that is New Democratic is the two years and out" proposal that would require recipients to get a job two years after enrolling in federal assistance programs.

The Congress Daily --- Friday --- April 8, 1994

## SCHEDULE

Senate Democrats Determined On Welfare Reform In '94

WR - Newsclips

Contending that a two-track schedule can be accomplished, Senate Democrats are aiming to have both healthcare reform and welfare reform legislation on the floor by July -- a schedule they acknowledge may not leave the Finance Committee time to consider legislation implementing the Uruguay Round of GATT this year, a key Democratic source said today. Senate Democratic leaders hope that committees will complete t'Q, work on health reform legi||ã-T-N|| by the end of May, with the bill on the floor before the July 4th recess -- and conference work completed by the August break, this source told CongressDaily. With at least two committees working on the health bill at the same time, the source anticipated most conflicts over the measure to be settled on the Senate floor.

Although some House Democrats, most notably Ways and Means Chairman Rostenkowski, have expressed skepticism that Congress will be able to pass welfare reform legislation this year, an involved source said he senses "real determination" among senators to pass a bill. "People want to do this this year, so it's possible ... I'd say it's probable," the source said, foreseeing a welfare reform bill that would reach the Senate floor in July, with conferees meeting in August. Under that schedule, the Senate would consider the conference report in September. Sources said congressional Democrats discussed the subject of welfare reform at a recent joint leadership meeting, and that there was a consensus among both House and Senate Democratic leaders to try to pass a bill this year.

The ambitious schedule may make it difficult for the Senate to consider GATT this year. "You may squeeze it in and you may not," the source said. While not ruling out consideration of GATT in 1994, Senate Finance Chairman Moynihan earlier this week told CongressDaily it would be difficult to consider the GATT bill this year due to time restraints -- and also because Senate Republicans have raised serious concerns about the subsidies portion of the agreement.

The Congress Daily --- Friday --- February 4, 1994

## HUMAN RESOURCES

## Key Republicans Pushing For Welfare Reform This Year

Key Republicans are cautiously optimistic about welfare reform action in the House Ways and Means Committee, and plan to pressure Democrats both on and off the panel to move the issue forward this year. The GOP "plans on turning up the heat to get it done this year," a source said today, adding: "It's important legislation. The GOP wants to see it happen." However, other sources said Ways and Means Human Resources Subcommittee Republicans are approaching hearings on welfare reform slated for later this month carefully. With little time left on the legislative calendar to squeeze in action on another major issue before adjournment, aides said the GOP members want to wait to see if the hearings are substantive or just for show.

Republicans will be more convinced of the seriousness of Human Resources Subcommittee Chairman Harold Ford, D-Tenn., and Acting Ways and Means Chairman Gibbons if they agree to include conservative welfare reform activists in the hearings, sources said. Currently, the only scheduled hearing has HHS Secretary Shalala testifying before the full committee July 14. Ford is trying to get clearance from Democratic leaders to schedule a series of hearings on different reform "themes," sources said. Even if tight floor schedules make it impossible for the bill to get through Congress this year, hearings and markups will build momentum for action for next year, which also is good for Republicans, aides said.

Meanwhile, members both on and off the committee are moving ahead separately with child support enforcement legislation, which also is included in most welfare reform plans. Congressional Caucus for Women's Issues members met last week with Speaker Foley to discuss putting their bill on a fast track in the House. And Minority Whip Gingrich also separately endorsed moving legislation to the floor quickly. The caucus' plan calls for many of the steps also in President Clinton's welfare reform bill, including enhanced paternity establishment procedures and penalties for "deadbeat dads." In addition, Human Resources Subcommittee member Sander Levin, D-Mich., has introduced a bill that would require child support enforcement agencies to report the status of payments to credit bureaus. A GAO report Levin has released on the plan called it "promising."

The Congress Daily --- Tuesday --- July 5, 1994

Date: 06/17/94 Time: 18:12

## Key Lawmaker Promises Quick Action on President's Welfare Plan

WASHINGTON (AP) The new chairman of the House Ways and Means Committee promised Friday to move quickly on President Clinton's proposal to reform welfare by requiring recipients to go to work.

Rep. Sam Gibbons, the panel's acting chairman, told committee members and Clinton administration officials that he intends to send a welfare reform bill to the House floor this summer.

A Republican lawmaker and congressional aide said Gibbons' decision to push welfare is a sign that he "wants to prove he can do a good job" and beat Rep. Dan Rostenkowski, who gave up the chairmanship after being indicted on charges of political corruption, "at his own game."

Another GOP aide suggested that Gibbons was seizing the issue with an eye toward embarrassing Republicans, who have criticized Clinton's \$9.3 billion plan as timid and hopelessly weak, if they try to thwart the passage of welfare reform.

Gibbons' schedule for welfare reform is more ambitious than the White House anticipated. Clinton just announced his plan on Tuesday and has yet to send Congress a bill.

Administration aides acknowledge that their plan has little chance of passing Congress this year and just Thursday, House Speaker Tom Foley told reporters that he was uncertain lawmakers could finish work on welfare legislation this year.

According to lawmakers who attended Friday's meeting with Gibbons, the Florida Democrat is ready to begin public hearings on welfare reform by mid-July.

The full Ways and Means Committee could take up the bill by the first of August, followed by passage in the House by mid-August or later.

Rep. Harold Ford, D-Tenn. and chairman of the subcommittee on human resources, said he would call 10 days of hearings on welfare reform next month. He said he would consider all of the competing welfare reform bills pending in Congress this election year from the most conservative to the most liberal.

"My intent is to adhere to his (Gibbons') plan," said Ford. "I'd like to see a bipartisan bill ... to strike some type of compromise and bring a bill out."

"No question but there's time to do it," added Rep. E. Clay Shaw Jr., R-Fla. and one of the sponsors of a reform welfare bill backed by more than 160 House Republicans. "Mr. Gibbons is much more ambitious than Mr. Clinton."

Shaw and other Republicans said they were also willing to work with Gibbons to draft a bipartisan welfare reform bill that would change the welfare system with time limits, work requirements and an aggressive strategy to wrestle child support payments from delinquent parents.

"He says he wants to move a bill out of subcommittee by the end of July, and my comment was, 'Let's do it.' I'm anxious to work in a bipartisan fashion to get welfare on a fast-track out of here," said Rep. Rick Santorum of Pennsylvania, the senior Republican on the human resources subcommittee.

Democrats remain divided.

Moderates and conservatives favor time limits and work requirements, and have been pushing the change the system this year, in time for the November elections.

Liberals, however, oppose a two-year limit on cash benefits, cutting aid to immigrants and a proposal to deny additional benefits to women who get pregnant while already on welfare.



DAVID C. COATES/The Detroit News

## SUMMIT IN DETROIT

Demetria James serves breakfast at Highland Park Community College's day care center, but says she barely earns enough to provide day care for her own kids.

# Cost of day care makes it tough to escape welfare

■ **Struggling to make it work:** Many low-paid employees say they spend more of their wages on children's care.

By Tammy Joyner  
THE DETROIT NEWS

3/10/94

Demetria James earns \$5 an hour at a day care center making meals for other people's children. But the money she makes barely covers day care for her own kids.

Under state welfare revisions adopted in 1992, the mother of three must work part-time to keep receiving welfare. Her state support goes to pay rent, food and utilities, and her paychecks go to send her two young children to day care.

"I want to be off aid. I'm trying to turn my life around," said James, 32, who also pays \$2.50 a day in bus fare to get to and

from her job at Highland Park Community College Day Care. "I get so frustrated because I try so hard. I pay all my money out to child care."

As President Clinton and other world leaders meet in Detroit next week to discuss how to create jobs for people who don't have them, James' story points to a critical issue: how welfare mothers can afford to take jobs and care for their kids.

Finding affordable child care remains the biggest obstacle to women getting and keeping jobs, experts say.

"Our efforts at welfare reform will fail if we invest heavily in strategies for moving

Please see **Day care**, 2E

## Child care in Michigan

- About 54 percent of Michigan children under 6 need child care, either because both parents work or their single parent is working.
- About 57 percent of Michigan mothers with children under 6 are working, up 37 percent from 1980.
- Two-thirds of Michigan mothers who work are single, divorced, widowed or married to men making less than \$15,000 a year.
- There are about 215,000 licensed child care slots in Michigan, enough to cover fewer than half the children who need care.
- The average cost of child care in Michigan exceeds \$4,400 a year for one child in full-time care. That's about 29 percent of the average income for a single mother, and 9 percent of an average married family's income.

Source: Michigan's Children

## care: Cost is a heavy burden for many working moms

om page 1E

recipients from welfare to work and then fail to help them overcome the barrier for prohibitive child care costs once they're placed in low-wage jobs," said Pat Sorenson, vice-president for policies at Michigan's Children, a child advocacy group in Lansing.

The average annual cost of child care exceeds \$4,400 a year per child in full-time care. That's about half the paycheck of a single parent working full-time at a minimum-wage job.

"If they have two children that need full-time care, they're out of the labor force because that's their full gross earnings," Sorenson said.

The Child Care Coordinating Council of Detroit/Wayne County Inc. is inundated with calls from parents looking for child care services. Many callers are close to going back on welfare because they can't find help, said Carol Quarterman,

executive director of the council, known as 4Cs.

A recent congressional study found widespread shortages of decent child care for the working poor and women trying to get off welfare. Investigators also found dangerous and unsanitary conditions at some government-subsidized centers.

"It's hard to do a good job at work if I'm worried about if they're treating my kids right or can I trust them," said Jeannette Funches, a 35-year-old mother of four who is also struggling with child care bills.

Like James, Funches had to go to work to keep her welfare. She makes \$5.25 an hour as an assistant supervisor at TicketMaster in Southfield.

She said she lost some of her state support because she had earned too much, and she hasn't been able to get state child care assistance. She has since fallen behind on her rent and other bills. Money problems became so bad that her 16-year-old son told

her he was considering selling drugs to help the family.

She talked him out of it.

"We talked and cried and prayed about it," said Funches.

"They (government leaders) need to redo the system. The way it's set up now, ... the system is working against me. Then they wonder why people sit on their butts and collect (welfare from) Social Services."

Michigan leads the nation in the number of welfare recipients who are working, which 51,500 welfare recipients holding jobs — 18,000 more than when state revisions were made in October 1992. Some job training programs offer child care assistance for participants.

State officials said juggling work and child care is a common part of work life that welfare women must adjust to.

"Every woman who's working is worried about finding good day care. That's not part of welfare, that's part

of working," said Chuck Peltier, a spokesman for the Michigan Department of Social Services.

"Our objective is to get them into the labor market and get them started. Most of us started at minimum wage. But you don't stay at minimum wage. You either get raises or get a better job as you acquire skills.

"I can understand that starting out it's difficult, and maybe all her money is going to day care. But she's gaining experience that will hopefully improve the family's situation."

The big risk is that welfare mothers will leave their jobs to care for their children.

A 1987 study of mothers leaving welfare for work in Massachusetts found that one-third of the women ended up quitting jobs within a year because of child care problems. Similarly, an Illinois study found 20 percent of the women returned to welfare within a year because of child care.

James  
serves breakfast  
at Highland



v50913exec

r w AP-Welfare Reform Bjt 06-01 0723

^AP-Welfare Reform, Bjt, 730(

^Prospects For Reforming the Welfare System Are Dimming Daily(

^By JENNIFER DIXON=

^Associated Press Writers=

WASHINGTON (AP) - President Clinton says he still hopes welfare reform might catch fire this year, but it's looking less and less likely.

The Clinton administration has yet to finish its plan to overhaul welfare, the consensus for reform may be crumbling, and the congressional schedule is jampacked with health reform, crime, spending bills and confirmation hearings for a new Supreme Court justice.

Add to that the election-year pressures to adjourn Congress by early fall, distractions caused by the indictment of Rep. Dan Rostenkowski, and Democratic leaders' misgivings about cutting social programs to pay for welfare reform.

"Everything is in complete disarray up here," said Rep. E. Clay Shaw Jr., R-Fla.

Even Clinton - whose popular campaign promise to "end welfare as we know it" helped define him as a new, moderate Democrat - appears to be cooling the rhetoric.

"It might catch fire - the whole thing might catch fire - we might have a bipartisan consensus to move the bill in a hurry and get it done this year. I wouldn't write it off," Clinton said recently.

Aides to members of the Democratic leadership in the House and Senate say the prospects for passing welfare reform this year are slim.

A Senate aide puts the odds at less than one in four; House aides are less optimistic and cite the difficulties of scrounging up enough money to pay for the White House's \$9.3 billion package.

"Virtually every source of new revenue comes at a price that some members don't think is worth paying," said one leadership aide, who spoke on condition of anonymity.

"The principal reason is time," said another aide. "Second ... the alleged consensus is beginning to crumble."

On the right, prodded by conservatives like William J. Bennett and Jack Kemp, some lawmakers have begun to suggest that time limits and work requirements are not the only answer to solving the welfare crisis and curbing the rising rate of out-of-wedlock births.

They propose more extreme measures: cutting off all cash, food stamp and housing benefits to women under age 21 with children born out of wedlock.

On the left, Rep. Robert Matsui, an influential California Democrat, is drafting his own bill. It will emphasize work for parents on welfare, but rejects the notion of time limits, a cornerstone of the president's plan.

"While it's great political rhetoric and it sounds reasonable to assume people should be able to find a job after two years, the real world is not so simple and clear cut," said Matsui. "The potential is there to make many families homeless, and I don't think that is an acceptable solution to the problems in the welfare system."

MUTK





## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

(H) 625-0548

To: Bruce ReedDPCFax: 456-7431 Phone: \_\_\_\_\_Date: \_\_\_\_\_ Total number of pages sent: 1Comments: Couldn't reach you by phone -

FYI - Jason DePare is doing a weekend piece on the Republican welfare feud noted in today's Washington Times. Bennett tells him that the President "likes" the Charles Murray approach, & Jason's going to call to give you the chance to rebut him. David E. & I declined to.

If you talk to him, you might stress that an AFDC check conditional on staying in school, living at home, & going to job training is pretty tough - and a better approach than just writing teenage girls off. Also, Murray, of course, doesn't advocate child support. I'll be off Friday, but reachable tonight.

4/18/94

Note to: David Ellwood  
Mary Jo Bane  
Bruce Reed

Three quick things:

1) I've attached draft talking points on Charles Murray's proposal for your review and comments. Judging by media inquiries, we're going to need them sooner rather than later.

2) You can expect another gambling tax story tomorrow in USA Today.

3) FYI - Bill Claibourne of the Post has been sent to South Africa on special assignment for at least a month. Eric Pianin, who I know from the Senate, has taken over the welfare reform beat. He's a really solid reporter.

↓

Melissa

Draft Talking Points  
Response to Charles Murray  
4/18/94

"He did the country a great service. I mean, he and I have often disagreed, but I think his analysis is essentially right. Now, whether his prescription is right, I question...I once polled 100 children in an alternative school in Atlanta -- many of whom had had babies out of wedlock -- and I said, 'If we didn't give any AFDC to people after they had their first child, how many of you think it would reduce the number of out-of-wedlock births?' Over 80 percent of the kids raised their hands. There's no question that that would work. But the question is...Is it morally right?"

"...There is no question that...if we reduced Aid to Families with Dependent Children, it would be some incentive for people not to have dependent children out of wedlock...once a really poor woman has a child out of wedlock, it almost locks her and that child into the cycle of poverty which then spins out of control further."

President Clinton, 12/3/93  
NBC News interview

Charles Murray's identification of the problem is right. Teen pregnancy and single-parent families are important problems which should be addressed. We agree on the fact that violence, crime, drug use, poverty and homelessness are all connected to the increasing number of births to young unwed mothers.

However, clear sanctions and rewards are a better approach for reaching teen mothers than simply ending their eligibility for benefits. Our approach would condition teenagers' AFDC benefits on staying in school, living at home with their parents or a responsible adult, accepting job training, and attending parenting classes. This combination of "carrots and sticks" is only possible if you continue benefits for single mothers who take steps toward self-sufficiency -- and reduce them if they don't. Simply "writing off" an entire generation of young people would do nothing to build job skills and turn dependence into independence.

Conditional AFDC benefits work. A rigorous evaluation of one such program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services.

It's important to demand responsibility of teen fathers, not just teen mothers. One of the worst features of Charles Murray's approach is that it would penalize teenage mothers while ignoring the responsibility of teenage fathers. True welfare reform demands that both parents take responsibility for their children; we believe no plan will succeed without a commitment to paternity establishment and tougher child support enforcement.

Even if Murray's approach works, that doesn't make it morally right. While Murray says his approach will not harm children, the truth is that many teenagers and their young children would be forced into homelessness if all federal aid were terminated. The President's approach, like Murray's, would eliminate welfare as a way of life -- but would preserve it as a "second chance."

Date: 04/14/94 Time: 08:49

## Administration Yet To Decide How Soon a New Mother Should Work

WASHINGTON (AP) As it drafts its plan to rebuild the welfare system, the Clinton administration must decide when a mother on welfare should be required to leave her newborn baby in day care and get a job.

The issue raises questions of fairness from working women, who already must leave their children in day care to support their families.

But it also raises questions about the wisdom of separating very young children from their mothers, especially if it means spending long hours in substandard day care and coming home to a parent too tired to provide the stimulation and nurturing a child needs for healthy development.

Health and Human Services Secretary Donna Shalala, speaking Wednesday to an Urban Institute conference on welfare reform, said the administration is still wrestling with the issue.

"As a feminist, I have found the decision to be profoundly difficult for me, but I have come down on the side of women getting into the work force in a reasonable period of time, women that have young children, because that is essentially what's happening in the economy," she said.

But a report issued Tuesday by the Carnegie Corp., a New York philanthropy, said many of the nation's 12 million infants and toddlers receive poor quality child care, which can put their development at risk.

Shalala called it a "very complicated decision" but said the government should not give women on welfare a break it cannot also give the working poor.

President Clinton has promised to "end welfare as we know it" and to cut off welfare after two years. Under his plan, to be unveiled this spring, parents will be given the education, training and child care they need to become self-sufficient. Those who are still unemployed after 24 months would be required to take a subsidized job.

According to a senior administration official, the plan is expected to cost \$10 billion to \$13 billion over the first five years, and \$30 billion to \$40 billion over 10 years.

Republicans, meanwhile, are squabbling over the shape of their own welfare reform bill.

In a memo Wednesday, conservative Republicans William J. Bennett, Jack Kemp and Vin Weber criticized the welfare reform plan backed by House Republicans and urged them to fashion a "bold, principled and fundamentally different alternative" to the GOP bill.

The three GOP leaders believe welfare is illegitimacy's "economic life line" and that mothers under age 21 who have children out of wedlock should be ineligible for welfare benefits.

"The central issue is people having babies out of wedlock babies are coming into this world with no fathers, with ill-prepared mothers. It adds to the welfare rolls, education problems, criminal problems; it adds to the social breakdown of this country," Bennett said. "We have seen enough of the carnage, the cruelty, the 19 kids living in the tenement (in Chicago), the babies in Dumpsters."

In their memo, Bennett, Weber and Kemp said the House GOP bill contains no serious attempt to curtail out-of-wedlock births, that

its work requirements are weak and that its hidden costs are exorbitant.

In response, a memo prepared by the Republican staff of the House Ways and Means Committee notes that the GOP bill would put five times as many mothers to work as the Clinton administration's draft plan.

Rep. Rick Santorum, R-Pa., an author of the plan, said "a lot of the criticisms are a little overstated" and the disagreement is a "matter of degree, not direction."

"I have no problem with pressure from the right," he said. "What we're trying to do is actually legislate, to stop the trend of expanding welfare and to stop the trend of incentives for bad behavior."

APNP-04-14-94 0849EDT



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed  
DPC

Fax: \_\_\_\_\_ Phone: \_\_\_\_\_

Date: 4/5 Total number of pages sent: 5

## Comments:

Here are the talking pts & the AP story -  
you're right - the overnight desk didn't use  
any of the stuff I gave Jennifer last night.  
I'll call you if she plans a follow-up.

On the talking points, pls. call if you want any  
revisions prior to tomorrow's meeting - we have  
Kathy fax your comments back.

—Thanks—

#0401-----

r abx

^AM-Clinton-Welfare, 0249&lt;

^Reports: Clinton Welfare Reform Could Top \$58 Billion in Next Decade&lt;

NEW YORK (AP) — President Clinton's welfare reform package could add \$58 billion to the national welfare bill over the next 10 years, The New York Times reported on Tuesday.

A confidential memorandum presented to the president outlines the most costly welfare overhaul yet discussed by an administration panel exploring welfare reform.

However, the memo acknowledges that Clinton may adopt a more modest plan. One administration official, speaking on condition of anonymity, told the paper the president would adopt a version that would add \$35 billion in welfare costs over 10 years.

The memo also says that Clinton should understand that "in rare circumstances," a proposal to enforce a two-year limit on welfare benefits could leave some families "homeless or unable to care for their children."

The memo also outlines possible cuts or taxes that would raise tens of billions of dollars in the next decade. But it calls all of the options undesirable.

The document also suggests several proposals for reducing the possible \$58 billion price tag. One would be to reduce or eliminate a proposed \$16 billion expansion of child care for the working poor. Another would be to cut back an \$8 billion expansion of aid to two-parent families, which is meant to prevent fathers from leaving the home, according to the paper.

"Each faces serious political problems and raises some substantive concerns," according to the memo.

4-4-94 -

---

**Goal Number One:  
(Welfare As A Transition To Work)**

---

*"And to all those who depend on welfare, we should offer this simple compact: We will provide the support, the job training, the child care you need for up to two years. But after that, anyone who can work must work -- in the private sector, if possible, in community service, if necessary. We will make welfare what it ought to be: A second chance, not a way of life..."*

**President Bill Clinton  
State of the Union Address  
January 25, 1994**

**POLICY COMPONENTS:**

**Making Welfare A Transition To Work**

- ▶ Childcare
- ▶ Job Search
- ▶ More Funding for JOBS/Education and Training
- ▶ Integration with Mainstream Training Programs

**Two-Year Time Limit**

- ▶ Everyone Who Is Able Is Expected To Do Something From The First Day
- ▶ Work for Wages/A Paycheck, Not a Welfare Check
- ▶ The Dignity and the Responsibility of a Real Job
- ▶ Limited Exemptions Available at State Determination

**Promoting Work and Opportunity**

- ▶ Preference for Private Sector Jobs
- ▶ Public Sector Jobs as Last Resort
- ▶ Earnings Disregard/Asset Changes
- ▶ Subsidies/Microenterprises
- ▶ EITC, Health Reform to Reward Those Who Work
- ▶ Part-time Work Option
- ▶ Limited WORK Slots

---

**GOAL NUMBER TWO**  
**(Responsibility and Accountability)**

---

*"This spring, I will send you comprehensive welfare reform legislation that builds on the Family Support Act and restores the basic values of work and responsibility."*

*"If we value personal responsibility, we cannot ignore the \$34 billion in child support that absent parents ought to be paying to millions of mothers and children... To absent parents who aren't paying their child support, we'll say, 'If you're not providing for your children, we'll garnish your wages, we'll suspend your license, we'll track you across state lines, and if necessary, we'll make some of you work off what you owe. People who bring children into this world can't just walk away...'"*

**President Bill Clinton**  
**State of the Union Address**  
**January 25, 1994**

**POLICY COMPONENTS:**

**Accountability for Taxpayers**

- ▶ Rewarding Work, Not Dependency
- ▶ Reinforcing Values: Work, Family, Opportunity, Responsibility
- ▶ National Fraud Database

**Encouraging Responsibility for Non-Custodial Parents**

- ▶ Child Support Enforcement/Award Updating/New Hires
- ▶ Paternity Establishment
- ▶ IRS enforcement, license suspension
- ▶ Access and Child Support Assurance Demonstrations

**Rewarding Performance, Not Process**

- ▶ Mutual Responsibility between the Recipient and the State
- ▶ Changing the Culture of the Welfare Office
- ▶ Making the System Work

---

**Goal Number Three:  
(Reaching A New Generation)**

---

*"I do think it's something the American people want us to do...It's a pro-work, pro-family, pro-community position. I think the idea that people would be moving from dependence to independence, from welfare to work, under circumstances which would still permit them to be successful as parents. I think has great appeal to the American people...We've got to help them turn their lives around."*

**President Bill Clinton**  
**USA Today interview**  
**March 23, 1994**

*"If we value strong families, we cannot perpetuate a system that penalizes those who stay together. Can you believe that a child who has a child gets more money from the government for leaving home than for staying with a parent or a grandparent? That's not just bad policy, it is wrong. And we must change it."*

**President Bill Clinton**  
**State of the Union Address**  
**January 25, 1994**

**POLICY COMPONENT:**

**Prevention of Long-Term Dependency**

- ▶ A National Mobilization Against Teen Pregnancy
- ▶ Requirements To Stay in School
- ▶ Requirements for Minor Mothers to Live at Home
- ▶ Mentoring
- ▶ Responsible Family Planning

**Breaking the Cycle of Poverty for Families With Children**

- ▶ Phase-In 25 & Younger
- ▶ A Strong Signal To Young Men and Women
- ▶ State Option To Do More
- ▶ Mandatory JOBS for Young Fathers



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce ReedFax: 456-7431 Phone: \_\_\_\_\_Date: \_\_\_\_\_ Total number of pages sent: 4

Comments:

2 clips I wanted to be sure you saw -  
I briefed BNA at the request of the WH  
press office, but they didn't mention the  
Bureau comments.

I assume I'm still leaving the door slightly  
~~ajar~~ ajar on revenue raisers?

r w AP-Immigrants-Welfare 03-11 0722

^AP-Immigrants-Welfare, 700(

^Welfare Reform Plan Excludes Immigrants' Children From Time Limits(

^By JENNIFER DIXON=

^Associated Press Writers=

WASHINGTON (AP) - U.S.-born children of illegal immigrants would be allowed to receive welfare indefinitely under President Clinton's plan that would cut off cash benefits to other poor families after two years.

But the parents of these 'citizen-children' would not be given the training, day care and subsidized jobs the Clinton administration intends to give other young families on Aid to Families with Dependent Children.

Bruce Reed, a co-chairman of the president's welfare reform task force, said the decision to exclude the growing numbers of citizen-children from welfare reform was particularly tough.

Their parents, because they are here illegally, are not allowed to work or collect AFDC. But the children, who are citizens, are legally entitled to welfare benefits.

Reed said the two-year time limits and work requirements of the president's welfare-reform plan, due out next month, would not apply to such child-only cases, who receive smaller benefits than families with a parent on the rolls.

'The most important thing we can do to prevent such cases is to strengthen our border patrol efforts, which the administration is fighting to do anyway,' Reed said. 'It's a tough issue and the best way to deal with it is to keep people from coming here illegally in the first place.'

The treatment of immigrants is one of the most emotionally charged issues surrounding the nation's growing welfare population.

In another controversial proposal, the administration is considering cuts in Supplemental Security Income to low-income legal immigrants who are elderly or disabled. The savings, an estimated \$2 billion a year when phased in, would help pay for welfare reform.

Some welfare and immigration experts believe the availability of welfare benefits to children born in the United States lures illegal aliens across the border. Taxpayers end up with the tab for the hospital bill and the child's monthly welfare checks.

Dan Stein, executive director of the Federation for American Immigration Reform, which favors tougher immigration laws, says giving citizen-children unlimited welfare is unfair to other families whose mothers would be pushed off the rolls and into a job after two years.

Mothers who have the tenacity, the willingness to break immigration laws and have a child in this country are rewarded with more favorable treatment," Stein says.

But activists for Hispanic rights say cutting off welfare to children would do nothing to control immigration and would irrevocably harm the larger community.

"The problem is that you can't put children to work and parents cannot work legally. So what do you do?" asked Cecilia Munoz, a senior immigration policy analyst with the National Council of La Raza, a civil-rights organization. "One way or another, these children are growing up in the United States."

In California, state officials say children of undocumented aliens comprise the fastest growing segment of the state's AFDC population.

According to Gov. Pete Wilson's office, the number of citizen-children on AFDC has increased by nearly 400 percent in six years, from 40,800 in fiscal 1987-88 to 193,800 in fiscal 1994-95.

The total AFDC costs of supporting these children in 1994-95 is estimated at \$553 million. Their education and health costs total another \$567 million, Wilson's office said.

Sandra R. Beoley, California's secretary of health and welfare, says 40 percent of births paid for by Medi-Cal, the state's Medicaid program, are to illegal immigrants.

Eloise Anderson, director of the California Department of Social Services, said, "The act of birth should not necessarily make you a citizen."

Donald Huddle, a Rice University professor of economics who has studied the impact of immigration on the economy, does not believe welfare is a magnet. Illegal immigrants cross the border, he says, because they want a better life for themselves and their children. But when they arrive and can't find a job, they end up on welfare.

"It develops, it happens once someone's here. Of course, they have to do everything they can to survive," Huddle said.

APWR-83-11-94 1256EST(

Generally, the elections provided for in these regulations must be made on the taxpayer's timely filed income tax returns for the 1993 tax year. However, transition rules are provided for taxpayers that have filed before April 14, 1994 for tax returns for 1993.

Written comments on the proposed regulations must be received by May 14 and should be sent to CC:DOM: CORP:T:R (PS-55-93), Room 5228, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044.

The text of the proposed and temporary regulations is in Section L. □

### U.S. Budget

#### HOUSE NEARS APPROVAL OF \$1.5 TRILLION BUDGET PLAN, REJECTS TWO ALTERNATIVES

The House March 10 rejected, 73-342, an amendment to the \$1.5 trillion fiscal 1995 budget resolution (HConRes 218) that would have cut spending \$600 billion over five years to bring the federal budget into balance by fiscal 1999.

The House also rejected, 105-313, an amendment by Rep. Barney Frank (D-Mass) that would have shaved \$2.5 billion from defense spending.

The actions came as the House moved toward an expected March 11 approval of the budget resolution, which largely would follow the administration's fiscal 1995 budget proposal.

The House will vote on final passage of the budget resolution March 11 after voting on two additional substitutes, one sponsored by Congressional Black Caucus Chairman Kweisi Mfume (D-Md), and another, the Republican alternative budget, sponsored by House Budget Committee ranking Republican John Kasich (Ohio).

The amendment that would have cut \$600 billion from the budget was sponsored by House Rules Committee ranking Republican Gerald Solomon (R-NY), Fred Upton (R-Mich), and Harris Fawell (R-III).

Solomon argued that his proposal would bring the budget into balance solely through spending cuts, without tax increases, and without cuts in Social Security or earned veterans benefits.

House Budget Committee Chairman Martin Olav Sabo (D-Minn) warned the Solomon amendment's cuts would administer "recession-sized shocks" to the economy in fiscal 1995 and 1996.

Moreover, with interest rates on the rise, the Federal Reserve could not be expected to offset the impact of the deficit reduction on the economy the way it has done previously, Sabo said.

"Deficit reduction as rapid as this substitute will put the economy at serious risk," Sabo said.

The Solomon plan included a cut in health care programs by \$237 billion over five years and took several of the administration's proposed reductions in Medicare to lower the deficit, according to a House Budget Committee release.

#### Defense Cuts Rejected

Frank proposed his amendment to reverse an administration request for \$11 billion in military pay increases and argued that non-defense discretionary

spending would have to shrink to accommodate the proposed increase in military salaries in order to stay under the tight discretionary spending caps.

The House March 11 will debate and vote on a substitute budget sponsored by the Congressional Black Caucus, which would cut \$8 billion from the administration's defense proposal and would impose a 20 percent tax on the sale of handguns, assault weapons, and ammunition.

The CBC plan also would cut the deficit \$1.8 billion more than the budget resolution cleared March 3 by the House Budget Committee, Mfume said on the House floor.

Mfume said the aim of the plan was to stimulate employment and reduce homelessness, violence and crime.

Following the vote on the CBC substitute, the House will turn to a Republican alternative budget, that would offer a \$500-per-child tax credit that begins to phase out as annual family income exceeds \$200,000.

The Republican plan also provides for indexing capital gains and restoring fully deductible individual retirement accounts.

House Speaker Thomas Foley (D-Wash) told reporters the plan was "totally unfair" because it would give tax credits to families with incomes above \$200,000, while denying a refundable credit to families with incomes below \$16,000.

"Is that justice, taking the poorest families in the country and not giving any refundable tax credit for them, and giving tax credits for people in the highest 1 percent of the income in the nation?" he asked.

"The Kasich tax cut is a totally unfair proposal, enlarging the benefits for the rich and denying them to the poor," he said.

#### Senate Action Next Week

The Senate Budget Committee is expected to begin opening statements on its budget resolution March 15 and mark up and report out the resolution March 16, aides told BNA.

While committee Republicans are preparing several amendments, the budget plan is unlikely to face the number of changes put forward during previous years' proposals, aides said.

The committee chairman's mark is likely to restore some of the administration's proposed cuts to the low-income home energy assistance program (LIHEAP) and to mass transit operating subsidies, and to cut discretionary spending \$3.1 billion below the administration's proposal to stay within the discretionary spending caps enacted last August, aides said. □

#### Tax Policy

##### DRAFT ADMINISTRATION WELFARE PLAN RELIES ON EITC, SOME IRS ENFORCEMENT

The Clinton administration's draft welfare reform plan would seek to make private-sector employment more attractive than federal support through the use of the earned income tax credit for low-income working families, subsidies for child care costs, and health care benefits that are employer-based, according to a copy of the plan provided by the administration March 10.

Earnings under the WORK program would not be eligible for the EITC and would not be included in adjusted gross income for tax purposes, the plan states.

The plan makes no provisions to provide any new tax incentives to businesses to assist in the hiring of welfare recipients as they move out off the rolls.

**Improving Child Support Collections**

Under the reform plan, the administration would create a Federal Child Support Enforcement Clearinghouse to track divorced parents across state lines for the purpose of child support collection. It would include a National Directory of New Hires to enable wage withholding from a first paycheck in appropriate cases. The plan calls for the IRS to strengthen its collections and refund offsets role and for the expansion of IRS income and asset information.[]

**CORRECTION**

A report in 45 DTR G-5, 3/9/94 on Internal Revenue Service temporary and proposed regulations (TD 8527, DL-21-94) specifying the procedure by which tax return information may be disclosed to the U.S. Customs Service incorrectly described the provisions applying to advance pricing agreements or tax treaties and executive agreements where the United States is a party. The report should have said disclosure of such information is prohibited under the rules.

**BRIEFS**

**IRS**

**IRS ANNOUNCES AVAILABILITY OF REPORT ON ART ADVISORY PANEL'S 1992 MEETINGS**

A report summarizing the closed meetings of the Internal Revenue Service Art Advisory panel during 1992 is available

for public inspection. IRS said in a notice in the March 11 Federal Register.

The notice said the report may be viewed at the IRS Freedom of Information Reading Room, Room 1565, 1111 Constitution Ave. N.W., Washington, D.C. 20224.

Alternatively, copies of the report can be obtained from the Director, Disclosure Operations Division, Attn: FOI Reading Room, Box 388, Benjamin Franklin Station, Washington, D.C. 20224, (202) 622-5164.[]

**IRS**

**OFFICIALS WHO MAY APPROVE JEOPARDY, TERMINATION ASSESSMENTS EXPANDED**

The Internal Revenue Service in a notice in the March 11 Federal Register revised Delegation Order 219, which expands the list of officials authorized to to make jeopardy and termination assessments.

In circumstances in which the district director has to exclude himself from personal involvement in a case, the district-level chief for employee plans and exempt organizations now may make a jeopardy or termination assessment, IRS said.

Generally, under termination and jeopardy assessments, the collection time for seizing assets is condensed, so that IRS can immediately collect property from the taxpayer.[]

**Exempt Organizations**

**IRS RELEASES NEW PUBLICATION SUMMARIZING HEALTH CARE DEVELOPMENTS**

The Internal Revenue Service March 10 issued the first version of a new publication that will describe regulatory, legislative and judicial developments for tax exempt entities involved with health care issues.

Included in the publication are summaries of activities relating to matters such as:

- Joint Ventures;
- Integrated Delivery Systems;
- Health Maintenance Organizations; and
- Physician-Hospital Organizations.

The publication, which primarily has been designed for internal use, will be issued annually or semi-annually, IRS said.[]

End of Section



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed

DPC

Fax: 456-~~7028~~<sup>7431</sup> Phone: 456-6515

Date: 3/4 Total number of pages sent: 2

Comments:

*For your discussion with Carol.*

*m.*

3/4/93

NOTE TO BRUCE REED ---

As we've discussed, Avis LaVelle and I are recommending that you, David Ellwood and Mary Jo Bane do a background briefing on welfare reform for a small group of reporters in the next few days. This briefing would accomplish several goals:

(1) It would divert reporters from the "paper chase" after the documents distributed at the cabinet meeting. As you know, those documents are in wide distribution within the Administration; are likely to leak; and would be rather confusing to the average reporter. The easiest sections to understand are the two charts on cost and caseloads, and they don't tell the story we want to tell.

(2) It would alleviate the frustration of reporters who have been chasing the New York Times leaks since December;

(3) It would establish the personal relationships we'll need in the coming months as we lay out the components of the plan; and, most important,

(4) It will allow us to explain the current welfare reform plan our way with our spin -- before it's leaked by a potentially biased source.

Our recommendation for attendees would be Jennifer Dixon of AP, Bill Claiborne of the Washington Post, Ron Suskind of the Wall Street Journal, Ron Brownstein or Elizabeth Shogren of the L.A. Times, Jason DeParle of the New York Times, Bill Welch of USA Today, and perhaps Dave Whitman of U.S. News. This would be a background briefing only, with quotes attributed to members of the working group.

We further recommend a one-hour meeting prior to the briefing to focus our message. In a nutshell, however, I think we want stories that convey that we're making progress; that there is consensus on the major issues, especially work for wages; that we have a phase-in strategy that makes sense; and that we are correctly focusing on teenagers in order to break the cycle of poverty. These reporters are all pretty hungry at this point and I think they'll be receptive.

We may or may not want to distribute a section of the current document or an outline of the plan at the briefing - and we should discuss this with David and Mary Jo. But the basic goal would be to pre-empt the news value of the paper now in circulation.

Again, I think this sort of informal briefing is the best way to ground reporters in our strategy before the next meeting of the working group - or the leak of another document - sets off a new round of stories. Please let us know your thoughts.

Melissa



# Angelynne S. Amores

**Executive Assistant to  
the Assistant Secretary for  
Public Affairs**

**200 Independence Avenue  
Hubert H. Humphrey Building  
Suite 647-D  
Washington, DC 20201**

**Fax: (202) 690-5673  
Phone: (202) 690-6889**

To: Kathy Mays for Bruce Reed

Date: 2/24 Time: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Remarks: Please call me w/comments,  
changes as soon as y'all can.  
690-6889. Or fax them to  
690-5673. ASA

Number of pages, including this cover: 3

2/24

To: Avis LaVelle  
 Bruce Reed — Kathy May 2 456  
 David Ellwood — Naomi Goldstein 690-7858  
 Mary Jo Bane — Emily Bromberg (apol) 401-9200  
 Wendell Primus —  
 Jeremy Ben-Ami —  
 Mary Bourdette — 6311  
 John Monahan — 6060

From: Melissa

Leon Panetta confirmed to the New York Times today that the Administration is considering tax increases, including a tax on gambling, to pay for welfare reform. The White House press office has asked for talking points for tomorrow, and a draft is attached for your comments. Please fax any changes/suggestions back to me at 690-5673.

FYI, the NYT story is likely to be page one, and will include a discussion of the phase-in option of women under 25. If necessary, I'll revise these tomorrow, but the White House wants them today.

Thanks.

456-7431

TALKING POINTS 2/25/94  
WELFARE FINANCING

The Administration is committed to the introduction of a welfare reform plan which will be deficit neutral. That means that new investments in child care, education and training programs for AFDC recipients will be paid for by other program changes that will save money.

We are committed to the letter and the spirit of the 1990 budget law, which requires paying for any new spending increases with offsetting taxes or program reductions.

All discussions are very preliminary, and no decisions have been made. The welfare reform working group appointed by the President has not yet reached any final decisions, although they are working very hard to fulfill the President's pledge to introduce legislation this spring. The Department of Health and Human Services, the Office of Management and Budget, and the Treasury Department are working cooperatively to develop a list of possible financing options.

To pay for the investments in the plan, staff at HHS, OMB and Treasury are exploring a number of entitlement reforms as well as measures that would raise revenue. Because discussions are in a very preliminary phase, there are 40 or more options currently on the table. None of them have been presented to the President; none of them can be ruled in or out at this stage.

The bulk of the financing, however, would come from entitlement reforms. (If asked: Social Security, Medicare and Medicaid are not being considered for cuts. That leaves Supplemental Security Income, AFDC, food stamps, the Earned Income Tax Credit, and some smaller entitlement programs. We have ruled out taxing benefits for the poor.)

Additional revenue will come from within the plan itself. For example, money saved by streamlining program administration will be used for job training. And stepped up child support enforcement will mean fewer women go on welfare in the first place.

It is not true that financing is limiting the development of the plan or the way it is phased in. The welfare reform working group is expected to recommend a gradual phase-in of the plan, but that decision is based on capacity issues and discussions with local welfare administrators.



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed

Domestic Policy Council

Fax: 456-7028 Phone: \_\_\_\_\_

Date: 2/14/94 Total number of pages sent: 2

Comments:

The White House press office asked for some quick, non-specific talking points on the NYT financing story. Please let me know if you have any comments on the attached.

Thanks!

TALKING POINTS 2/14/94  
WELFARE FINANCING

The Administration is committed to the introduction of a welfare reform plan which will be deficit neutral. That means that new investments in child care, education and training programs for AFDC recipients will be paid for by other program changes that will save money.

All discussions are very preliminary, and no decisions have been made. The welfare reform working group appointed by the President has not yet reached any final decisions, although they are working very hard to fulfill the President's pledge to introduce legislation this spring. The Department of Health and Human Services, the Office of Management and Budget, and the Treasury Department are working cooperatively to develop a list of possible financing options.

To pay for the investments in the plan, we are exploring a number of entitlement reforms. (If asked: Social Security, Medicare and Medicaid are not being considered. That leaves Supplemental Security Income, AFDC, food stamps, the Earned Income Tax Credit, and some smaller entitlement programs.)

The financing options should be <sup>the</sup> viewed in the context of the plan as a whole. While the details of welfare reform plan have not been finalized, it will, as the President promised in his State of the Union address, make a real, positive difference in the lives of poor women previous administrations simply ignored. Welfare reform will include an expanded effort to collect child support payments; new investments in child care to help mothers move into the workforce; and better education and training opportunities.