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NEWS

FROM:

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WELFARE REFORM

DEMOCRAT BILL FAILS REAL REFORM TEST; GOP WORK OPPORTUNITY ACT PROVIDES WORK, HOPE, & OPPORTUNITY

The Republican leadership welfare reform bill, The Work Opportunity Act, is based on three principles -- creating a real work requirement, returning authority to the states and restraining welfare spending. These principles are key to reaching our goal of dramatic reform that provides work, hope and opportunity to Americans in need.

The amendment before us proposed by the Democratic Leader fails to meet these principles. The Democrats call it "Work First," but in fact, it is "Weak First" -- weak on work, weak on limiting welfare dependency, weak on state innovation, weak on savings, weak on real reform.

Creating A Real Work Requirement

First and foremost, welfare reform must include a real work requirement which requires able bodied welfare recipients to find a job, not stay at home and not stay in a training program forever. When it comes to escaping poverty, we know the old American work ethic was true. Work works.

States not the federal government must provide the leadership on work requirements. However, we must hold them accountable.

Our bill requires 50 percent of all welfare recipients to engage in work in fiscal year 2000.

The Democrat's "Weak First" bill's work requirements puts loop holes ahead of real work. For example, the federal government would exempt 25 percent of all welfare participants. Then only 50 percent of the remaining 75 percent of the welfare caseload would be expected to engage in work by fiscal year 2000. The bottom line is the Democrats plan requires only 37 percent of able bodied welfare recipients to work in fiscal year 2000.

By comparison, the Republican bill requires 50 percent of all welfare recipients to work in fiscal year 2000. We leave the business of exemptions up to the people who know best -- those closest to the problem -- the states.

States should design and run their own work program: One thing is certain about welfare reform -- no federal bureaucrat will ever come up with a blanket program which works equally well in all 50 states. Through block grants to states and not waivers, the federal government can provide resources to fight poverty without imposing the rules and regulations that ban innovation.

The Republican bill gives states broad latitude to adopt programs to meet the varied needs of their low-income citizens.

The Democrat bill doesn't allow states to take over welfare programs. It replaces one set of federal rules and regulations with new ones. States that want to innovate must continue to get the permission of federal bureaucrats.

Local welfare administrators and caseworkers must get recipients off welfare and into the workforce.

To encourage results, the Republican bill imposes a state penalty for a failure to meet participation rates -- there would be a 5 percent reduction in the states annual grant. Under the Democrats bill, a first time state failure to meet participation rates would simply require the HHS Secretary to make recommendations to the state for improving them.

Local welfare administrators and caseworkers need to focus on getting welfare recipients into the mainstream and not focus on unnecessary federal bureaucracy and regulations. Therefore the Republican bill delivers welfare dollars to the states

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directly from the Treasury and reduces the federal welfare bureaucracy.

Able-bodied recipients must work to support themselves and their families.

To accomplish this, the Republican bill requires welfare recipients to work as soon as the state determines they are "work ready," or within two years, whichever is earlier. Moreover, our bill imposes a real five-year lifetime limit on receiving welfare benefits.

The Democrat bill has a "work ready" provision with many exemptions. Moreover, the Democratic bill fails to impose real lifetime limits on welfare benefits by offering even more weakening loopholes. For example, a welfare recipient who has three children while on welfare can get up to seven years of benefits before reaching the "5-year limit." Even then, that recipient would still remain on the welfare rolls, entitled to certain benefits, and receiving vouchers without time limit in place of cash benefits.

The Democrat bill even provides exceptions to these weak time limits, turning many major cities into welfare magnets. If a welfare recipient lives in an area with an unemployment rate exceeding 8 percent, none of the time spent on welfare counts toward the so-called 5-year limit. That would turn cities that have relatively high unemployment rates like New York, Los Angeles, Washington, Philadelphia, Detroit and many others into time-limit-free zones.

Returning Authority to the States

Welfare reform should be designed and run by those closest to the problem -- the states. The Republican Leadership "Work Opportunity Act" realizes that Washington doesn't know best, and gives states the flexibility they need to craft welfare programs that work. That is why the majority of the nation's governors have endorsed our bill -- this includes every Republican Governor except Pete Wilson.

The Republican Leadership plan eliminates the individual entitlement and replaces it with a capped block grant of \$16.8 billion a year.

The Democrat plan proposes to replace AFDC with a bigger more expensive package of entitlements costing taxpayers over \$14 billion more than AFDC over the next seven years, including subsidies to families with income as high as \$45,000.

The Republican bill no longer will continue the burdensome rules and requirements that accompany the old JOBS program. The Work Opportunity Act repeals the JOBS program and lets the states design real work programs.

The Democrat plan keeps many provisions of AFDC and the JOBS program as a federal entitlement and renames it the "Work First Employment Block Grant".

Restraining Welfare Spending

No program with an unlimited budget will ever be made to work effectively and efficiently. Therefore we must put a cap on welfare spending.

The Republican bill saves \$70 billion over 7 years. The Democrat bill saves only \$21.6 billion over the same period of time.

Because it is weak on work, weak on limiting welfare dependency, weak on state innovation, weak on savings, weak on real reform, the Democrat bill fails the test of real reform. I urge my colleagues to vote against it.

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* Remarks delivered on Senate floor, approximately 3:50 p.m.