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LONG AND DOLE ANNOUNCE WELFARE REFORM BILL

WASHINGTON -- Senate Finance Committee Chairman Russell B. Long, (D-La.), and Sen. Bob Dole (R-Kans.), the Committee's ranking Republican, today unveiled their welfare reform measure, which would replace the present federal system with a block-grant program to the states.

"This bill would reverse the trend toward complete federalization of welfare and provide an incentive to eliminate error and fraud by allowing the states to keep any savings they made under block grants," Long and Dole said in a joint statement.

"We believe that this offers a positive, bipartisan alternative to the administration's welfare proposal," the Senators added. The measure would cost \$1.4 billion over current welfare expenditures each year.

Joining Long and Dole as co-sponsors is Georgia's Senator Herman Talmadge, the second-ranking Democrat on the Finance Committee.

The Long-Dole bill would replace the present program of federal matching of state costs for Aid to Families with Dependent Children (AFDC) with federal block grants that the states would administer. This would go into effect in fiscal year 1981.

The grants would be fixed amounts, based on AFDC funds a state received during the current fiscal year. In addition, each state would get a share of \$1 billion of fiscal relief, which would be allocated on a population basis.

The 17 states with the lowest average per capita income also would receive a share of an extra \$400 million in order to boost their AFDC benefits.

A provision is included to adjust the block grant annually for inflation, population changes and high unemployment.

Long and Dole pointed out that the bill would permit states to reduce their welfare spending to provide relief to taxpayers, while increasing benefits to the needy. After five years, the federal budget would share in the savings from the reduction in waste by a provision reducing the block grant by two percent per year.

The measure also allows states to require work as a condition to being eligible for AFDC.

Finally, the bill would establish an eight state demonstration project to test states' ability to create their own family welfare programs as an alternative to AFDC.

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