

FOR IMMEDIATE RELEASE Wednesday, August 9, 1995

Contact: Clarkson Hine (202) 224-5358

WELFARE REFORM

REPUBLICAN PLAN PROVIDES WORK, HOPE & OPPORTUNITY: PRESIDENT HAS NO PLAN, SENATE DEMOCRATS' PLAN IS "WEAK FIRST"

President Clinton promised to end welfare as we know it, but he has no plan that we know of. Instead of leading, the President has followed, signing on to a flawed plan cosponsored by just 16 Senate Democrats.

While Republicans continue to unite around the Republican Leadership welfare reform bill, "The Work Opportunity Act," the Democrats are clinging to a status quo plan that merely tinkers around the edges.

The Democrats call their plan "Work First," but in fact, it is "<u>Weak</u> First" -- weak on work, weak on limiting welfare dependency, weak on state innovation, weak on savings, weak on real reform. Meanwhile, Republicans are moving forward to provide work, hope and opportunity to Americans trapped in a failed system.

• The Democrat plan proposes to <u>replace AFDC with a bigger</u>, <u>more expensive package of entitlements</u> costing taxpayers \$16 billion more than AFDC over the next seven years, including subsidies to families with incomes as high as \$45,000.

The Democrat plan <u>fails to impose real lifetime limits on</u> welfare benefits, offering endless loopholes and exceptions. Under the Democrat plan, 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 <u>time limits</u>, turning many major cities into welfare magnets. If a welfare recipient lives in an area with an unemployment rate exceeding 7.5 percent, none of the time spent on welfare counts toward the so-called 5-year limit. That would turn cities that had relatively high unemployment rates in 1994 like New York, Los Angeles, Washington, Philadelphia, Detroit and many others into time-limit-free zones.

 It should come as no surprise that the Democrats' work requirements are also riddled with loopholes. While the Democrats' plan boasts a 50% work participation rate by the year (MORE) 2000, it offers many of the same current law exemptions that have permitted 60% of the adult recipients to avoid ever having to work. The Republican Leadership plan requires half of <u>all</u> adult welfare recipients in single parent households to work by 2000, and imposes a 90% work participation rate among two-parent welfare households beginning in 1999.

The Republican leadership "work opportunity act" realizes that Washington doesn't know best, and gives states the flexibility they need to craft welfare program that will work. That's why the majority of the nation's governors have endorsed our bill. Regrettably, the Democrat plan <u>doesn't allow states to take over welfare programs</u>, replacing one set of federal rules and regulations with a new one. The democrat plan would require states that want to innovate to get the permission of a federal bureaucrat.

We will be happy to talk about the differences between the two parties in how to reform welfare over the August recess, and we look forward to the resumption of the debate on the floor.

And far from the "setback" many in the media screamed about today, Republicans are making progress. By the end of the week, I hope to introduce a package of modifications that may very well accomplish what we would have done on the floor this week. At the same time, we will have completed several crucial appropriations bills. What we did yesterday made sense, and the progress we'll make this week on welfare will bring us closer to passage of a plan in September that will succeed in providing work, hope and opportunity to Americans in need.

###