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**NEWS
FROM:**

FOR IMMEDIATE RELEASE
Friday, December 22, 1995

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WELFARE REFORM

HISTORIC WELFARE REFORM BILL ENDS FAILED SYSTEM, PROVIDES WORK, HOPE, & OPPORTUNITY

We've heard a lot of talk about "ending welfare as we know it." Today, we will know who really means it. It is time to give the American people the action they have been demanding, and to end a welfare system that has failed the taxpayers, and those it was designed to serve. We have a responsibility to provide work, hope, and opportunity to Americans trapped in a failed system, and that's what this bill will do.

As we consider this bill, we must ask ourselves a simple question: does the Conference Report have the core principles and needed reforms that were in the Senate passed welfare bill?

The answer, in my view, is yes. We supported that bill in September, the "Work Opportunity Act of 1995," by a vote of 87 to 12. Together we stood behind it. I urge my colleagues to stand behind the conference report.

During this time before our vote, I also ask that we once again remember two overriding facts. First, our current welfare system has failed. And, second, it is our duty to fix it.

Common Sense, Core Principles For Dramatic Reform

The Senate bill and the Conference Report both take a common sense approach. Both bills establish core principles: strong work requirements; strengthening families and requiring personal responsibility; providing protection for children; giving states the flexibility they need to design programs that best meet the needs of the people, and that can best reduce our alarming illegitimacy rate; and assuring states receive necessary federal support.

Let me take a moment to review the similarities in the common sense policies in the Senate bill and the Conference Report.

They both require able bodied welfare recipients to work for their assistance as soon as the state determines they are "work ready" or within two years, whichever is earlier.

They both put a five year lifetime limit on welfare benefits, so that welfare does not become a way of life.

They both require single teenage parents who have children out of wedlock to stay in school and live under adult supervision in order to receive benefits.

They both provide \$75 million to states for abstinence education programs.

They both grant our states the ability to try and reduce America's alarming illegitimacy rate.

They both give states the option of exempting families with a child under age one from the work participation rates.

They both prevent states from sanctioning a single custodial parent for failure to work if the parent shows a demonstrated need for child care.

They both include important provisions on locating and tracking absent parents, establishing paternity and enforcing support orders.

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They both give our states the flexibility to devise programs that meet the specific needs of their citizens.

They both provide a \$1.7 billion supplemental loan fund. States may borrow from it up to 10 percent of their welfare block grant amount.

They both provide a \$1 billion contingency grant fund for states over 7 years.

They both put a cap on spending, because no program with an unlimited budget will ever be made to work effectively and efficiently.

Child Care & State Maintenance of Effort

During the Senate debate and establishment of these policies, two major issues emerged as central to the bipartisan support that emerged: first, access to child care and second, requiring states to maintain some level of their spending effort.

The child care provisions in the Conference Report provide \$1.8 billion more than current law and \$1 billion more than the Senate passed bill. Specifically, a child care block grant is established that includes \$11 billion in mandatory spending for welfare recipients and \$7 billion in discretionary spending for low income families. Spending on child care increases from \$1.3 billion in FY 1997 to over \$2 billion in FY 2002.

In the Conference Report, states are required to maintain their spending effort for the life of the new cash block grant at 75 percent of what they spent in FY 1994 for the programs that are in this block grant. This seems to represent the objective of the majority of members in the Senate.

Conference Report Modifications

Now let me touch on some of the areas that have been modified since the Senate first passed welfare reform. No doubt about it, there has been much speculation over the savings that will come out of this reform. I can tell you this -- the savings realized from the Conference Report are about the same as those realized from the Senate bill.

The Conference Report does require states to deny more cash to mothers who have more children while receiving welfare. However states have the flexibility to opt-out. As Senator Santorum said last night, this provision asks state legislatures to make a decision.

Let's make no mistake about it, the Conference Report does establish a child protection block grant that combines mandatory funding for existing child welfare programs while maintaining current law protections. However foster care and adoption maintenance payments remain open entitlement and the enactment of the block grant is delayed to FY 1997. Funding for these programs are \$1 billion more than the Senate passed Balanced Budget Act.

New Provisions

Let me list a few additions to the Senate passed bill now in the Conference Report before us.

The effective date of the new cash welfare block grant is delayed to FY 1997 yet allows states to opt-in during FY 1996.

We have also included a 10 percent reduction in the Social Services Block Grant which was proposed by President Clinton. This will provide \$1.6 billion in savings over 7 years.

The eligibility for states to receive food stamp block grants is tightened up. States which have implemented electronic benefit transfer statewide will be eligible. States with an error rate of less than 6 percent are also eligible.

The controversy surrounding block grants for child nutrition programs is settled by allowing a pilot project for 7 states to participate in an optional block grant program. Authority expires in 2000. Block grants could then be revisited.

GOP Governors Back Conference Agreement

30 Republican governors sent a letter to President Clinton on December 20 urging him to support this conference agreement.

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They write that "while each state will have its own reform strategy, this legislation helps to accomplish those goals by setting forth these guidelines:

- * Families must work for benefits and states that get families working are rewarded.
- * No family can stay on welfare after two years without working.
- * The total time a family can collect cash benefits is limited to five years unless states, because of their own unique circumstances, opt out of this limit.
- * And states will have the option to pay cash benefits to teen parents, but they must live at home and stay in school to receive those benefits."

I urge my colleagues to support the Conference Report to H.R. 4. The core principles and policies necessary for dramatic reform contained in it are consistent with the Senate passed bill and consistent with the needs of Americans.

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* Remarks delivered on Senate floor, approximately 11:10 a.m.