

## FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. REID. Mr. President, I do not have the experience of the Democratic manager of this bill, the senior Senator from New York. On this occasion, and others, I heard him talking with President Nixon and President Kennedy on matters of importance dealing with measures that are now before this body. He has written numerous articles. He has written books dealing with welfare, so I cannot match that.

But as I told the Senator from New York, I have done something he has not done, and that is, I have spent a night in a homeless shelter in Las Vegas. Truly one of the remarkable experiences of my life—I do not know if "remarkable" is the right word—but interesting and educational experiences of my life.

And I just want to confirm what the Senator from New York has said on a number of occasions—that the homeless problem did not come about accidentally.

The homeless problem came about as a result of the Federal Government, in effect, emptying what we used to refer to as the "insane asylums," mental institutions, as we now refer to them. We, in effect, emptied them. There were prescriptive drugs, and the Presiding Officer, who is a medical doctor, knows more about the different compounds that were developed to allow us to get people out of these institutions. But as part of the program, after having gotten them out of the institutions, we were to provide community health centers where these people would have the opportunity to come back and get new medicine and be evaluated and, in effect, not make them homeless people wandering the streets, as we see so often now.

Mr. President, one of the things we have to be aware of as we begin welfare reform, which we all acknowledge is needed, is that we do not create more problems, like the problems created when we decided to empty the mental institutions. The Senator from New York is concerned that 10 years from now, we are going to have a half a million children on the streets competing with the adult homeless. I hope he is wrong.

I think that almost every Member of this body agrees welfare reform is needed. The question is, How should we reform welfare? We all acknowledge that we must do something to change the present system. The current system, in many respects, is out of control. In fact, today, Mr. President, the name "welfare" itself invokes certain perceptions of which we are all aware. Presently, it is assumed that people on welfare are lazy, that they do not want to work and are simply looking for a handout. Our current system tends to foster these perceptions, however invalid they may be. I think what we need to do is to go back to the original intent of the welfare system.

We have had welfare systems in this country that are legendary in their success: the WPA, Works Progress Administration. When I do town hall meetings in Nevada, many times I take pictures of what the WPA did around Nevada: built schools, built roads, planted trees, built bridges, helped with grasshopper infestations. And I, with these pictures, tell my constituents that here is a Government program that was a success and, yes, a Government welfare program that was a success.

I was born and raised in Searchlight, NV, a small mining town when I was growing up there of a couple hundred people. Not much in the way of mines but it was a mining town. At that time, the gold was about gone.

But all around the area of Searchlight we had evidence, when I was growing up, and it is still there, of the welfare recipients having been to Nevada. They did not know they were welfare recipients, but they were. They were part of the Civilian Conservation Corps. They came to the deserts of southern Nevada. They came to all over Nevada, but the deserts of southern Nevada I am familiar with. They came to all over southern Nevada.

What did they do? They built corrals, watering holes, fences. They built trails. There is still evidence of these welfare recipients' work in Nevada. This was a welfare program that was successful. So because we have a welfare program, it should not mean that it is demeaning, that it is bad, that it is negative. There are reasons we have welfare programs.

This great society of ours must help those people who need help. We know that welfare covers the infirm, the blind, the handicapped. Who would say we do not need welfare programs to help people who, for whatever reason, find themselves in that condition or position? There are also people who are able-bodied that, for reasons, need help. And that is what this welfare reform is all about—to do something about people who are down on their luck and need help.

There is no reason that welfare should foster a perception of people being lazy and worthless. We need to go back to the original intent of the welfare system. Welfare was initially developed as a temporary assistance, not a way of life. I believe that we all agree on this. Reform of the current welfare system should be as bipartisan as we can make it. Both sides of the aisle, I hope, have the same goal: to make welfare temporary and to move people currently on welfare into jobs.

The bill that the Democrats have sponsored, the Democratic alternative, of which I am a cosponsor, recognizes this intent. It clearly recognizes this intent and has a prepared plan, tightly tailored, to not only succeed in moving people off of welfare and into jobs but to keep them in those jobs. The Democratic substitute streamlines the current system and addresses the prob-

lems people now face. It addresses the major barriers to getting a job, keeping a job, and getting off welfare. In contrast, while the Dole bill has the same objectives, it falls short in its plan on how to achieve these goals.

I must say, Mr. President, that the Dole bill is a moving target. It has changed many, many times. I am doing my best to understand the Dole bill and to give it as fair an interpretation as I can.

I have a number of problems with the Dole bill. I am going to focus today on block grants. As U.S. Senators, we deal with Federal dollars. That is the way it should be. We cannot simply hand the States a fixed amount of cash with no direction or requirements. I think this would be irresponsible. Welfare is a national concern. That is why we are here today debating reform of the system. It is important that the Federal Government have some control over the funds it disburses.

Mr. President, under the majority's legislation, there is going to be a race to the least. Who can get to give the least the quickest? Who can provide the least amount of benefits? Because who does that is going to win the battle because they are going to have no money to do anything else with.

A favorite criticism of the Democratic Party by some is that we throw money at projects. That is exactly what the Republican block grant does in this legislation. It throws money at the problem. It throws moneys to the States and tells them to deal with the problems without giving them sufficient money. That is, the irresponsibility is compounded by the fact that the money States are going to get in the block grants is significantly insufficient. Many of the Senators on the other side of the aisle who have spoken on behalf of the Dole plan have emphasized that block grants allow the States to decide how and where to spend the money it is given, the logic being that the State knows best where they must focus the money. I do not disagree with the basis of that argument. Individual States should know where their weaknesses lie and what their States need. However, those speaking on behalf of the underlying bill have failed to emphasize that there are Federal requirements States must meet in order for the States to receive these block grant moneys. They are not automatic. States, for example, would be required to double their participation rates. Yet, they will not be given the necessary resources to carry out this work.

The Republican block grant plan is not truly a block grant plan, but an unfunded mandate to the States. One of the first bills we worked on in this Congress, and one of the first we passed—and there was agreement with the Contract With America—is that we should not have unfunded mandates. We agreed with that. Here is an unfunded mandate. In fact, the head of the U.S. Conference of Mayors, which

is bipartisan, called the Republican plan "the mother of all unfunded mandates." This is not something I dreamed up or the Democratic Policy Committee came up with in some cute little phrase. This comes from the U.S. Conference of Mayors, which is a bipartisan group. He called the plan "the mother of all unfunded mandates."

For example, in order for States to meet the new work requirements prescribed in the Republican bill, by the year 2000—fiscal year 2000—the Congressional Budget Office analysis estimates that the States would have to find up to \$4.3 billion extra—more than the current State and Federal expenditures—to meet the new child care costs alone. Overall, the unfunded work requirements would result in \$35 billion in additional cost to the States over the next 7 years; \$35 billion. Everybody within the sound of my voice should understand that this is a lot of money that is going to be picked up by State and local governments. For the State of Nevada, the unfunded mandate will result in costs upwards of \$110 million, as we now see it, at least.

Finally, the Congressional Budget Office estimates that a majority of the States will not be able to meet the work requirements included in the bill. In fact, CBO assumes that given the cost and administrative complexities, States would choose to accept a penalty of up to 5 percent of the grant rather than implement the requirements.

My primary concern with the underlying bill and the block grant plan in it is its unfairness and insufficiency. The plan simply shifts the problems of the current welfare program to the States, with limited Federal funding. This plan is inadequate for high-growth States like Nevada. In fact, Nevada may be the best example of how unfair a block grant frozen at fiscal year 1994 will be—frozen for 5 years. Nevada is the fastest-growing State in the country, with the fastest-growing city in the country, Las Vegas. It will not take long for high-growth States like Nevada to run out of money. And then they will be forced, under the terms of this bill, to borrow money from a so-called "emergency loan fund" which this plan provides. The loan is limited to 10 percent of the State's grant, and the State is required to repay the loan, with interest, within 3 years.

Of course, if the State does not have the money to repay the loan, what happens? We know what happens. The costs will be shifted to the State's residents in the form of increased taxes. There is no other alternative. This plan has a very real potential of forcing States into playing a catch-up game that they will never win. This is not my definition or, I think, anyone's definition of State flexibility. It is the definition of State destruction.

To add to this disturbing scenario is the fact that the underlying bill cuts back on welfare funding in order to give \$270 billion of tax cuts. The block

grant method proposed is particularly harsh on a State like Nevada. Nevada, I repeat, is rapidly growing. From 1993 to 1994, Clark County, NV, which is Las Vegas, grew by 8.2 percent. That is tremendous in 1 year.

This equates to about 75,000 new people coming to Las Vegas in 1 year. Our growth rate is on the rise and shows no sign of slowing. The growth rate in Clark County is expected to increase 23 percent over the next 5 years. We are going to have moneys frozen at the 1994 level for 5 years?

Meanwhile, this block grant under this underlying bill would freeze funding, as I said, at the 1994 fiscal level. As Nevada's population soars, the funding for welfare will remain fixed with no consideration of changing it under conditions of population growth or even inflation. This rationale simply does not make sense and is not fair.

I have been listening to my colleagues on the other side of the aisle speak about giving the States flexibility and that one size does not fit all. Well, I agree. States should have flexibility, but the plan that is now being debated here, that is, the underlying Republican plan, does not allow this flexibility. They provide an insufficient amount of money to the States expecting to fill the requirements tied to that money. This is not flexibility. This is an unfunded mandate. I agree that one size does not fit all. We do not live in a static society. Each State is changing rapidly.

The City of Las Vegas grows 75,000 a year. Why does this Republican plan keep the funding level at the 1994 level for 5 years? Block grants are not fair and they do not make sense.

Some would have us believe that this block grant program is some new idea. We are going to do the right thing, and we have come up with the great idea of block grant. I do not know when block grants first started, but in the Nixon years they had block grants. We tried them in a number of different areas. Most of them we got rid of, for reasons just like I talked about, because block grants are an easy way to do things.

It is like we talked about balancing the budget. It is easy to balance a budget if you use welfare, Social Security moneys, and do not make some of the hard choices we have been forced to make this year with the balanced budget resolutions that now have passed. Those are tough decisions.

Block grants are an easy way, a buck passer for the Federal Government. Bundle up all the problems in a nice little bundle and ship them to the States. That is what we are doing with welfare.

Another primary concern of mine is the so-called child exclusion provisions. Under the majority's plan, States would have the option to deny assistance to unmarried minor parents and their children. States would also be given the option to deny additional assistance to families who give birth to a child while on assistance or who have

received assistance any time during a 10-month period.

These provisions directly punish and hurt children for merely being born, over which they of course have no control. The concept behind these provisions seems to be that if women know they will not receive money for additional children, they will not get pregnant.

This simply is not the case. To quote the Senator from New York, Senator MOYNIHAN, "Anyone who thinks that cutting benefits can affect sexual behavior does not know human nature."

The family cap provisions were enacted in New Jersey, I think in about 1992. After a study of mothers who are penalized if they had more children while on welfare, a Rutgers University study recently found there is no reduction of birthrate of welfare mothers attributable to the family cap. Further, last month New Jersey officials announced that the abortion rate among poor women has increased since the passage of their policy.

I do not know the precise cause of this increase, but I think common sense dictates that it could be a result of the message which is sent to poor women under these provisions which is, "Do not get pregnant. But if you do, you better do something about it because you will not get any money to feed that child."

Obviously, many young people will turn to abortion rather than having a child that they will not be able to feed and clothe. Withholding welfare benefits to prevent pregnancy is not the answer to illegitimacy problems.

The Democratic proposal does deal with teenage pregnancy—and we will talk about that a little later—in a firm, concise, and compassionate way.

Furthermore, the family cap provisions are focused on the actions of women. What about the father of these illegitimate children? Should we talk about them at all? Should they be part of this major legislation reform? Of course they should be.

National Public Radio this morning had on its program Prof. Richard Moran of Mount Holyoke College. Now, I ask my learned friend from the State of New York, is this a New York institution, Mount Holyoke?

Mr. MOYNIHAN. Massachusetts.

Mr. REID. Thank you. Professor Moran stated what most believe is simply common sense. He said if we can change the behavior of adult men who father illegitimate children, we could make a substantial dent in the rate of teenage illegitimacy. Instead of trying to limit teen pregnancy by reducing welfare benefits for the girls, public policy, according to Moran, should focus on holding adult males financially responsible for their children.

I think that is pretty sound reasoning. It is common sense and our bill does that.

Professor Moran went on to explain that 25 years ago, two-thirds of expectant teenage mothers married. Today,

less than a third marry. Of course, no one is saying that early marriage is a solution to out-of-wedlock births.

A new national study indicates fully one-half of the fathers of the babies born to mothers are adults. This is not a situation of teenagers having sex. The facts are that these young girls are being impregnated by adult males, and they should be held responsible for their actions. They should pay.

These statistics show that the problem of illegitimacy is not going to be solved in an easy fashion. We must focus on the family and do it in a way that is intelligent.

The Democratic Work First program is called Work First—that is the amendment pending before the body at this time—because that is what it is about. The Democratic Work First welfare plan will change the current welfare system dramatically by replacing the current system with a conditional entitlement program of limited duration requiring all able-bodied recipients to work, guaranteeing child care assistance, and requiring both parents to contribute to the support of their children.

The Work First plan is a plan where assistance is continual. Assistance is time limited. I think it is important that after 2 months we recognize clients who have signed the contract, the Parent Empowerment Contract, are working toward objectives and can continue to receive assistance.

After 2 years, if the individual is not working, States will be required to offer welfare or community service. Again, tough sanctions arise to those who refuse to participate in this welfare program.

The Democratic plan requires work and establishes the Work First employment grants if States focus on work, providing the means and the tools needed to get welfare recipients into jobs and to keep them in the work force. All able-bodied recipients must work.

There are successful programs now. We do not know how successful; they have not been in existence long enough. We have a great program in Riverside, CA. They have sorted clients into two streams. Most programs put everybody in the same stream. What they have done is they sort clients into two streams: one, those that need educational assistance; and those that are job ready.

It is a program we can look to see if it will have long-term benefits. We have a program in Iowa that has received some rave reviews. It is a family investment type program designated to move families off welfare into self-sufficient employment. The State of Oregon has a program. There are a lot of programs that States, if they have resources, which will be given in this bill that we have submitted in the form of an amendment, States can do some type of innovative programs.

Our program does not say, States, you must do it this way. But we are

saying people must work and that we are going to give you some financial assistance so that you can accomplish some of these things.

I repeat, States are provided resources for the work requirement. Under our plan, States are given the resources so welfare recipients not only get a job but remain in the work force. See, getting a job is not the key to everything because you have to keep them in the job. States have the flexibility that I have outlined before.

One of the key facets of the Democratic proposal that is not in the Republican proposal is child care. That is, to help recipients keep a job, child care assistance will be made available to all those required to work or prepare for work. There are three current child care programs. They would be consolidated into one program. We have had good work by Senator DODD and Senator HATCH on this in years gone by. I conducted hearings in the State of Nevada on child care and how important it was. I learned firsthand, in hearings I held in Reno and Las Vegas, how critical it is, if we are going to have a successful welfare program, to have some child care components.

We also have to encourage clients to stay in jobs by making employment more attractive than welfare. We have talked about the importance of child care. We also have to talk about the importance of health care. Under our program, an amendment we will vote on tomorrow afternoon at 4 o'clock, Medicaid coverage will be extended by an additional 12 months beyond the current 1-year transition period. It is needed. If you are going to give people incentives to keep working and save the Federal Government money, then they must have the ability to have child care and health care.

Also, we have to make sure the statistics are not phony. Our program counts actual work. As I have indicated earlier, the underlying bill is kind of a moving target because it keeps changing for reasons we have all read about in the newspapers. But we must have a work performance rate that is a real work performance rate.

I have talked about fathers, how they also must be part of the program if we are going to do something about absent parents. The burden has been on women. We have to divert the attention to make it a responsibility of parents, and parents includes the man. That is usually the one who avoids responsibility. Absent parents who are delinquent on child support payments, under our legislation, must choose to enter into a repayment plan with the State, community service, or try jail. That is in our legislation, and I think that it is fair.

Under our legislation, we are going to try to keep families together. Unlike the current system under which women and children receive more assistance if parents are separated or divorced, the Work First plan encourages families to stay together to work their

way off welfare. Our plan eliminates the man-in-the-house rule, which prohibits women from receiving benefits if they have a spouse living in the same house who is working full or part time. Let us have this a family friendly welfare package.

We have talked about teen parents. Under our plan the message to teen parents is clear: Stay at home and stay in school. Stay at home and stay in school. No longer will a teenage parent be able to drop out of school and establish a separate household, creating the cycle of dependency that is difficult to break. Custodial parents under the age of 18 would be required to live at home or, if there is some reason because of an abusive situation or whatever other reason that is meritorious that they should not live at home, then there would be an adult-supervised group home where parenting skills would be taught, where there would be employment opportunities available.

I say to my friends, a program like this is not impossible. A few months ago I went to Fallon, NV. Fallon, NV, is about 60 miles from Reno. It used to be an agricultural community and it still is. The largest naval training facility for airplanes in the world is there, Fallon Naval Air Training Center. It is a great facility.

I had been asked to visit a Lutheran Church in Fallon, because it was part of the AmeriCorps project. I went there and met with the priest who had moved to Fallon several years before. He was contacted first by the school across the street from his church, saying we have all these teenage pregnancies, could you help us? He did not know how to help. He said, "I cannot. I do not know what to do." Then he was contacted by the State Welfare Department. Finally, somebody said, "We have this AmeriCorps project. Why do we not make a grant and see if we can get a program to help teenage pregnant girls." They made an application. There is an AmeriCorps project there.

It brings tears to your eyes to go there. Mr. President, there is not a single person now on welfare who has been through this program. It is right across the street from the high school. The pastor, who came there to care for his flock, has now become devoted. His whole church is involved in taking care of these teenage girls who become pregnant. They are being educated. They are getting their high school diplomas. There are people who are working in the program, earning money so they can use the money to go to college. It is a wonderful program.

There are programs we can come up with to help teenage pregnant girls. But these programs require funding.

So I ask everyone to take a close look at our bill. It is a good bill. If this amendment is defeated tomorrow afternoon at 4 o'clock, I hope we will have an opportunity to vote on an amendment dealing with child care and the many other problems involved in

welfare reform, which are not properly addressed by the Dole bill.

The Democratic plan addresses the problem of teenage pregnancy by including grants to States for design and implementation of teen pregnancy prevention programs. I will not go into more detail right now, but it is extremely important.

Paternity establishment is in our bill. We cannot let these men escape their responsibility, as they very often do. Child support enforcement is in our legislation.

Also, I want to talk a little bit about the provision in our legislation dealing with food assistance reform—food stamps—major provisions. We have one strengthening compliance, reducing fraud and abuse. It is an effort to clamp down on the egregious abuses of the program. The Work First Program provides the following:

The Secretary of Agriculture may establish specific authorization periods so that stores have to reapply to continue to accept food stamp coupons and may establish time periods during which stores have their authorization revoked or, having had their application for authorization denied, will be ineligible. Stores may be required to provide written verification of eligibility. The Secretary shall be required to issue regulations allowing the suspension of a store from participation in the program after the store is initially found to have committed violations.

Now they commit violations and, in effect, thumb their noses at the authorities because nobody can stop them from taking food stamps. Our bill changes this.

Stores that are disqualified from the WIC Program shall be disqualified from participation in the Food-Stamp program for the same period of time. Retail stores are disqualified permanently from the Food-Stamp Program for submitting false applications. There are other things that are important to strengthen this provision: enhancing electronic benefit transfer, strengthening requirements, and penalties. There are a number of things that really make this legislation more important.

I want to close by talking about a couple of things, in effect, to set the record straight. People who oppose this amendment charge that the Work First plan is weak on work. This claim comes from the same people who only a short time ago approved and reported a plan out of committee with no participation requirements.

So I say in response to that charge that their plan was not even about workers; it was about shoveling people from one program to another with no emphasis on work, with no emphasis, no work requirement at all, and now they have dropped their participation requirements and instead have adopted our work standards, the standards in this amendment pending before this body. So try to explain to me how the Democrat plan is weak on work when

the underlying Dole amendment picks up our plan.

There is also a charge that the Democratic substitute is weak on State innovation. The Democrat Work First plan provides States unprecedented flexibility. The States set benefit levels. States set allowable asset limits. States set income. Disregard policies. States design their own work programs. In fact, there is a lot of similarity here between the Democratic and Republican plans. So why do they charge Work First as being weak on State innovation? It simply is not true.

Another charge: The Democrat plan is weak on savings.

Mr. President, the Democratic Work First plan saves over \$20 billion. It is not weak on savings. The Breaux-Mikulski plan saves as much as the Republican plan, or as close. But it also does not include a \$23 billion unfunded mandate to the States; that the States are going to rue the day that this underlying legislation passes. They will rue the day. As the Conference of Mayors said, this will be the "mother of all unfunded mandates." The Democratic plan will result in deficit reduction without unfunded mandates to the States.

Let me close by saying, yes, we should change the present way welfare is handled. But we should not throw the baby out with the bathwater. We have to do a better job of being compassionate but also have a bit of wisdom in what we are doing with so-called welfare reform.

Mr. MOYNIHAN addressed the Chair. The PRESIDING OFFICER (Mr. DEWINE). The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I first thank the Senator from Nevada for a careful and a thoughtful and, to this Senator, a wholly persuasive argument.

#### VISIT TO THE SENATE BY SENATOR EDUARDO MATARAZZO SUPLICY OF BRAZIL

Mr. MOYNIHAN. Mr. President, by a happy circumstance, we have a visitor on the floor today, Senator Eduardo Suplicy of the Brazilian Senate, who is the author of legislation in that Senate which will establish a guaranteed national income in Brazil and is now in debate in that assembly. It is a matter that has been discussed on this floor today. So it is very serendipitous indeed.

#### RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate might stand in recess for 1 minute in order to welcome our colleague from Brazil, Senator Eduardo Suplicy.

[Applause]

There being no objection, the Senate, at 6:12 p.m., recessed until 6:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

#### RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate stand in recess for a period of 20 minutes.

There being no objection, the Senate, at 6:15 p.m., recessed until 6:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

#### FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, a recent paper by the Progressive Policy Institute leveled three criticisms at the Republican welfare reform plan. It is to generate short-term budget savings, the first charge leveled; to satisfy GOP Governors' demands for flexibility; and, lastly, to avoid making tough decisions.

Now, obviously, that last statement is most ludicrous that the Progressive Policy Institute leveled against us because we have seen the Federal Government fail on welfare reform. You know, there was a massive effort made in 1988 at the Federal level to move people from welfare to work, to save the taxpayers money. We have seen 3.1 million more people on welfare now than before we passed our so-called welfare reform plan in 1988.

In the meantime, we have seen States like Missouri, my State of Iowa, the States of Wisconsin, Michigan, Massachusetts, New Jersey—and I suppose there are a lot of others that ought to be named—reform welfare in a very ambitious way and in an ambitious way that we have not had the guts or the will to do here in Washington, DC, at the congressional level. And we have seen through State action people move from welfare to work and saving the taxpayers money. In my own State of Iowa we have 2,000 less people on welfare than 3 years ago when we passed the welfare reform plan. We have seen our monthly checks go from an average of \$360 down to \$340. And we have seen the highest percentage of any State in the Nation of people who are on welfare moving to work, at 35 percent.

So can you believe it, Mr. President, that the Progressive Policy Institute would level a charge that we are trying to avoid making tough decisions when we have failed at tough decisions or we