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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have called the men and women of this Senate to glorify You by being servant-leaders. This calling is shared by the officers of the Senate, the Senators' staffs, and all who enable the work done in this Chamber. Keep us focused on the liberating truth that we are here to serve You by serving our Nation. Our sole purpose is to accept Your absolute Lordship over our lives and give ourselves totally to the work of each day. Give us the enthusiasm that comes from knowing the high calling of serving in Government. Grant us the holy esteem of knowing that You seek to accomplish Your plans for America through the legislation of this Senate. Free us from secondary, self-serving goals. Help us to humble ourselves and ask how we may serve today. We know that happiness is not having things and getting recognition, but in serving in the great cause of implementing Your righteousness, justice, and mercy for every person and in every circumstance in this Nation. We take delight in the paradox of life: The more we give ourselves away, the more we can receive of Your love. In our Lord's name. Amen.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Feinstein modified amendment No. 2469 (to amendment No. 2280), to provide additional funding to States to accommodate any growth in the number of people in poverty.

Conrad-Bradley amendment No. 2529 (to amendment No. 2280), to provide States with the maximum flexibility by allowing States to elect to participate in the TAP and WAGE programs.

The PRESIDENT pro tempore. The distinguished Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair. I inquire if the Conrad-Bradley amendment is the pending business?

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator is correct.

AMENDMENT NO. 2529

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. CONRAD, for himself and Mr. BRADLEY, proposes an amendment numbered 2529.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in the Friday, September 8, 1995, edition of the RECORD.)

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, the Conrad-Bradley amendment is based on the four principles of requiring work, protecting children, providing flexibility for States, and promoting the family structure. Our amendment fundamentally reforms the welfare system by allowing States to choose between the pure block grant approach of the Dole bill and a program that maintains a safety net for children, provides an automatic stabilizer for States, and includes the funding to pay for them.

None of us can predict the future. If there are floods in Mississippi, earthquakes in California, a drought in North Dakota, or some economic calamity in Colorado, a flat-funded block grant approach may not meet the need. We should retain the automatic stabilizer that allows a State to receive the help it requires. After all, this is the United States of America, not just 50 separate States.

Our amendment allows States to choose the Dole approach or the Conrad-Bradley option for 4 years. After that, the State may continue its program or switch to the other approach at their option. Our option provides States with complete flexibility to design work requirements, job training programs, to determine eligibility and sanctions. It allows States to set time limits of any duration for participants, provided that no participants are terminated if they comply with all State requirements.

The Conrad-Bradley amendment expands the State flexibility already included in the Dole bill. It uses States as laboratories to experiment, to find what is effective in welfare reform strategies. Although the States will have almost total flexibility to design their own welfare programs, they will do so without the risk that a natural disaster or economic collapse will prevent them from protecting children and families.

The Dole proposal before us already includes such an option for the food stamp program. If an option to choose between a pure block grant approach and a system that automatically adjusts for the need is appropriate for food stamps, I suggest we should provide the same option for the Dole AFDC block grant.

According to CBO, our amendment provides protection for children and States while saving \$63 billion over 7 years, compared with the \$70 billion of

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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savings in the current version of the Dole bill. In other words, we reduce the overall savings in the Dole bill, which are currently \$70 billion, by \$7 billion over the 7 years, in order to protect children and protect the States—to preserve the automatic stabilizer mechanism.

Again, it is a State choice. They can choose the pure block grant approach of the Dole bill. They can choose that for 4 years. Or they can choose the approach in our bill, which represents the most dramatic welfare reform ever presented on the floor of the Senate.

Finally, the Conrad-Bradley amendment eliminates the need to struggle over State allocation formulas because it allows States to choose, to choose between the Dole block grant approach and a funding mechanism that automatically adjusts for State need and effort.

Proponents of the Dole bill say that we should let States experiment. We agree. That is precisely what we ought to do. Let us let the States go out and try various welfare reform strategies and see what works. That makes good sense. Let us give the States a chance to experiment. Let us give the States a chance to determine what works and what does not work. But let us maintain the automatic stabilizer to help States hit by natural disasters or economic calamities. Let us make certain they have the resources to meet the need that none of us can foresee. Let us make certain that we can protect children.

We are, after all, the United States of America, not the divided States of America. Let us remember our strength flows not only from our diversity, but from our union.

I thank the Chair and reserve the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. HUTCHISON. Mr. President at the request of the Senator from Arkansas [Mr. BUMPERS], I ask unanimous consent that his name be added as a co-sponsor of S. 978.

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

Mrs. HUTCHISON. Mr. President, thank you.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on the Conrad amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. CONRAD]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 409 Leg.]

YEAS—44

Akaka	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Lautenberg	Simon
Exon	Leahy	Wellstone
Feingold	Levin	

NAYS—54

Abraham	Frist	Mack
Ashcroft	Gorton	McCain
Baucus	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Santorum
Coats	Hutchison	Shelby
Cohen	Inhofe	Smith
Coverdell	Jeffords	Snowe
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kohl	Thomas
Dole	Kyl	Thompson
Domenici	Lott	Thurmond
Faircloth	Lugar	Warner

NOT VOTING—2

Cochran Simpson

So the amendment (No. 2529) was rejected.

Mr. KERREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2469, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Feinstein amendment No. 2469, on which there will be 4 minutes of debate equally divided, followed by a vote on or in relation to the amendment.

The Senator from California [Mrs. FEINSTEIN], is recognized.

Mr. MOYNIHAN. Mr. President, I respectfully suggest the Senate is not in order.

The PRESIDING OFFICER. Senators will take their conversations off the floor. The Senate will be in order. There will be 4 minutes of debate.

Mr. BYRD. Mr. President, may we have order? We need to know what we are voting on. We cannot hear.

The PRESIDING OFFICER. The Senate will be in order. The Chair advises Senators to take their conversations off the floor. The Senator from California is recognized.

Mr. BYRD. Mr. President, the Senate is still not in order. There are too many discussions going on toward the rear of the Chamber.

The PRESIDING OFFICER. Senators at the rear of the Chamber—

Mr. BYRD. And staff. I thank the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from West Virginia, because I believe this is a very important amendment.

Let me quickly sum up how my amendment, I believe, improves the underlying bill. In the Dole bill, 31 States have their funding frozen at fiscal year 1994 levels for the next 5 years. Funding is frozen despite very tough mandates to States which require a minimum work participation rate, which CBO says, as late as last night, only 10 to 15 States will be able to meet. Those States that cannot meet the minimum work participation rate will have a penalty of 5 percent with another 5 percent from the State, or a 10-percent cut in funds, and all but 19 States are locked out of the so-called growth formula.

So this is major. What I would like to say to my colleagues who represent the 31 States that are frozen out of the Dole bill is this: Not only will your State be required to meet that mandate, not only will your State receive no additional funding for child care or job training to meet the mandate, and even though your State will almost definitely experience an increase in poor population, your funding is frozen.

This bill, my amendment, takes the language of the House which says that the poor population of the State, as reflected by the census, will be used to determine the growth allocation. And, in fact, 27 States increase their funding under my amendment over the Dole bill.

Those charts have been distributed to you, and I urge, if you are one of those 27 States, that you vote for this amendment. The amendment is fair. It is as the House does it. It simply says the census determines the numbers and the money for growth is accommodated in that way.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. Is there further debate? The Senator from Texas [Mrs. HUTCHISON], is recognized.

Mrs. HUTCHISON. Mr. President, I urge my colleagues not to vote for this amendment.

Mr. MOYNIHAN. Mr. President, I must once again respectfully suggest the Senate is not in order. We cannot hear the Senator.

The PRESIDING OFFICER. The Chair asks that Senators withhold conversations. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, it was very difficult to solve the formula issue when we decided we were going to reform welfare. The most fair formula is the underlying bill, the Dole-Hutchison formula. What it does is allow everyone to win at some point. No one loses what they have now. Yet, the low-benefit, high-growth States are not penalized in years 3, 4, and 5.

When we decided to block grant for 5 years, we had to look at the accommodation for the high-growth States where they had low benefits. That is because the high-benefit States get their windfall in the beginning. Whereas, California gets \$1,016 per poor person grant. States like Alabama get \$148. Mississippi gets \$138, as compared to \$1,000.

So the goal of our underlying bill is to reach parity slowly, without hurting the New Yorks, the Michigans, and the Californias, but bringing up the States that no longer have to have a State match and are very poor. So it is equitable and it is fair.

I ask my colleagues to look at the overall picture and understand that if we are going to have welfare reform, we must start with the new parameters, which are that the State match is going to be phased out. Yes, New York and California had big State matches and, therefore, got more Federal dollars. They are going to keep those Federal dollars, even as the State's match is phased out. But the low-benefit, high-growth States are going to get their help in the end. That is why this is a balance. That is why this is fair and why the low-benefit States are not going to have to pay in order for California to continue to grow.

We will never reach parity under the Feinstein amendment. There will never be fairness in the system as we go to the Federal dollars, without State matches. The only way that we can go toward the goal of parity and equality in this country is to stay with the underlying bill.

I hope you will vote against the Feinstein amendment and stick with the Dole-Hutchison formula, which is fair to everyone.

Mr. D'AMATO. Mr. President, I rise to oppose the amendment from the Senator from California.

The reason I oppose this amendment is because it does nothing to help us

meet our real goal in this debate, which is the fundamental reform of a failed welfare system.

Instead it reopens a funding formula debate that pits State against State, and puts the whole endeavor of welfare reform in dire jeopardy.

Let me be clear that my State is one that would benefit from the adoption of the Feinstein amendment. There are elements of the Senator from California's amendment that I believe have merit, and I believe she has made some important points in the debate on her amendment.

Nevertheless, the practical effect of her amendment will be to reopen a battle that can only stand in the way of the enactment of this important welfare reform bill. I intend to vote against this amendment, and I encourage my colleagues to do the same.

The PRESIDING OFFICER. All time has expired.

Mrs. FEINSTEIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Mississippi [Mr. COCHRAN] is necessarily absent.

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 410 Leg.]

YEAS—40

Akaka	Ford	McConnell
Biden	Glenn	Mikulski
Boxer	Gorton	Moseley-Braun
Bradley	Harkin	Moynihan
Bryan	Inouye	Murray
Byrd	Kennedy	Pell
Coats	Kerrey	Reid
Conrad	Kerry	Rockefeller
Daschle	Kohl	Sarbanes
Dodd	Lautenberg	Simon
Dorgan	Leahy	Specter
Exon	Levin	Wellstone
Feingold	Lieberman	
Feinstein	Lugar	

NAYS—59

Abraham	Frist	McCain
Ashcroft	Graham	Murkowski
Baucus	Gramm	Nickles
Bennett	Grams	Nunn
Bingaman	Grassley	Packwood
Bond	Gregg	Pressler
Breaux	Hatch	Pryor
Brown	Hatfield	Robb
Bumpers	Heflin	Roth
Burns	Helms	Santorum
Campbell	Hollings	Shelby
Chafee	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Jeffords	Snowe
Craig	Johnston	Stevens
D'Amato	Kassebaum	Thomas
DeWine	Kempthorne	Thompson
Dole	Kyl	Thurmond
Domenici	Lott	Warner
Faircloth	Mack	

NOT VOTING—1

Cochran

So the amendment (No. 2469), as modified, was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2488

The PRESIDING OFFICER. Under a previous order, the Senate will now resume consideration of the Breaux amendment, No. 2488, with time until 12:30 to be equally divided between the sides, and a vote on or in relation to the amendment to occur at 2:15 p.m.

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the time be limited on the Ashcroft and Shelby amendments to 1 hour on each amendment, equally divided between the sides.

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

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, the pending amendment is the so-called Breaux amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BREAUX. I ask unanimous consent at this time that Senators JEFFORDS, KOHL, SNOWE and BAUCUS be added as original cosponsors to the amendment.

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

Mr. BREAUX. Mr. President, what we present today in this amendment is a bipartisan effort, which is the way that welfare reform has to be accomplished in this country. There is no way that we as Democrats can write the bill by ourselves. There is no way the Republicans, by themselves, could write a bill that will become law. This amendment recognizes that, and it is a bipartisan effort.

We have worked with distinguished Members of the other side, Republican colleagues, to craft this amendment to make it fair, to make it one that can receive bipartisan support and reach a majority. It may not be perfect, but I think it reflects the best thoughts of those of us who have been involved in this effort for a long period of time, and I ask that our colleagues give it their favorable consideration.

Let me just preface what my amendment does by mentioning, just for a moment, a little of the history of this effort to try to solve welfare in our country. It has always been a joint effort between the States and the Federal Government.

On average, the States generally contribute about 45 percent of the total welfare funds to welfare programs within their State borders and the Federal Government contributes the other 55 percent, on the other hand, of the welfare dollars going into various States.

It has always been a joint venture, if you will, a partnership, if you will, between the Federal Government and the States. For the first time in the 60-year history of this bill, the other body—our colleagues and friends in the House—has terminated that partnership. They

have said that there is no longer any requirement that the States put up any money if they do not want to help solve this problem. They say they are for block grants, and that in their minds means that the Federal Government sends them all of the money and they have no obligation to put up anything. They say that the Federal Government will continue to give the same amount over the next 5 years even if some of the programs that they have developed in their State reduces the number of people on welfare.

That is right. Under the House proposal, the Federal Government would continue to send the States the same amount of money every year for welfare even though there are fewer people each year in that State that are on welfare. What kind of a partnership is that? That is giving the Federal Government all of the responsibility of raising all of the money, and giving the States the same amount of money each year, no matter what happens within those State borders.

I think the concept of block grants can be made to work sometimes, but it has to be a partnership. We all know that when you are spending somebody else's money, it is much easier to spend it in any way you want to spend it. All of the legislative bodies, if they think the money is coming from Washington, are less responsible, in my opinion, when it comes to spending those funds than if they have to raise it through the tax programs in their respective States.

We have all heard stories about block grant programs that have not worked at this very point in the sense of having States misuse block grants coming from the Federal Government. We heard the story about the Law Enforcement Assistance Administration block grants. Someone in one community was using the Federal money to buy a tank for the police chief. Why not? It is Federal money. They did not have to contribute to it. They thought it was a nice thing to do, and they did it. So the police chief got a tank.

The Wall Street Journal just recently reported how State auditors in one State discovered that the State squandered \$8.3 million in Federal child care grants on such things as personal furniture and designer salt and pepper shakers. Robert Rector, of the Heritage Foundation, certainly not a Democratic organization by any stretch of the imagination, recently commented on this phenomenon by saying:

If there's anything less frugal than a politician spending other people's money, it's one set of politicians with no accountability spending money raised by another set of politicians.

That is the point, Mr. President. That is the reason the Finance Committee considered this proposal, a proposal that said the Federal Government would continue to maintain our effort here in Washington in helping to solve welfare problems, that the State

had no obligation to spend any of their money whatsoever. Therefore, I offered an amendment in the Finance Committee which required the States to maintain the same effort the Federal Government was maintaining; that if the States reduced by \$5 the amount of money needed for welfare because of fewer welfare people, then the Federal Government would reduce our contribution by the same amount. That is why the amendment that is now before the Senate has been scored by the Congressional Budget Office to save \$545 million over 7 years.

This is a bipartisan amendment that the Congressional Budget Office says will save \$545 billion over the next 7 years. That is why I think that all of our colleagues who are interested in trying to save money on welfare reform would look with favor and support my amendment.

I want to point out on this first chart how the current system works, and why I think it makes sense. When you have a real partnership, with Federal and State funds both being used and contributed, you see here in the chart that about 9 million children of America get help and assistance under this program. You see, according to the blocks here, that we have five blocks with the representative Federal contribution and four blocks representing the State contribution to help 9 million kids. That is the current partnership. Without any State funds, under the House bill, if you say all right, the State does not have to put up anything, obviously, you are going to lose the blue boxes which represent the State contribution and instead of helping 9 million children get aid and assistance, you are now only helping 5 million.

What we are saying essentially by this amendment is that we want to maintain the partnership, we want to maintain the effort. We think what the House has proposed is absolutely unacceptable because it says that States should not have to contribute anything if they do not want to. That is not what real reform is all about.

The second chart that we have would also show something that I think is important. It shows that if you have the States willing to put up nothing, how it would affect the number of jobs that have been created over the past years. Right now, there are 630,000 job slots. These include work programs, education, training, and child care that are provided for through the Federal and State partnership.

If State spending were to be cut by 10 percent, which would be allowable under both the House and the Senate proposals, if they were cut by only 10 percent, you are talking about a cut down to 290,000 jobs being available, a dramatic reduction. If the States were to cut their contribution by only 20 percent, you would not have any jobs funded at all. We all know that without work, you are not going to have real reform. Welfare reform is about creat-

ing jobs. If you allow the States to do less than they have been doing, or nothing at all, you are going to obviously dramatically adversely affect the creation of jobs under the welfare reform bill. Therefore, this amendment is absolutely critical.

The third thing is that my amendment would enable both the Federal Government and the State governments to share the savings of welfare reform. One of the reasons we are trying to enact welfare is to save both the Federal Government and the State governments money. My amendment says that if the State government is going to reduce the amount of money they spend on welfare, so should the Federal Government. The House bill, in comparison, says: Look, if the States are going to spend a lot less because fewer people are on welfare, the Federal Government is still going to continue to give the same amount of money to the States. What kind of nonsense is that? If the State is getting \$10 million from the Federal Government and reduces the number of people on welfare, under the House bill they still get the same amount of money from the Federal Government. There is no reduction. That does not make any sense whatsoever in times of tight budgetary restriction. If the State government can save money because of fewer people being on welfare, that is a good thing to happen. But the Federal Government should also say that we should also be able to reduce our contribution if the States have been able, through new inventive programs, to reduce the number of people on welfare.

Also, my amendment, which requires the States to continue to contribute 90 percent of their funding, would discourage the supplementing of existing State resources.

With the budget that we passed in the Congress, we made a clear statement that, "Federal funds should not supplant existing expenditures by other sources, both public and private," and that the "Federal interest in the program should be protected with adequate safeguards such as maintenance of effort provisions." My amendment would ensure that Federal dollars are not used to replace State welfare spending, which could be diverted to other uses like roads and bridges.

Mr. President, simply put, under the House-passed amendment on welfare reform, the States under this provision have no requirement to have any maintenance of effort, no requirement to participate financially in solving the welfare problem. If a State wants to say, "Well, we used to spend X amount of dollars on welfare programs. We want to take half of that, and we are going to use it for roads and bridges, or to buy furniture for State employees, or we are going to use it to pay for State raises for all of the State employees," Mr. President, under this amendment, the Federal Government still continues to contribute the same

amount. The State is left off the hook for any real obligation to help solve the problem.

We are not going to be able to solve the problem just here in Washington. States are going to have to be involved, and they are going to have to be involved financially in order to see that the programs are handled properly, that there is a real interest in the program, and that adequate funding for the program is available. We all know that when you come to lobbying for scarce State funds that people on welfare, and children in particular, who are innocent victims, do not have a very strong lobby. People who build roads and bridges and highways do. So if a State all of a sudden sees the House-passed bill in front of them they are going to say, look at this pot of money. We are going to take all the money that we used to use for welfare, and we are going to build roads and bridges and give State pay raises because that is what gets you reelected.

I think that is wrong. Another thing that they could say is by reducing the amount of money they contribute to welfare programs, by reducing the income of a person, they are entitled to more food stamps because this is 100 percent federally funded. This is another unique way that the Federal Government is going to get stuck with the tab under the proposal in the House—let us just reduce the amount of money we give on welfare, and we know by doing that welfare recipients are going to get more in food stamps and, by golly, food stamps are paid for by the Federal Government 100 percent. Is this not a great way of getting rid of an obligation.

What that is going to do is cost the Federal Government and the taxpayers substantial amounts of money. That is one of the reasons CBO has scored my amendment as saving \$545 million over the next 7 years. There is no other amendment pending that is going to produce those types of savings. It is very simple. As a State legislator, I know if I reduce my State's spending on a program for welfare recipients, they are just going to get more money in food stamps that are paid for by the Federal Government 100 percent. Is that not a great way to get out of my obligation and stick it to the Federal Government and stick it to the Federal taxpayers because they are going to have to pick up 100 percent of the tab for the cost of food stamps.

The only way we are going to solve this problem is with a real true partnership. My understanding of what the majority leader on the other side has offered is to say I think you have a point, BREAU, and this zero contribution by the States is really insufficient. They have devised an amendment I think that says, well, we are going to require the States to pay up to 75 percent of what they have been spending and contribute 75 percent for the next 3 years. But then after that it disappears. If a 75 percent contribution

is good for the first 3 years, why is it not good for the life of the program or 5 years? What is magical about having it for 36 months and then, poof, it disappears? If it is good for the first 3 years, it should be good for the years of the program.

The real critical point is this. And I am really trying to speak in a bipartisan fashion. If my colleagues on the Republican side of the aisle really think 75 percent is a reasonable contribution by the States—I think it is too low, but they think it is reasonable—does anyone who has been around here more than 6 weeks think if we go to the conference with the House with the requirement that the States put in 75 percent of what they have been spending and the House has a provision which requires zero, does anybody think we are going to come out with 75 percent? Of course not.

If you have been on a conference before, you know how these things are generally settled. You divide by 2. The difference between 0 and 75 is 37½ percent. And that is what likely is to come back from a conference when the House comes in with a zero requirement and the Senate comes in with a 75 percent requirement.

So I urge my colleagues who may think that my requirement requiring a 90 percent contribution by the States of what they have been spending is too high to recognize that this bill has to go to conference. If we are going to come out with anything near 75 percent, I suggest it is absolutely essential that we come in with a minimum of a 90 percent requirement, knowing that in the conference it is going to be conferenced out and you generally split the difference when you go to conference.

I think we can pass all the laudatory measures and resolutions we want saying that our conferees should stick with 75, and we know they are going to stick with 75, and they will argue for 75. That is good. That is fine. I have been on conferences time and time again, and I have been around here too long to know that is not what happens. The other body feels very strongly that there should be no contribution by the States. I think almost everybody in this body thinks there should be a contribution. If you think 75 percent is a fair amount, it is absolutely essential that we go to conference with a higher amount.

Let me also say, Mr. President, that the amendment I have offered has a great deal of support from people who believe in block grants in particular. I know that Gov. Tommy Thompson from Wisconsin, who has been quoted so often on welfare, has said that "welfare reform requires a cash investment up front. That investment eventually turns into savings."

I agree with that, but I am concerned you are not going to be able to get money out of State legislative bodies for welfare reform without this provision. If States are told they do not

have to put up anything, many States will put up nothing. That is simply a fact of life. Therefore, a requirement that they contribute in this maintenance of effort is absolutely essential.

We can argue all we want about what is proper, 75 or 90, but I remind my colleagues when we go to conference we will be going to conference with a group of House Members who will feel very strongly that zero is the proper amount. If we are ever going to come out with something that maintains effort on the States at an appropriate and proper amount, then we absolutely are going to have to come in with an amount that is consistent with what I have in my amendment, and that is a 90 percent requirement. That allows the Federal Government to save substantial amounts of money—\$545 million over 7 years as scored by CBO. It requires the States to participate in a partnership arrangement for the solving of this particular problem.

Mr. President, with those comments, I reserve the remainder of my time at this point.

The PRESIDING OFFICER. Who yields time?

Mr. BREAU. Mr. President, I ask, how much time does the Senator desire?

Ms. SNOWE. Five minutes.

Mr. BREAU. I will be happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. SNOWE. I rise in support of the amendment that has been offered by the Senator from Louisiana [Mr. BREAU], because I do think it is essential that we ensure a continued Federal-State partnership with respect to welfare programs, and certainly regarding the welfare reform we are attempting to make in the Congress today.

The amendment offered by the Senator from Louisiana underscores a very essential point, and I think it gets to the heart of what welfare reform is all about—that it is in fact a mutual cooperative effort between the Federal Government and the States to get Americans off welfare, so that they can pursue opportunities to self-sufficiency, personal responsibility, and discipline.

Since 1935, when title IV of the Social Security Act was adopted, welfare has always been a Federal-State partnership. And as we attempt to reengineer the welfare system in America today as we know it, I also think we should renew our commitment to that partnership. The bottom line is the States have a tremendous stake in the success and outcome of welfare reform.

At the same time, I think it is also essential that they have a financial commitment and a financial stake in this reform. Many States—and I think we all can understand this—will continue to extend their programs to the neediest, as they do today, but they are also facing the same antitax, antigovernment, antiexcessive spending sentiment that we are in the Senate and in the entire Congress.

These States at the same time also have balanced budget requirements and commitments. In fact, most States do throughout the country. So they will be facing competing demands and interests for money.

Under the legislation that is pending before the Senate with respect to welfare reform, there is no requirement that the States contribute what they have spent in the past with respect to welfare. That is a concern which I have and one I share with the Senator from Louisiana.

In the last 20 years, cash assistance by the States toward welfare has been reduced by 40 percent when you take into account inflation. That is 40 percent. I do not think there is any question, as we pursue welfare reform, that we are going to still make a commitment, probably as great as what we are making today, in order to ensure that those individuals who are on welfare will move toward self-sufficiency in the future.

As the Senator from Louisiana mentioned, Governor Thompson, who has had a very successful welfare reform program in the State of Wisconsin, had to make a commitment of fivefold toward job training and child care in order to make it a success. For every dollar they invested, they got \$2 in return from benefits.

Now, the Breaux amendment says that if the States do not wish to make their commitment of 90 percent of their spending at the 1994 level toward welfare, they can reduce it, but at the same time the Federal share will be reduced as well, dollar for dollar. I do not think that is unfair. I think the Federal Government should share in the benefits and the success of the program as well as the savings because this should be a shared partnership. If we are able to save money, the Federal taxpayers should save it as well. We should stand to gain from the successes as well as the savings. So we are asking the States to spend 90 percent of what they spent at the 1994 level over 5 years.

I think it is essential there is a 5-year commitment toward the maintenance of effort. It is not that we are saying that we do not expect States to make a commitment, but there have been some States who made a greater commitment toward welfare in the past than others. It is not saying we do not trust the States. I do not think it is a question of trust. It is a question of shared responsibility and the question of fairness.

Without the requirement for a fiscal commitment by the States to at least spend 90 percent at the 1994 level toward welfare, some States may not keep their end of the deal. Now, welfare reform was not designed to get the States off the hook. We are trusting them immensely through the enormous flexibility that is being granted to them through the block grant program. They stand to gain enormously in terms of how they implement a welfare

reform program that is tailored to their particular State and to their constituency.

And we think that they can do a better job than the Federal Government. But we also know that it is going to continue to require a commitment on their part in terms of contributions. And that is, as we were having this debate this week on the issue of child care, we know we are going to need a tremendous commitment toward child care. And that is why I was pleased that Senator DOLE included language that I and others proposed with respect to child care so that those families who have children of 5 years or under who demonstrated a need for child care and were unable to obtain it because of distance or affordability will not be sanctioned. And I think that is an important provision in the legislation.

But I also think that we have to ensure that the States will continue to make their commitment toward child care or job training or health care. And they will have the flexibility under this legislation to transfer from one to the other. But the fact of the matter is, they should make a maintenance of effort toward what they have contributed in the past, and we are asking them to provide 90 percent, which is less than what the Federal share would be, because the Federal Government would be required to pay 100 percent of their share of their contributions to the States at the 1994 funding level.

I think this is a very important principle to adopt, Mr. President, because combined Federal and State spending approximates more than \$30 billion. The States contribute about 45 percent of the total amount of money spent in this country on welfare. That is 45 percent. So without the Breaux amendment, we risk having nearly half of what is now spent on welfare siphoned off to other programs. That may mean that we will not have the kind of commitment toward child care or job training or education programs that are absolutely essential and necessary if we are going to make welfare reform work.

We want the States to reduce the rolls, absolutely. But the question is how they reduce those rolls. We want to make sure they do it in a way that we reach the final goal of allowing welfare recipients to become independent and self-sufficient. That is the bottom line. Because that is in the best interest of this country. So I think it is important to have a maintenance-of-effort requirement in this legislation because we know that essentially the States cannot spend much less than what they are spending today on welfare and think that we are going to have a successful welfare reform program. I do not believe it can happen, as you can see, in the State of Wisconsin, when Governor Thompson made a fivefold commitment toward an increase in commitment toward education, job training and child care.

So I think that this is a very important amendment. And as I said—

Mr. BREAUX. Will the Senator yield for a question?

Ms. SNOWE. If States want to reduce their commitment, then the Federal share will be reduced as well. It is not preventing the States from reducing their share, but if they do, then we have a proportionate reduction of the Federal share as well.

I will be glad to yield.

Mr. BREAUX. I commend the Senator for her comments on this legislation. And I prefer calling it the Breaux-Snowe amendment and thank her for her contribution in that regard.

I wanted to—the Senator served in the other body, as I have. And the statement that some have said is that, "Well, you know, we really think that 75 percent is an appropriate amount. That is why we should pass a maintenance-of-effort requirement, and the States will have 75 percent, and then when we go to conference we will come back with 45 percent, and that will become law." And my concern is—and I ask the Senator to comment—the other body has a zero requirement for the States spending anything.

Does the Senator from Maine also have the same concern about what would happen in the conference if we start out and figure it with a substantially lower amount than the body of this amendment?

Ms. SNOWE. Yes, I share the Senator's concern in that regard because there is no maintenance of effort whatsoever.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. I yield 2 additional minutes.

Ms. SNOWE. Thank you.

I share that concern because the House does not include any maintenance of effort, no percentage in that regard. So we go in, and we know there is going to be much less than that because of the House's position. So we are at 90 percent. We are going to come out with much less. And I think that is why this amendment is preferable in that regard. I think it is essential to have a 5-year commitment. If we go in with less than 5 years, we know we will probably, at best, probably get maybe 3 years. But I do think it is important that we have both the 90 percent and the 5 years to go with a strong position into the conference.

Mr. BREAUX. I thank the Senator.

Ms. SNOWE. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SANTORUM. Thank you, Mr. President. I hear great consternation

of what is going to go on when this bill reaches conference. We have to vote for the Breaux amendment because of positioning, and we have to position ourselves at 90 percent so we can get something, because the House is at zero and we are at 90 percent. The Senator from Louisiana suggested we may get up to 45 percent. If we go in with 5 years, the House has nothing, we will get 2½ years.

I do not want to speak for the majority leader, but I think we would be willing to say that we will go with 45 percent and 2½ years, and we will stick to that in conference.

So if the Senator is concerned about what we are going to bargain, I think we are willing to make that commitment right here on the floor of the Senate. And I think the leader could come over and say that we will fight and stand firm on 45 percent and 2½ years. And if that is—

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. We are willing to take that tough stand.

Mr. BREAUX. Now the Senator is arguing that 45 percent is the appropriate, proper amount?

Mr. SANTORUM. No. I was responding to what the Senator anticipates happening in conference. And I think we can save ourselves a lot of problems. I think what this shows is that this is not really an area of precision. I mean, we do not have a lot of precision here of what should be the maintenance of effort, whether it is 90, 75, or 50 percent.

It is really a question of philosophy as to whether you want to give the States the flexibility to be able to reap some rewards in managing their own program and whether you trust Governors and State legislatures. I think there is and has traditionally been at the Federal level a mistrust. I think that is unfortunate.

I will have comments later. But I see the Senator from Missouri, who was a Governor of the State of Missouri, and who was elected as Governor and Senator. I would be interested to hear from the Senator from Missouri as to whether those constituencies that elected him to both offices require him to do different things, whether he should feel differently as Governor and not care for the poor as Governor but care for the poor more as a Senator. I would be interested in whether there is that transformation as held in the State office as opposed to holding the Federal office, whether you care more about poor people as a Senator than you did as a Governor.

I would be happy to yield 10 minutes to the Senator from Missouri.

Mr. ASHCROFT addressed the Chair. The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. I rise to question the public policy value of trying to lock States into spending 90 percent as much as the Federal Government has on a series of programs, many of which not only have

failed, but have locked people into dependency and have locked people into poverty. I think there are very substantial and significant public policy reasons to say that we should allow the States the flexibility to correct the errors of the Federal Government rather than to pass legislation which would require State and local governments to persist in the errors of the Federal Government.

The Breaux amendment would require that there be a 90-percent maintenance of effort. And in my understanding of it, that means that we would require that States spend 90 percent of any block grant just as the Federal Government did, in other words, lock in an amount of spending. This could be a serious problem for States because, in some instances, it could actually require that States build the program to be a much bigger program than it now is. It might require States to go out and get far more people into the program than they now have.

Let me just give you one example that flows out of my experience as Governor, but really persists and has come as a part of the testimony that has been in the debate about welfare from my successor and from the people in his administration. As you know, I did not have the privilege of being succeeded by a Republican. So a Democrat is now Governor of our State. And so, I want you to know that these figures are not Republican figures or Democrat figures. They happen to be Democrat figures, but they came from an administration that followed mine.

Take one of the biggest welfare Programs of all. The most costly welfare program of all is the Medicaid Program. In the Medicaid program in my home State, the Medicaid director has said that if he could just have the money and not have all the Federal red tape, instead of serving 600,000 people with the money, he would be able to serve 900,000 people with that same amount of money, meaning that there are tremendous inefficiencies in the Federal program; that these inefficiencies, as a matter of fact, if they could be wiped out, would be more than a 10-percent benefit to the program. They could provide for a 50-percent increase in the population being served.

If we were to apply the Breaux amendment to that kind of a situation, what would happen? The Breaux amendment would require spending 90 percent of the money, which would mean that you would get 90 percent of the increased number of people that could be served absent the Federal regulations. That would, in a program like the Medicaid program in Missouri, automatically boost the program from a 600,000 population program to an 810,000 population program, because we would mandate that they spent 90 percent as much as they would now be spending, but do it in a context without the Federal regulations, which would allow for greater efficiencies.

Mr. BREAUX. Will the Senator yield for a question?

Mr. ASHCROFT. Yes.

Mr. BREAUX. Does the Senator realize the Republican amendment locks in the Federal contribution at 100 percent for 5 years? Even if the State is successful in reducing the amount of people on welfare, your amendment locks the Federal Government into spending 100 percent for 5 years. If it is improper to lock the State into spending 90 percent, why is it proper to require the Federal Government spend 100 percent, even though you have fewer people on welfare?

Mr. ASHCROFT. We would do so by ending the entitlement, and that provides an incentive to the States to reduce welfare, as opposed to the Breaux amendment which would provide a mandate, in many instances, to increase welfare.

Mr. BREAUX. If the Senator will yield further on that point, just to clarify. It is an important point. Under the Republican amendment, the Federal Government is locked into spending 100 percent no matter what the State does.

Mr. ASHCROFT. The Federal Government is locked into spending 100 percent by an amount determined by its expenditures last year, and then any savings that come out of that should inure to the States. The difference is under the block grant proposal. There would be a massive incentive for the States to save money and to reduce welfare rolls.

Under the Breaux amendment, which would require a 90-percent expenditure, instead of saving the money and devoting it to things that might be more needy, they would be required to spend it in the same way they had previously, which could result in the anomaly of increasing welfare substantially.

Let me just move away from the area of Medicaid, for instance. Food stamps are the second largest of all the welfare programs. The testimony from the Office of Inspector General and from the Food and Nutrition Service and the Department of Agriculture is there is about a 12-percent administrative cost in food stamps. There is about a 12-percent slippage when you consider trafficking in food stamps and fraud and mistakes and those kinds of things, or about 24 percent of the program—24 percent of the program—does not really get to needy folks. If you are to take that kind of a welfare program and send it back to the States with a 90-percent requirement that they keep spending the money for the same program, it is another case where they might have to increase the number of people on welfare.

Mr. President, I think what we have here is a classic situation: Are we here to reform the welfare system? Are we here to reduce welfare or are we here to increase welfare? In my State, the people of Missouri spell "reform" r-e-d-u-c-e. They believe they sent us here in the year 1994, last year, to do something about an epidemic of welfare

which is pulling more and more people into the category of dependence and despair and fewer and fewer people into the category of independence and industry.

I think we have to ask ourselves the question: What is our purpose in reform? I think our purpose in reform ought to be giving States the incentive to move people off welfare and, yes, if there are surplus funds and they have been successful in doing that, let the States devote those funds to the benefit of the entire population.

Let me just raise another issue. The other issue is this: If States do get the number of people down on welfare—and, after all, we should be trying to get fewer people on welfare, not more. The index of a compassionate society, J.C. WATTS said, and he is profoundly correct on this, and the Chair, being from Oklahoma, knows Congressman WATTS well, the compassion of a society should not be how many people you can get on welfare, but a really compassionate society should have few people on welfare.

If you are required to keep spending lots and lots more money on welfare per capita than you have, if you have any inefficiencies now that are expressed in the program, if you have to spend more money per case, what does that do? If you have the case level down to 75 and you still have to spend at 90, you have to make that case much richer, you have to provide more benefit.

As you increase the benefit, what do you do? You attract people back into the system. The pernicious impact of the Breaux amendment would be to attract more people into welfare to the extent the States were able to reduce the welfare caseload and the administrative cost to a level below 90 percent.

We do not want to build a welfare system here; we want to make a welfare system that helps people out of welfare into work. We do not want to make the benefits richer so it makes it harder for people to move from welfare to work; we want this system to be designed to meet the needs of truly needy individuals but without a Federal mandate that might require the State of Missouri, for instance, if it were to be applied to Medicaid, to move from 600,000 people on welfare to 810,000 people on welfare, or, in the area of food stamps, if you could somehow get a good bit of that 24-percent slippage out of the system, that would require an increase in the benefits so that more people would be enticed into the system rather than fewer.

This is a fundamental point that if you are going to reduce the number of people on welfare and you require the amount of money to be maintained at a very high level, you have to make the benefit richer and richer and richer. And if you enrich the benefit while you are decreasing the population, then all of a sudden people will start seeing the benefit being richer again, and you will attract more people into the system.

We do not want to build into welfare reform. We do not want to sow the seeds of its own destruction. We do not want to build a structure and mechanism which will result in welfare being increased and grown.

I said the people of Missouri spell "welfare reform" r-e-d-u-c-e, and they do not want to grow welfare, they want to slow welfare, not because it is so much a question of how much money we are spending, it is a question of how many lives we are losing. We are losing generations of children.

Another point: There seems to be some question—and I am glad the Senator from Pennsylvania raised this with me—as to whether people at State capitals can be sensitive to the needs of the needy. It is as if somehow people can only be heard if they have needs in Washington, DC. I suppose it might be as a result of the history of this whole enterprise of welfare, if we could mislabel welfare as an enterprise. It might be that if we were to discuss the history, we could see why that question comes up, because there was a time in America's history when individuals who were needy were not well represented in politics.

Back in the fifties and sixties, there were laws that related to access to voting which kept a lot of people from voting. The civil rights movement was a response to that. And then the Supreme Court of the United States in the 1960's said, "We can't have rural communities have an improper impact on legislation because they do not have the population anymore." So there was a Supreme Court case called *Baker versus Carr* that provided for one man, one vote. And there is only one legislative body in the United States of America that does not represent one man, one vote. It is the U.S. Senate.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator's time has expired.

Mr. SANTORUM. I yield the Senator an additional 5 minutes.

Mr. ASHCROFT. Mr. President, this is the only body in America that is not equally represented by the people of this country. Every State capital has a specific, both in their senate and house of representatives, except for Nebraska, of course, which only has one house, every State capital has one man, one vote. People have access to the ballot box like never before. As a matter of fact, the civil rights laws of the third quarter of this century moved to guarantee access and moved to remove legal barriers from voting and political participation. But just this decade, the Congress of the United States moved to remove virtually any kind of barrier. As a matter of fact, there is a special privilege for people on welfare. They are automatically asked to register when they go on welfare.

There can be no argument that people in need are people who are disenfranchised in the United States. The idea that you have come to the

Federal Government to be heard or to have an impact as a citizen is a bankrupt argument. It may have had currency at one time, but that currency has been substantially devalued by a change in the law, both the judicial law and the legislative law.

The people of this country are represented and can be heard in their State capitals. I submit that they will be heard there better than in Washington, DC. As a former Governor, I witnessed far more people visiting me in the State capital than visiting me here in Washington, because the only disenfranchisement that comes now is a disenfranchisement of distance. Frankly, I cannot name a single State for which Washington, DC, is a closer destination than their State capital. It is simply not the case. If we give States discretion about how to spend this money so we can have real reform, needy people can go to the State capital. Needy people know that if the State makes a mistake, it is easier to correct and more quickly corrected than it is if the country makes a mistake. Needy people know that if there is a mistake in 1 program out of 50, it is not nearly as bad as if it is a national mistake. Needy people know that to get legislation changed in Washington, DC, you have to fight your way through special interests and all kinds of power groups, politically. They know that at the State level individual voices are heard, and the voices of neighborhoods and communities are heard.

So I rise to oppose this amendment because I think it will hurt the people who are in need in this country. I rise to oppose this amendment because I think it is an amendment which is designed to institutionalize and guarantee the maintenance of the current system. It is incomprehensible to me, after the people spoke in 1994 as loudly as people spoke to me just last month when I was home, just incomprehensible to me that we would not want to really reform this system, that we would want to guarantee that the system is 90 percent the same as it is now. If a State can save enough money to go below that 90 percent, or devote that resource to additional education or additional ways of helping people pick themselves up and carry themselves out of poverty, we say: No dice, no; you have to be at least 90 percent as inefficient as the Federal Government, 90 percent as punitive as the Federal Government; you have to be at least 90 percent as unsuccessful as the Federal Government.

I think we need to turn these States loose. There is very little doubt in my mind that there are just ways that people will solve these problems. Ninety percent, I think, would lock in a spending level. Ninety percent would likely lock in, in some cases, an increase in the number of people on welfare. I cannot think of anything more tragic than the State to sweeten its system, to redesign its program, and as a result of

the redesign of the program, end up sucking more people into a system which has already impoverished many and stolen the future of generations.

In some communities, like Detroit, 79 percent of all the children are born without fathers. We have an epidemic that is aided and abetted by this system, which is counterproductive. We should not institutionalize the status quo, and we must reject the Breaux amendment.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I thank the Senator from Missouri for his insightful comments. I think he really speaks from the kind of experience that we need here in this Chamber, as somebody who served as a Governor and has managed a welfare program, who understands the dynamics in the State capitals and the likelihood of success of the Dole substitute.

I think his words of support and encouragement for the bill, as it is today, and particularly the maintenance of effort provisions, are important, and I want to congratulate him for not only his statement here, but the tremendous amount of work he has done on this legislation, to bring consensus to the Republican side of the aisle and move this matter forward. He has really been a standout on this issue. I thank him for his comments and for his work on this legislation.

The Senator from Vermont is here. I will yield the floor.

Mr. BREAUX. Mr. President, I yield myself 30 seconds just to make the comment that there clearly must be a grave amount of misunderstanding of what the Breaux amendment does.

The Breaux amendment allows the State to spend as much or as little as the State wants to spend. But it says that when a State spends 10 percent less than they are spending now, the Federal Government will also reduce our contribution. We on our side, in a bipartisan spirit, do not want to make the Federal Government spend 100 percent of what we are spending now for the next 5 years. If the State reduces their amount, the Federal Government should have the right to do that, as well. That is what the Breaux amendment is all about.

I yield at this time to the very distinguished Senator from Vermont, who has a long history of outstanding work in welfare reform and looking out for the needy. I yield 10 minutes to the Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in support of the Breaux amendment. I listened to the very eloquent and excellent statement of the former Governor of Missouri, and there is no question in my mind that if all the Governors of this Nation were like the former Governor of Missouri, we might not need this amendment.

My memory goes back to the 1960's, when we started the welfare reform. It was because there were many areas of

this Nation where the States dropped the ball with their responsibility on welfare, and the Federal Government came in to try to get some uniformity of standards in the ability to take care of the people of this country who were unable to take care of themselves or needed help in getting into a position where they could do so.

I point out that in the Breaux amendment here, we are dollar for dollar, not percentage. So you could eliminate all your State moneys and, in many cases, end up with plenty of Federal funds left, so you are only going down dollar for dollar. I think that is an important concession to those of us who want to see this; that is, not to go over the formula reduction, so if they go down 1 percent, we go down 1 percent. It is a modest proposal in that respect.

Second, the 90 percent is, I think, a reasonable figure to utilize. It does allow some drop in State effort, without losing Federal funds.

I would like to also emphasize how critically important this amendment is to some of us who want to reach a consensus on welfare reform. There are about three areas, to me, which make the difference on whether I will support the bill or not. This is one of them. It is critical in the length of time, as well as percentage. But we cannot reduce the participation of States as an important part of the welfare reform and make it important that they continue to participate in the financing of that.

Without a partnership provision like this, States could reduce their welfare expenditures to zero and use only Federal dollars for the entire costs. But with this amendment, States will have a continuing incentive to use their own resources in conjunction with Federal funds. Without, I foresee a major shift of the entire financial responsibility for welfare onto our already overburdened Federal budget. I see us returning to the problems we had before the advent of the Federal help.

Our efforts to reform the welfare system must not dismantle the current partnership by allowing this cost shift. We simply cannot afford it. Right now, the Federal Government funds only 55 percent of the total national welfare funding, while States contribute the remaining dollars, almost \$14 billion in fiscal year 1994.

While the exact State-by-State ratio of State to Federal dollars spent on welfare varies by State, depending on available resources, both overall and individually, States make a major contribution. This should continue to be the case even after welfare reform. Welfare is a joint State/Federal responsibility that will not be there if there is not a monetary commitment.

While it is true that the leadership has incorporated a partial provision, an expectation of 75 percent effort from the States for the first 3 years of the bill, I believe that this provision for 90 percent for the full 5-year term of the bill is essential and critical to this bill

being passed. Either we believe States have a responsibility to contribute State funds toward welfare or we do not. I do not think that responsibility somehow evaporates after the first 3 years.

Some may argue States rights against this provision. That States must be allowed to decide how much to spend and on whom to spend it. Some may argue States must be able to innovate in their delivery of benefits to save money.

I agree. I agree that States should be able to set their own funding levels, their own benefits, design their own programs, save money. As we know, perhaps too acutely right now, the appropriations process is a difficult one, requiring painstaking decisions. State budgets around the country are also under stress, some States may well decide that welfare is not a priority for them that it was in 1994, that they want to save money for welfare to use somewhere else in their budget.

I believe that when money is saved, and less is spent on welfare, both the State and Federal taxpayers should share in the savings. If the State share goes down, so should the Federal dollar, on a dollar for dollar basis.

The welfare partnership amendment has been called a maintenance of efforts provision. It is, in that it would encourage States to continue to contribute State dollars toward welfare costs. But it is not the same as many of the maintenance of effort provisions of the past that I think my colleagues are most familiar with.

Under the partnership, we ask that the States maintain a spending level of only 90 percent, not 100 percent, only 90 percent of their 1994 fiscal year expenditures on cash benefits, job education, and training and child care. Most maintenance of effort provisions require 100 percent effort or penalize with a total withdrawal of all Federal funds.

This partnership provision is much more reasonable. If a State chooses to go below the 90 percent of the fiscal year 1994 State funding levels, it will experience a dollar for dollar reduction in the Federal grant. For every dollar the State chooses not to spend, they will receive one less Federal dollar. Of course, the reduction does not even begin to occur until the State funding levels fall below 90 percent of the 1994 levels, and that is important to remember that baseline is there. If you create savings, if you were able to reduce your roles, then that baseline still is there.

In other words, assume that Vermont, through its innovative demonstration program, becomes so adept at moving people off welfare to work that they save money. They do not need as much as they did in 1994 because the caseload is dramatically reduced.

So the State decides it can afford to spend less overall on welfare. Under this proposal, the first 10 percent of savings goes to the State alone. They we can reduce State spending by 10 percent without affecting their Federal

grant. After that, as the savings grow, the Federal Government share will go dollar for dollar in that spending reduction, once it goes below 90 percent of the 1994 level. If it does not go below the 1994 level they can make the savings without the provision.

Without this provision, we, the Federal Government, will continue to send the same amount to States while they cut back their own expenditures.

However, I think that Vermont, like all other States, should continue in partnership with us for welfare spending. The States will be able to set levels of spending based on need. There is no financial cliff in this provision. No financial cliff as has been indicated by some. If you go one dollar below the 1994 levels you lose all your Federal funds. No, that is not the case. The reduction is gradual and proportionate to what the States set as need.

The States currently have some flexibility in setting their benefit levels. Under this bill, the flexibility will be enhanced and expanded. I believe that many of these State flexibility changes are positive, that State innovation should be encouraged and the Federal requirement should not be overly prescriptive.

The bill will allow States to experiment with benefit levels, benefits delivery and eligibility, and do all they want within the guidelines to be able to bring about savings.

Left to their own devices, States can probably show us here in Washington a thing or two about designing programs. I am sure they can. My own State of Vermont has been involved in a very interesting and successful demonstration project using a combination of sanctions and additional support services with its welfare population.

I also believe that States may well be able to save money as they innovate and become more efficient. As they save money and are able to reduce their State welfare spending by moving people off welfare into work, this amendment would allow the Federal Government to share in those State savings. This provision allows us to share in those provisions. I want to emphasize that.

Without it, States would no longer need to spend their State funds on welfare cash assistance, child care, education, and job training in order to receive Federal dollars. Regardless of State funding commitment, the Federal Government's funding stream will remain constant, frozen at the 1994 level.

Mr. President I want to remind my colleagues that it is those very numbers, the 1994 Federal funding levels, that were set in proportion to the amount spent by the States in 1994. To continue at those same Federal levels without a requirement that States also spend seems very dangerous to me.

Realistically, the entire responsibility for the welfare system would be shifted to the Federal Government. States would no longer have a financial

incentive to use State dollars along with their Federal allocations. The incentives for making the system better would go away. If they wanted they could choose to narrow their welfare eligibility and reduce benefits and pay for it all with Federal dollars.

I guess this amendment is about several things. It is about savings for the Federal Government as well as the States after reform. It is about fairness. And it is about continuing shared responsibility for welfare. It is ironic that we talk of the devolution to the States, the importance of governance at the local level, we simultaneously make welfare a solely Federal responsibility.

I hope my colleagues will join me in supporting what I believe is one of the most critical amendments we will have here today. I yield the floor.

Mr. SANTORUM. Mr. President, I ask unanimous consent that prior to the vote on the Breaux amendment scheduled for 2:15 that each side be given 2 minutes to explain their bill.

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

Mr. SANTORUM. Mr. President, I yield briefly 2 minutes to the Senator from Missouri.

Mr. ASHCROFT. I thank the Senator from Pennsylvania. The suggestion has been made that somehow the incentives for savings persist in this bill. I think it is pretty clear that once you get below 90 percent for every dollar you save, when you would otherwise have gotten \$2 for having saved that dollar you only get \$1 because the dollar you would save in regard to the Federal Government then is shared back to the Federal Government.

The question is, how much incentive do we want to put in this bill to reform welfare? I believe we want to put a substantial incentive in this bill to reform welfare. We want it reformed significantly.

I do not think the people want us tinkering around the edge with the program, but they want us to give States broad latitude and broad incentives.

My understanding of the Breaux amendment is it would reduce that incentive substantially. To the extent that the incentive for reform is reduced by having the States benefit less financially when there has been reform, I think we will get less reform.

I think the question is, do we want a lot of reform? Do we want major reform? Do we want sweeping reform? Or do we want reform that is incremental, and if there are incentives to additional reform they are diminished substantially.

In my judgment, we want to provide the maximum level of incentives which is what I believe the Dole bill does, and is the appropriate way for us to move in this manner.

Mr. SANTORUM. Mr. President, I want to thank the Senator from Missouri and add to that the Senator from Vermont said that there would be a sharing of the savings on the Federal

Government side with the 90 percent maintenance of effort, and I remind the Senator in the Dole modified amendment that if you fall below 75 percent, every dollar you fall below is shared dollar for dollar from the Federal Government.

In other words, if the State drops below 75 percent, every dollar they spend less, the Federal Government has to give \$1 less. So there is the same identical provision already in the Dole modified bill as in the Breaux amendment.

There are several points I could make on the Breaux amendment and they go beyond the philosophy that we are discussing here as to whether we should be requiring States to maintain effort.

I think one of the most important things is the drop in caseload that we have experienced in the last year. If you look at the numbers from the Department of Health and Human Services, what they show is that since May 1994 we have seen a drop from 14 million recipients on AFDC, to May 1995 a little under 13.5 million—a drop of over 525,000 recipients in the program.

The principal reason for the reduction is not based on the economy or anything; it is because we have seen States like Michigan and Wisconsin and others institute these work programs and change the welfare laws to reduce caseloads. Michigan has reduced their caseload by 30 percent in the past couple of years. What we are seeing is States that are doing exactly what this bill will facilitate other States to do, are reducing their caseloads. By reducing their caseloads, they are obviously saving money and they are putting more people to work.

However, if we stick those States with a 90-percent maintenance of effort, what you say to Michigan is, "OK, Michigan," or someone like Michigan, who after this bill passes enacts a program similar to Michigan's, "You can reduce your caseload by 30 percent but you cannot reduce your welfare expenditures by 30 percent; you still have to spend 90 percent of what you were spending now, based on 1994, not 1995," where, as I said, we have already seen a reduction. So you are basing it on last year's figure, which was a historically high figure, saying you have to maintain 90 percent of that even though you may drop your caseload under programs that are, today, as much as 30 or more percent reduced. So you are holding States, as the Senator from Missouri said, to spend money on people on welfare even though there may not be those people to spend it on. I think that is unwise.

As the Senator from Missouri said, it is an incentive not to reform. It is an incentive not to reform if you cannot save any money by reforming. One of the reasons you see welfare reform is, obviously, you want to get people to work and off welfare. But also you want to save taxpayers' dollars in the process. So this is a real disincentive.

If we were going to have a figure, 90 is much too high. It does not allow for innovation. It does not take into account innovations that we have seen in States today and the dramatic reductions in caseloads that we have seen in programs that I think are going to be more common after this legislation is passed. I think it is a step very damaging to reform. This is a back-door way of trying to keep the status quo in place, and I think it is a very dangerous addition to this bill.

I also would say, you have an interesting question about what is fair. You say maintain effort at 90 percent. That sounds fair to all States. Every State has to maintain their effort at 90 percent. That would be fair if every State had the same effort in the first place. But they do not. In fact, there are wide disparities as to what States' efforts are today.

For example, I pulled this out of the Wall Street Journal of August 21. It is from the House Ways and Means Committee. It says that if you have a State like Mississippi, that their average monthly AFDC payment per family is \$120 per family. A State like Alaska's is \$762 per family.

What we are saying in the Breaux amendment is, "Mississippi, you have to maintain 90 percent of \$120; Alaska, you have to maintain 90 percent of \$762." Is that fair? Is that fair to States like Alaska, which are now being given a block grant and, under the Dole formula, are not going to be growing as much? Why? Because the Hutchison growth formula targets low-benefit States. They will grow. Their maintenance of effort is 90 percent of the low number, but they will grow. States like California, which has a \$568 per family contribution and Hawaii which has \$653, Vermont, \$548, those States with high-dollar contributions now will not participate in the growth fund. So you are locking them in at a high-participation rate and not giving them any more money.

I do not think that is a fair way to do it, and, in fact, it could even get worse because there are many people who are going to vote for the Breaux amendment who are also going to vote for the Graham amendment, the amendment of Senator GRAHAM from Florida, who will be offering his fair share amendment. That will completely eliminate all past relationship of how AFDC was distributed and make it purely on a per-person-in-poverty allocation. So the State match will be irrelevant under the Graham amendment.

So, what would happen, in fact, will happen if we adopt the Breaux amendment, and then, as again many who will vote for the Breaux amendment will vote for the Graham amendment, what will happen is there will be States like New York and Alaska and Hawaii and California that will be required to spend more money than the Federal Government will give them under the new formula. So their maintenance of effort will actually be higher than

what they get on the Federal level. How is that fair?

We are saying you have to keep your contribution high and, oh, by the way, we are going to take ours and cut yours substantially from your current level. Those are kinds of games that you get into when you have a block grant and try to keep a maintenance-of-effort provision in a block grant proposal. It does not work.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Sure, I will be happy to.

Mr. BREAUX. Back to the basic point I think the Senator is making, it is that somehow if the Breaux amendment passes States will not be able to reduce the amount of money they spend on welfare. That is absolutely and clearly incorrect. States are encouraged to spend less through reforms. We just say if they are spending less than 90 percent of what they spent the year before, the Federal Government will also reduce our contribution.

Does the Senator disagree that under the Republican proposal, you lock in the Federal contribution for 5 years? Even if the State has less people on welfare, saves money, the Federal Government is still required to spend 100 percent of what they spent in 1994?

Mr. SANTORUM. Yes. And the reason we lock in—reclaiming my time—the reason we lock in the number is because, as the Senator from Louisiana knows, if we did not block grant this program and did not reform this system and allowed what happened, for example, under the Daschle amendment, to occur, AFDC would continue to grow. In fact, the Federal commitment would be even greater in 5 to 7 years.

So the fact we lock it in now, many would say, because of inflation, is "a cut." We are in fact locking in. In fact, I think one of the biggest criticisms I have heard from the other side of the aisle is that what we are in fact locking in, that is not generous enough. We need to give more. In fact, we had an amendment there today to put in \$7 billion more. We had an amendment from the Senator from Connecticut to put in \$6 billion more for children. There is a barrage, and I assume it will continue, of amendments from your side of the aisle to say we should be spending more.

We are going to try to strike a balance. We do not want this program to continue to increase. We do not want to cut back the Federal share because we, too, believe in a partnership. But we will say, we will tell you, States, we will commit you to flat funding over the next 5 years. And what we want you to do is to be innovative. We will keep the dollars there to allow you to innovate and allow you to move forward. And the incentive, then, is for you to get more people off the program, to get more people into work, and, yes, save some State dollars.

We think those are powerful incentives, if we keep there the steady hand from the Federal level. So I think it is

a fair compromise, in a sense, not to increase funding but to hold the level funding.

Mr. ASHCROFT. Will the Senator yield?

Mr. SANTORUM. I yield to the Senator from Missouri.

Mr. ASHCROFT. Mr. President, I think it is well known that States are paying disproportionate shares of the welfare benefits in their States. Some States pay 25 percent or 28 percent of the welfare benefit. Some States pay as much as 60 percent of the welfare benefit.

In the event that some States are paying 60 percent, if they save—

Mr. SANTORUM. The Senator from New York—

Mr. MOYNIHAN. Fifty.

Mr. ASHCROFT. Mr. President, 50 percent, pardon me. I stand corrected and thank the Senator from New York. Fifty.

Mr. MOYNIHAN. New York is 50.

Mr. ASHCROFT. New York is 50.

A State that pays 25 percent of its benefit is able, by paying that benefit, to attract 3 Federal dollars to the State. And, so, if they were to effect a savings and they only got to save the State's part and they had to give the Federal part back, by saving 25 cents for the State they could curtail the flow of \$1 for the State; they would curtail the flow of 3 additional dollars to the State.

What I am trying to say is that a program which provides reductions, of course, savings—if it is just one for one—is a program which does not provide the same amount of incentives as if you get to keep the amount that is left in the block grant.

If it is a one-for-one savings, it is the same for all States. But we want to have States with an incentive to reform the program, and the larger the reward for reforming the program and reducing the roll, the larger the incentive. And it seems to me the incentive is larger under the Dole bill, which provides that you not only get to keep the State's share which you save, but you get to keep a dollar that reflects the State's share for every dollar you save in the Federal Government.

Mr. SANTORUM. Mr. President, I think the Senator from Missouri is right, that the Dole formula is fair. And it is also, I think, structured to create the incentive for States to reform their welfare system. Remember, if we are going to pass the Dole amendment, the States will then have the opportunity—I am confident that every State will take this opportunity because under this bill we block grant money to the States—they will have to at some point convene their legislature and with the Governor will have to develop their own welfare plan. I think it would be incumbent upon them, almost a requirement, that they do so because they would have block grant funds and would have to take some action to spend the dollars. So we would be forcing every legislature in the country to go forward and redesign their program.

What the Dole amendment does is say for the first 3 years you have to maintain 75 percent of effort. There is a lot of argument here about States racing to the bottom. You cannot race to the bottom, particularly if you are a high-dollar State, if you have to maintain 75 percent of your revenue. If we are going to make the State legislatures reform welfare, they are going to do it relatively quickly within the first year or two. So we will have the results.

To suggest that we need to stretch this to 5 years suggests that State legislatures are going to continually every year be reforming and cutting their welfare rolls. As we know, we do not do that. We do not do that here. The State legislatures do not reform welfare every year. They pass a welfare package, and, like this body, see how it works. It takes some time.

So I think a lot of this, whether we have 3 or 5 years, is really just a matter of making yourself feel comfortable in Washington. The real changes in welfare will occur in the first 1 or 2 years. I think that is the important thing to look at.

I want to talk a little bit more following up on the disparity among States. I think this is really an important and significant problem with this 90 percent basis of effort. One of the things that I had suggested—and we are not able to come to closure on this—is that it is not fair for New York and Pennsylvania. Pennsylvania spends per child, based on the State cash aid relating to this block grant, about \$1,092 per child. That is ranked 17. Alaska is No. 1 with \$3,182, and last is Mississippi with \$107. So the disparity is just tremendous. To suggest that we are being fair hereby saying Mississippi has to maintain 90 percent of \$107, and Alaska has to maintain 90 percent of \$3,182, again does not reflect the reality of a block grant.

Eventually over time what this block grant is hoping to do, as the Senator from Texas, Senator HUTCHISON, suggested with her growth formula is to equalize the Federal contribution per child across this country. So a child in Alaska should not be paid more out of the Federal coffers than a child in Mississippi. I think that is sort of a non-sense thing. I think most of us, if we are going to go to this block grant, would like to see us achieve a program where the Federal payments per child would be the same. I do not see how we get there, in fact, I do not think we can get there, if we require States to maintain this high share of effort.

I am hopeful that we agree to this compromise that was in the Dole modified bill at 75 percent. It is a reasonable compromise. It puts the compromise in place for 3 years, which I think is the most crucial time when these State legislatures are enacting their programs, and it does not penalize a high-dollar State.

The compromise that I had even offered was to suggest that States like

New York and Pennsylvania would not have to maintain 75 percent of their effort but they would only have to maintain 75 percent of what the average effort is among States. So, if you took all the States' contributions already and set an average, I think according to the gain per child average of State cash aid here, I would guess would be around—just looking at the numbers, the 25th State is Wyoming at \$758. That is the median. I assume the average is somewhere close to that; to suggest that Alaska would have to maintain 75 percent of \$758 instead of \$3,182 and any State above the average would only have to maintain 75 percent of the average, I think is a fair burden to put on States given the fact that a lot of these States are going to be growing, or are big States and are not going to get any more money.

Any State below the national average, Maine being one, which is 26th, and Louisiana, which is 50th out of the 51 jurisdictions, Louisiana is at \$155. I mean, I can understand why the Senator from Louisiana wants a 90 percent maintenance of effort for Louisiana. It is \$155 per child in 1994. But I am in Pennsylvania. I have \$1,092. You are saying that the State government of Pennsylvania has to maintain \$900-plus in Pennsylvania but \$130 in Louisiana. How is that fair when we are block granting the funds? We are not over the next 5 years giving Pennsylvania one additional dollar, and I might add Louisiana gets a big chunk of the growth fund because they are a low-dollar State. This is having your cake and eating it, too.

I think that is just too penalizing of larger States that have made substantial contributions to welfare. You are going to stick them with a program that maybe passes the administration. We have a new Governor in Pennsylvania, and the Governor, I know, is very aggressively pursuing a reform of the welfare system. And what we are going to do with Pennsylvania is lock them into high contributions of 1994 forever, that they have to continue if they want to continue to receive their Federal dollars. Remember, you say, "Well, if you reduce the amount of people on welfare, you lose dollar per dollar." Pennsylvania is not going to have any increase in Federal dollars. If Louisiana goes below 75 percent, they are still going to get an increase in Federal dollars because of the growth formula.

Mr. BREAU. Will the Senator yield?

Mr. SANTORUM. I think it creates a lot of inequity in the system.

I am happy to yield.

Mr. BREAU. The decision of what the States do is their decision taking into account the cost of living in the respective States. The cost of living in Louisiana is substantially less than in your State or New York. That is a State decision. But with the Senator's own amendment—the alternative does not in fact lock in the Federal Government at 100 percent. If it is inappropriate to lock in the States, why is it ap-

propriate to lock in the Federal Government at 100 percent no matter how much the State reduces their caseload? Under your approach, the Federal Government continues to have to give 100 percent of what they are giving in 1994. If we are going to have savings, why should not the Federal Government share in the savings, which, according to the Congressional Budget Office, saves the Federal Government \$545 billion?

Mr. SANTORUM. Because we would like to see some innovation occur at the State level. We believe if you lock in the Federal contribution and give the States the opportunity to actually save dollars, that is the key. When you say, "Well, the States can go ahead and reduce their dollars," but when they reduce their dollars, they lose Federal dollars. So in a sense they are a wash because, sure, they have spent \$1 less of their money but they get \$1 less. So they are pretty much held harmless.

I think that is not a great incentive to save money if in fact for every dollar you save you lose a dollar.

Mr. BREAU. Why is it inappropriate? If the States can save a dollar, why should not the Federal Government save a dollar?

Mr. SANTORUM. The point that I am trying to make is that, in effect, when you consider the net amount of money spent by the State, it is not really saving any money because what they are doing is, when they reduce their dollar, they lose a Federal dollar. So they are at zero. So there is no incentive financially for them to go below the 90 percent.

That is why I am saying this is sort of a bad way of supporting high expenditures of welfare dollars. What we are trying to do is say, if you want to innovate, we want you to innovate. We are willing to put up money so we will encourage you to innovate. We will encourage you to do what Michigan has done—as the Senator from New York is fond of saying—under the current law, under the 1988 Family Support Act, to reduce your caseload, get people to work. And by coming up with these innovative solutions and getting people back into the work force, you will in fact benefit financially. Under the Breau amendment, they will not benefit financially because for every dollar where they go below 90 percent, they will lose a Federal dollar. So they are at a zero position as far as benefits. I think that is a real impediment to the kind of innovation that we want to see on the State level.

Mr. President, I reserve the remainder of my time.

Ms. MIKULSKI. Mr. President, I rise today to speak in support of the amendment offered by the Senator from Louisiana.

This amendment is straight forward. It says to States, all States, if the Federal Government turns over a block of money to do as you please in welfare reform, we ask that you commit your own resources as well. That is a fair deal.

Welfare reform is a partnership. It isn't just a State problem and it isn't just a national problem. It's everybody's problem. Unfortunately not every State has viewed it that way over these past decades. Some States simply don't want to make a commitment. If this legislation passes without a requirement that the States maintain their commitment, I have no doubt some Governors and State governments will quickly cut their funding to real welfare reform at the very same time they are accepting Federal dollars.

Mr. President, what of those States that are sincere about welfare reform? What happens when the next recession hits? Will political pressures force them to fund other programs from current State welfare funding? There will be more people who will need assistance but at the same time many school budgets will be squeezed by that recession and they will be asking for some of these welfare dollars. In the next recession what if the crime rates increase? If the prison system needs more dollars where will these Governors get the money? And what about a race to the bottom? If one State cuts its spending on welfare will the neighboring State be forced to do the same? One State may decide it can attract new jobs and companies from another State by offering a business tax cut funded from State welfare dollars.

In my state of Maryland we have not received an overly generous Federal match when it comes to welfare funding. We are willing to do our part. What we do not want is to be forced into a race with another State that is more concerned about cutting benefits as a substitute for real welfare reform.

If we are serious about welfare reform then it is time we demand that the State governments as well as the Federal Government make a commitment. That commitment demands more than just different ideas, it demands both Federal and State resources and dollars.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I yield to the distinguished ranking member of our Finance Committee, the Senator from New York, 8 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the Chair. I thank my friend from Pennsylvania for his very open and candid remarks.

I would like to approach this subject from a slightly different angle, which is to make the case that Federal initiatives have begun to show real results in moving persons from welfare to work. It took a little while for the 1988 legislation to take hold, but it did. What we put at risk at this point is giving up all that social learning, about 20 years really, that built up to the 1988 legislation and has followed on since.

The Senator from Louisiana mentioned it when in the Chamber he gave

a clip from a Louisiana paper, in Baton Rouge, "Project Independence Trims Welfare Rolls Across State."

Just a few days ago, last week, we heard Senator HARKIN of Iowa describe the legislation that had been adopted for new pilot projects on welfare around Iowa, passed by Governor Branstad, now having 2 years of experience. "The number of people who work doubled, went up by almost 100 percent and the expenditures per case are also down by about 10 percent." And I point out once again that is the Family Support Act.

Now, in this morning's Washington Post, we have a very able essay by Judith Gueron, who is the head of the Manpower Development Research Corp., "A Way Out of the Welfare Bind." As I have said several times, research at MDRC was the basis of our 1988 legislation. Data we had. She makes a simple point that "Public opinion polls have identified three clear objectives for welfare reform: Putting recipients to work, protecting children from severe poverty, and controlling costs." And she makes the point that this triad involves conflicting goals at first glance. She then goes on to say that we seem to be learning how to resolve those conflicts.

I will read one statement, if I may.

A recent study looked at three such programs in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent, and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost \$3 for every \$1 it cost to run the program. This means that ultimately it would have cost the Government more—far more—had it not run the program.

Now, Mr. President, it is not at this point any longer politically correct to say that those programs began under the Family Support Act. They are programs under the job opportunities, basic services. I regret that you cannot say this. The Department of Health and Human Services would deny it. Silence is the response to the first success we have ever had with this incredibly defying, mystifying, sudden social problem. If we give up the maintenance of effort, we will give up the resources that made these programs possible.

Senator GRASSLEY has been talking about the wonders in Iowa, Senator HARKIN about the wonders in Iowa, Senator BREAUX about fine programs such as Project Independence in Louisiana, Atlanta, Grand Rapids, Riverside—real results. They are results from a secret program called the Family Support Act, the job opportunities, basic services.

I hope we do not do it, Mr. President. I hope we support the Senator from Louisiana. This is not a moment of which anybody can be particularly proud.

Let me be clear. If we put through time limits, we strip the Federal Government of responsibility, you will cut caseloads 10, 15 percent. There is al-

ways on the margin people who really do not—if the alternative was sufficiently unpleasant, they would leave. But you will not change the basic phenomenon of nonmarital births, out-of-wedlock births such that in the city of New Orleans, 47 percent of the children are on welfare at one point or another in the year. That is small compared to the city of Washington, but it is not small compared to the concern of the Senator from Louisiana. He cares about those children. They are his children. They are our children, too. And if we abandon the Federal maintenance, the Federal level of effort, we abandon those children.

Mr. President, I ask unanimous consent that the article in the Washington Post about the secret Government program that has done such wonders in Riverside and Grand Rapids and Atlanta be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 12, 1995]

A WAY OUT OF THE WELFARE BIND

(By Judith M. Gueron)

Much of this year's debate over welfare reform in Washington has focused on two broad issues: which level of government—state or federal—should be responsible for designing welfare programs, and how much money the federal government should be spending.

The debate has strayed from the more critical issue of how to create a welfare system that does what the public wants it to do. Numerous public opinion polls have identified three clear objectives for welfare reform: putting recipients to work, protecting their children from severe poverty and controlling costs.

Unfortunately, these goals are often in conflict—progress toward one or two often pulls us further from the others. And when the dust settles in Washington, real-life welfare administrators and staff in states, counties and cities will still face the fundamental question of how to balance this triad of conflicting public expectations.

Because welfare is such an emotional issue, it is a magnet for easy answers and inflated promises. But the reality is not so simple. Some say we should end welfare. That might indeed force many recipients to find jobs, but it could also cause increased suffering for children, who account for two-thirds of welfare recipients. Some parents on welfare face real obstacles to employment or can find only unstable or part-time jobs.

Others say we should put welfare recipients to work in community service jobs—workfare. This is a popular approach that seems to offer a way to reduce dependency and protect children. But, when done on a large scale, especially with single parents, this would likely cost substantially more than sending out welfare checks every month. To date, we haven't been willing to make the investment.

During the past two decades, reform efforts, shaped by the triad of public goals, have gradually defined a bargain between government and welfare recipients: The government provides income support and a range of services to help recipients prepare for and find jobs. Recipients must participate in these activities or have their checks reduced.

We now know conclusively that, when it is done right, the welfare-to-work approach offers a way out of the bind. Careful evaluations have shown that tough, adequately

funded welfare-to-work programs can be four-fold winners: They can get parents off welfare and into jobs, support children (and, in some cases, make them better off), save money for taxpayers and make welfare more consistent with public values.

A recent study looked at three such programs, in Atlanta, Grand Rapids, Mich., and Riverside, Calif. It found that the programs reduced the number of people on welfare by 16 percent, decreased welfare spending by 22 percent and increased participants' earnings by 26 percent. Other data on the Riverside program showed that, over time, it saved almost \$3 for every \$1 it cost to run the program. This means that ultimately it would have cost the government more—far more—had it not run the program.

In order to achieve results of this magnitude, it is necessary to dramatically change the tone and message of welfare. When you walk in the door of a high-performance, employment-focused program, it is clear that you are there for one purpose—to get a job. Staff continually announce job openings and convey an upbeat message about the value of work and people's potential to succeed. You—and everyone else subject to the mandate—are required to search for a job, and if you don't find one, to participate in short-term education, training or community work experience.

You cannot just mark time; if you do not make progress in the education program, for example, the staff will insist that you look for a job. Attendance is tightly monitored, and recipients who miss activities without a good reason face swift penalties.

If welfare looked like this everywhere, we probably wouldn't be debating this issue again today.

Are these programs a panacea? No. We could do better. Although the Atlanta, Grand Rapids, and Riverside programs are not the only strong ones, most welfare offices around the country do not look like the one I just described.

In the past, the "bargain"—the mutual obligation of welfare recipients and government—has received broad support, but reformers have succumbed to the temptation to promise more than they have been willing to pay for. Broader change will require a substantial up-front investment of funds and serious, sustained efforts to change local welfare offices. This may seem mundane, but changing a law is only the first step toward changing reality.

It's possible that more radical approaches—such as time limits—will do an even better job. They should be tested. But given the public expectations, we cannot afford to base national policies on hope rather than knowledge. The risk of unintended consequences is too great.

States, in any case, are concluding that time limits do not alleviate the need for effective welfare-to-work programs. In a current study of states that are testing time-limit programs, we have found that state and local administrators are seeking to expand and strengthen activities meant to help recipients prepare for and find jobs before reaching the time limit. Otherwise, too many will "hit the cliff" and either require public jobs, which will cost more than welfare, or face a dramatic loss of income with unknown effects on families and children and, ultimately, public budgets.

Welfare-to-work programs are uniquely suited to meeting the public's demand for policies that promote work, protect children and control costs. But despite the demonstrated effectiveness of this approach, the proposals currently under debate in Washington may make it more difficult for states to build an employment-focused welfare system. Everyone claims to favor "work," but

this is only talk unless there's an adequate initial investment and clear incentives for states to transform welfare while continuing to support children.

Many of the current proposals promise easy answers where none exist. In the past, welfare reform has generated much heat but little light. We are now starting to see some light. We should move toward it.

Mr. MOYNIHAN. Thanking the Chair and thanking my friend from Louisiana, I yield the floor.

Mr. BREAUX. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. MOYNIHAN. Mr. President, will the Senator yield for 10 seconds—

Mr. BREAUX. Absolutely.

Mr. MOYNIHAN. While I put on a button from Riverside, CA. It says, "Life Works If You Work." That is the spirit of these programs, and they are working. But we cannot talk about them, evidently.

I thank the Senator. I thank the Senator from West Virginia.

Mr. BREAUX. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 5 minutes.

Mr. ROCKEFELLER. I thank the Chair.

I wish we could solve all of our problems with a button; it would make it a lot better.

What interests me about this amendment, Mr. President, in a sense, it may be the most important amendment we are making to this bill and yet it has such an awkward title, maintenance of effort, that vast numbers of folks who might be listening or watching do not know what we are talking about.

The Breaux amendment has to pass if welfare reform is going to work. It absolutely has to pass. A welfare reform bill with this name should free up States to do all kinds of things with new flexibility, without micro-management from the Government. But welfare reform should not encourage States, or in fact even egg them on, to back out of their commitment to poor children. If you look around now at State legislatures, what is it they are discussing? Their woes with Medicaid and the temptation—believe me, if they are not required to participate in welfare reform, a number of them will not. They simply will not.

To me, the Breaux amendment is the answer. It very clearly says to the States, you keep your end of the bargain, and we at the Federal level are going to keep our end of the bargain, just as we have always done on both sides.

Again, speaking as a former Governor, I sincerely doubt that Governors who like the welfare reform bill before us just exactly the way it is without the Breaux amendment, for example, would ever propose that kind of a relationship in some of their dealings with local communities or counties in terms of matching grants.

In fact, that is part of what money is for, is to leverage more out of other

people. You say, "Here is a certain amount. You put up some more, and together we can do this. But if you do not participate, we cannot." And it is human nature in State and local government, just as it is at any level.

The majority leader made some modifications to the Republican welfare package just before the recess. And one of them involves the claim that he added a maintenance-of-effort provision. It is not, in fact, that. It is very weak. And we can and must pass the Breaux amendment, in this Senator's judgment, and not accept the majority leader's modification.

In the first place, the majority leader's modification only lasts for 3 years. We are talking about a lot longer period than that before we come back to this subject in a major way. And it asks States to put 75 percent of a portion of their AFDC spending back in 1994 back into their future welfare reform system.

In fact, the Dole provision adds up to only asking all States to invest a grand total of \$10 billion a year just for the first 3 years, with no basic matching requirement whatsoever for the last 2 years on this bill. So it is a fraud.

This leaves a gaping hole in the State's share, if compared to the current arrangement across the country. So \$30 billion could and possibly will disappear from this country's safety net for families and children.

What is worse to me, almost more cynical, is the clever attempt in how a State's share is calculated under the Dole modification. The Dole bill would allow States to count, so to speak, State spending on a whole variety of programs simply mentioned in this bill but not pertinent.

For example, States would be able to get credit, essentially, for their spending on food stamps, SSI, other programs that help low-income people towards meeting their requirement. That means that money for programs not specifically directed to financing basic welfare for children could easily count towards the so-called maintenance of effort. Again, this is a flatout invitation for States to back out of keeping their basic historical responsibility to children.

And remember, two out of every three people that we are talking about in this country on welfare are children.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROCKEFELLER. I hope urgently that colleagues on this side of the aisle, and as many colleagues as possible on the other side of the aisle, will support the very important Breaux amendment.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Who yields time to the Senator from Iowa?

Mr. SANTORUM. I would be happy to yield 5 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, because I do not want to speak on the amendment, I ask unanimous consent to use my 5 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

REINVENTING AMERICORPS

Mr. GRASSLEY. Mr. President, I had an opportunity to read in the New York Times this morning that the President has been making speeches around the country and particularly in response to action yesterday by one of our subcommittees of appropriations, because yesterday the National Service Corps was zeroed out by the subcommittee. And the statement that I do not like is referenced to the fact that we are just playing politics when a program like this is zeroed out. I hope I can stand before this body as a person who has criticized the National Service Corps or AmeriCorps with credibility and say that I can be watchful of how the taxpayers' dollars are spent without being accused of playing politics. Most of my colleagues would remember that during the Reagan and Bush years when we controlled the White House and even controlled this body during part of that period of time I was not afraid to find fault with my own Presidents—Republican Presidents—when this was a waste of taxpayers' dollars when it comes to expenditures for defense.

I think I have a consistent record of pointing out boondoggles, whether it be in defense or anything else. And I have raised the same concerns about AmeriCorps based upon the General Accounting Office saying that each position costs \$26,650 and that that is about twice what the administration said that these would cost. And the poor AmeriCorps worker getting \$13,000 out of that \$26,000 for their remuneration so that much of the money is going to administrative overhead and bureaucratic waste. And I do not see, when we are trying to balance a budget, that we can justify a program that is going to have about 50 percent of its costs not going to the people that are supposed to benefit from that program. And so I have pointed out to the President the General Accounting Office statement. I wrote a letter to the President on August 29 of this year, more or less saying reinvent the program or it is going to be eliminated.

I have not heard a response from my letter to the President yet. I hope he will respond. But I have suggested that he needs to keep the costs of the program within what he said it would cost a couple years ago when it was invented, and that most of the benefits of it should go to the people that are doing the work, not to administrative overhead.

And I suggested reinventing it by doing these things. And I will just read from the letter six headlines of longer paragraphs that I have explaining exactly what I mean.

No. 1, limit the enormous overhead in the AmeriCorps program.

No. 2, ensure that the private sector contributes at least 50 percent to the cost of AmeriCorps. This was an important point that the President was making when the program started, that at least \$1 or 50 percent of the total cost would come from the private sector; \$1 of taxpayers' money leverages a dollar of private sector investment. I doubt if we would find fault with the program if it were to do that. Then I also suggested limiting rising program costs by not awarding AmeriCorps grants to Federal agencies. They say that they get match on this—if EPA has a program with an AmeriCorps worker, that whatever the EPA puts in is part of the match. Well, that is the taxpayers' match; that is not a private sector match.

I said funds must be targeted to assist young people in paying for college because some of the money is going to volunteers who will either drop out or not use the money to go to college.

Then I said to increase the bang for education bucks by making sure that the money is used for those who are going to go to higher education.

Finally, I suggested that if the President wants to reinvent the program, to tell us where in the VA budget, VA-HUD appropriations bill the money ought to come from because there is a lot of other money used. As Senator BOND said yesterday, the money was taken from AmeriCorps and put in the community development block grant program.

I am suggesting to the President that he needs to take into consideration—could I have 1 more minute, please?

Mr. SANTORUM. One additional minute.

Mr. GRASSLEY. I suggested to the President that he, according to this chart, consider the fact that he has 20,000 volunteers of AmeriCorps; and we have got 3.9 million Americans who volunteer. These are young people, volunteers who do not worry about getting paid anything for volunteerism.

A second thing that the President should consider is that for one AmeriCorps worker we can finance 18 low-income people to go to college with a PELL grant. Those are some alternatives that the President ought to think about as he has a news conference today to expose what he says is playing politics with his program.

When I make a suggestion to the President that he reinvent the program according to his own definition of how that program should be financed and operated, I mean reinvent it. Just do what the President of the United States said the program was going to cost and who it was going to benefit or it will be lost. I speak as a person who wants no playing of politics, but as a

person who wants to make sure that the taxpayers' dollars are used well, whether it is in AmeriCorps or whether it is in a defense program.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). Who yields time to the Senator from Oklahoma?

Mr. SANTORUM. I yield 7 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, first I would like to compliment my colleague and friend from Iowa for his work on AmeriCorps. I hope that the American people realize, according to the General Accounting Office, that the cost per beneficiary is \$27,000. The Senator from Iowa has been very diligent in trying to awaken America to this enormously expensive program. It is a new program. I understand it is one of President Clinton's favorite programs, but it is enormously expensive—enormously expensive.

So I compliment my colleague from Iowa for bringing it to the attention of this country, and, hopefully, we can stop wasting taxpayers' money and maybe do a better job either through the student loan program or PELL grants and help lots of people go to school and obtain a college education instead of a few select receiving benefits in the \$20,000-to-\$30,000 category.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2488

Mr. NICKLES. Mr. President, I rise in opposition to the amendment of my friend and colleague from Louisiana, Senator BREAUX. I think if we adopt the so-called Breaux amendment, we are preserving welfare as we know it. President Clinton said we want to end welfare as we know it, and I happen to agree with that line. But if we maintain or if we adopt this maintenance of effort, as Senator BREAUX has proposed—he has two amendments, one at 100 percent and one at 90 percent—if we adopt either of those amendments, we are basically telling the States: "We don't care if you make significant welfare reductions, you have to keep spending the money anyway."

So, there is no incentive to have any reduction of welfare rolls; certainly, if you had the 100-percent maintenance of efforts. "States, no matter what you do, if you have significant reductions, you spend the money anyway." That is kind of like "in your face, big Government, we know best; Washington, DC is going to micromanage these programs anyway. Oh, yeah, we'll give money to a block grant, but if you have real success, you have to spend the money."

I think that is so counter to what we are trying to do that I just hope that our colleagues will not concur with this amendment. This is a very important amendment.

I just look at the State of Wisconsin. Currently, they are saving \$16 million a month in State and Federal spending.