

is a mandate is a classic example of absurdity and discrimination. Yes I will use the term one more time.

Sadly, that is what this debate is now all about. Discrimination is surely not something new to those who suffer from mental illness, I say to my colleagues. They have had it for a lifetime, and the stigma hangs and it is demeaning and it is wrong. It is not something we should accept without a good fight.

I have deepest admiration and respect for my friend Senator KASSEBAUM. She too came here when I did. I would certainly hate to see her work product injured or disrupted, but I respectfully urge my colleagues to consider what we are doing, and I hope Senators DOMENICI and WELLSTONE will work toward some other result, and I will work with them in that objective.

It is time to rid ourselves of this tragedy of stigma and discrimination. To see the business community do what they have done with regard to this issue deserves closer attention from all of us on this and other issues of the day where they apparently feel a great strength surging through their muscles and they do things they never did before. We will address that at some future time, too.

I certainly respect those who have worked so hard to bring this about and will certainly give my full energies to seeing if we cannot get a better result. I thank the Chair.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator SIMPSON. I think he will join me in saying, as both of us talk to the business community about what they have done here, we want to acknowledge that some very good businesses in America already have decided to cover mental illness, and none of our remarks are directed at them. There are many self-insured and otherwise who are doing a good job of considering this discrimination.

I thank him for his remarks.

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, 1 week ago, I voted for the welfare reform legislation that passed the Senate. Previously, I had supported two alternatives—one a Democratic version and the other a bipartisan alternative. Although both these attempts failed, some of their provisions were adopted into the bill that passed, making it far better by providing a wider safety net for children and the poor.

The conference report before us now is not as good as I would like. It prob-

ably is not anyone's ideal plan for welfare reform. Frankly, I think the Senate's version was preferable to this conference report. But, while some provisions within the legislation are still troubling and need to be reworked down the road, at least we are off to a good start in reforming a system that we all agree to a good start in reforming a system that we all agree is broken and needs to be overhauled. One thing is certain: regardless of its shortcomings, this bill is a product of sincere efforts to end the harmful dependency and other severe short-comings which currently exist in our welfare system. Throughout this debate and these difficult negotiations, I have been impressed with the diligence, tenacity, and honesty which Members have displayed in trying to come up with an acceptable plan to end welfare as we know it.

The measure we are considering today does, in fact, represent a change in philosophy in how we think about children and families. This is the most significant and sweeping change in the social compact of our Nation since the New Deal. Its strength is that it overhauls our welfare system without the harshness of previous bills that have been vetoed. The two vetoes, along with the threat of a third, served the purpose of eliminating the extreme measures that made the previous bills unacceptable—even harmful.

For example, we have now rightly recognized that a mother with young children who wants to work will have access to adequate child-care. Also among its vast improvements is the fact that child nutrition programs, such as the school lunch program, are not block granted. The same is true of the Food Stamp Program. I had grave fears that block-granting these kinds of nutrition programs would impose tremendous burdens on States like Alabama, which over the years has suffered from several periods of budget proration and economic recession. Programs like these aimed at helping children and the poor would have faced drastic cuts if they had been block-granted.

This measure raises the cap on the contingency fund from \$1 billion to \$2 billion to provide States with more protection during economic downturns. It also adds a new trigger mechanism based on the food stamp caseload. It includes some provisions for States to establish objective criteria for delivery of benefits and to ensure equitable and fair treatment.

This welfare reform legislation, while not as sound as the Senate-passed plan, is still a vast improvement over the Republican bills which were vetoed. As I stated earlier, I still have some reservations surrounding certain provisions contained in the measure. But I believe, overall, that the positive outweighs the negative. I think the compromise we have struck is a major step in the right direction, and an overall positive effort at making welfare more

of a helping hand in getting people on their feet economically.

Our debate over the last few months has been both constructive and productive. We now have a bill before us which is a testament to the Congress and its leadership—majority and minority. In essence, it is a product of the Congress' legislative process working as it was designed to work.

We have seen some hard-fought battles and witnessed significant changes from the original bill after some intense debate and good-faith negotiations between the two sides of the aisle. Each side has made concessions, while holding firm to certain core principles. We have arrived at agreements on several major issues. As a result, we now have a bill that contains stronger work provisions and that is not as harsh on children. While there are undoubtedly problems still remaining in the legislation that will have to be addressed down the road, this compromise is an overall positive step for reforming welfare, reducing dependency, and offering a brighter future for millions of American families.

Mr. President, except for the balanced budget constitutional amendment, this welfare reform bill is arguably the most important legislation we will tackle in this or any other Congress. There is no doubt that our current system is failing welfare recipients and taxpayers alike. I am pleased to join my colleagues and the President in taking advantage of this historic opportunity and enacting reforms which will empower recipients to break cycles of dependency, to focus on work and responsibility, and to become successful and productive citizens.

Mr. BURNS. Mr. President, I rise today to talk about this important issue before us—perhaps the most important initiative undertaken by the 104th Congress—welfare reform. For the last nineteen months, Congress has been embroiled in an enormous debate over how best to reform our welfare system. There has been a lot of talk about ending welfare "as we know it", but for the most part, it has been just talk and no action. Today, however, the Senate stands close to passing legislation that I believe will make the much-needed changes in the way our welfare system operates.

I think many of my colleagues on both sides of the aisle, as well as a majority of my fellow Montanans, would agree that our welfare system needs improving. I am glad we agree that changes need to be made in our welfare system so that our assistance programs are more effective and less costly. Let's face it, however, we don't need this legislation to know that the welfare system has failed miserably. The truth is, the system is not working as it was intended—as a temporary assistance to help people until they can get back to work. Over the last thirty years, the system has become a way of life, not because those receiving assistance don't want to work, but because the

system makes it tough, even discourages people, to get off welfare.

Although we all know that this bill before us today will not solve all the problems with the current welfare system, it does take a giant step toward reversing years of failed social welfare policy. This bill will end welfare as a way of life for many Americans. By requiring most able-bodied adults to go to work within two years and by putting a five-year limit on welfare assistance, we are making great strides forward in putting people back to work. I have to believe that most people would rather work than be on welfare. And it pleases me to no end that the tough and real work requirements contained in this bill will get folks off the welfare roles and into a productive job, job training program or community service. There is no doubt there will be exceptions, but the goal of welfare reform is independence, not government reliance.

This bill also contains provisions to strengthen families and personal responsibility, something I think is essential to getting at the root of our welfare problems. In a scant few decades, we have seen the demise of families and family values in our country. And illegitimacy rates are rising to almost dangerous levels. These are the things that are contributing most to the decline in our society. More and more children are growing up without a father, without a solid family to support them, and crime statistics show that kids who are raised without a father commit more crimes. I think our welfare system, though designed to assist folks and born of good-hearted intentions, has served to fuel some of the social problems we face today. It is clear that our present welfare system encourages young mothers to have children, and many of those children are not being cared for. Though it is impossible to legislate, this bill takes a giant step forward in addressing these problems by encouraging families to stay together, providing more resources for child care and enhancing child support enforcement and domestic violence measures.

Perhaps the fact that is most important to me personally, by passing this bill we will give the states flexibility to design programs that will work best for their residents. Currently, the Federal Government has so many rules and regulations that when States want to try something innovative to reform the welfare system, like my home State of Montana, the barriers are often times too great. Over the last 7 years, I have spoken with the folks who administer the welfare programs in my State and time and time again they ask for the opportunity and flexibility to run the welfare system as they see fit. And by block granting funds to the States and letting States set many of their own program rules, this bill will allow the decisionmaking to be done at the state and local level, not by Washington bureaucrats. There is no doubt in my

mind this will serve both our Nation and, specifically, the people of my State well. After all, Montanans do know what is best for Montana.

The bill does all this and will still succeed in reducing welfare spending by roughly \$55 billion over 6 years. Given our Nation's budget problems, that's an important fact.

I realize that there are many Americans, including a number of folks in Montana, who have serious concerns with this legislation. Folks seem to be particularly troubled by the possibility that this bill will actually increase poverty and fails to provide a nutritional "safety net" for our Nation's needy families. I appreciate and understand these concerns—no one wants to push more children and families into misery. In fact, I have been an ardent supporter of nutrition programs in the past, especially those for children, and I have made every effort to protect them throughout the current welfare reform process.

The reality is, however, that the American taxpayer is not getting his money's worth when it comes to many of the current assistance programs and the tragic state of the welfare system makes reforming the system all the more urgent. What's more, there have been those who have suggested that this bill is heartless and out to punish children and immigrants. In response to those who would make such accusations, I would join with many of my colleagues in asking if the current welfare system is not already punishing—even degrading—children and other folks it is supposed to help? Why do we insist on protecting, or at least not reforming, a system that promotes a culture of dependency and poverty? As for the immigration provisions contained in the bill, perhaps Senator SANTORUM summed it up best when he noted that as we become the retirement home for the rest of the world, the taxpayers of this country are picking up the tab. To that end, the goal of this welfare reform bill is not to punish, favor or discriminate against anyone or any group. Its intent is not to promote and strengthen the system. It is constructed to end the cycle of generational dependency and irresponsibility promoted by the current welfare system.

Mr. President, we have a historic opportunity today to change a system that has consistently failed poor Americans. I want to thank the Governors and all of those who have worked so hard, in both parties, to bring this legislation to this point. I particularly want to commend the Republican leadership for leading the way on this issue. Though Bob Dole may not be with us on the Senate floor today, I also want to thank him for his efforts and dedication in ending welfare as we know it. I also want to congratulate President Clinton on his announcement yesterday. Though the President has resisted real welfare reform by casting two vetoes on similar bills in the past,

he has realized that the American people want this bill and that bipartisan cooperation is needed to reform this broken system. And with the overwhelming bipartisan support in the House yesterday, it looks as though we are seeing our way clear to bring about the much needed reforms with what I believe will be the right kinds of results.

In closing, Mr. President, it was almost exactly 1 year ago—in fact, it was August 9, 1995—that I stood on the floor of this esteemed chamber and spoke about how much I was looking forward to the upcoming welfare reform debate. I spoke about how excited I was to see some real changes in how Americans perceive welfare, how welfare is paid out, and the direction our country was headed. There were a number of goals then that I was looking for in welfare reform legislation. Would it promote and strengthen the family? Would it give more flexibility to the States, allowing each State to design a system that best suits their needs? Would it include strong work requirements to get folks back into the workplace? Would it address our growing problem with illegitimacy and teenage pregnancy? Mr. President, I think we have addressed these issues with this legislation.

It is now a year later. During this time, a number of differing opinions have been offered—suggestions put forth—on how best to achieve these goals. It has been a very slow process indeed—but I think that most of us would agree that welfare reform is still very necessary and this bill does that. Business as usual was not working in August 1995 or even in November 1992, and it is not working now. All Americans deserve the chance to succeed, whether they are poor or not. I think this bill gives all of us the chance to do just that. Let's not squander this opportunity.

I yield the floor.

Ms. MIKULSKI. Mr. President, I will vote for this bill because maintaining the status quo is unacceptable. The other alternative is to do nothing. I vote for this bill, having reservations, but believing it is the right thing to do.

We Democrats have made 36 important improvements in this bill that protect the most vulnerable, the children. But there are still yellow flashing lights, warnings regarding the bill's safety net for children. We will need to monitor them closely.

On balance, though, I believe the poor and the taxpayers will be better off because we are voting for this bill.

We all acknowledge that our current welfare system does not work. It has failed to move people from welfare to work, and has created a culture of poverty that has ensnared generations of our most vulnerable citizens in poverty and dependency. I believe in the capacity of people to better their lives and build a better future for themselves and their families. The current welfare system does not provide people with

the tools they need to do that. Welfare should be a way to a better life not a way of life.

The current welfare system is dysfunctional and destructive to the poor. I have worked to change that. I have fought for a plan, which I helped to write, that was firm on work and demanded responsibility from those who find themselves on public assistance, but that protected children.

I will vote for this bill because it is greatly improved over the original Republican bill which the Senate debated last year. There are some 36 improvements in the bill, improvements which I fought for and which are drawn largely from the Democratic alternative bill which I co-authored with Democratic leader Senator DASCHLE and Senator BREAUX.

Our Democratic alternative provided people with the tools to move from welfare to work. It demanded work of all able-bodied adults. It removed the key barriers to work—such as lack of adequate child care and inadequate job skills. Our bill ensured that no child would go without health care or adequate nutritional assistance because of the failings of their parents. It ensured that when we aimed at the parent we did not hit the child.

I am proud of my work on the Democratic alternative bill. I am proud that we gained the support of every Democratic Member of this body. I regret that it was rejected by the other party. But thanks to the persistent advocacy of our Democratic leadership, of which I am a member, many of the provisions of the Democratic alternative were adopted in the bill that the Senate passed. They are now in this legislation. These improvements have helped to make this a more acceptable bill.

I'm particularly proud of my role in fighting for child abuse programs, for child care health and safety standards and for the health care safety net. I offered amendments on these issues and fought for their adoption.

From day one, I insisted that we could not do anything in this bill to lessen our commitment to fighting child abuse. I am pleased that this bill no longer includes provisions which would have replaced Federal child abuse and protection programs with an inadequate block grant. As a former child protection worker, I know how vital these programs are for taking care of children who have suffered from abuse or neglect.

I fought to keep current Federal child care health and safety standards. Along with Senator DODD, I offered an amendment to restore those standards which the other party was prepared to abandon. I fought to maintain those standards because I believe strongly that parents should have every assurance that when they place their children in child care, they will be protected from infectious diseases, from unsafe buildings and playground hazards, and that the child care worker will know basic first aid. This is a significant improvement in the bill.

I also fought for a health care safety net for children. I wanted to make sure that children would still be eligible for Medicaid coverage even if their parents failed to meet the work requirements of this bill. This bill contains the provision I fought for to ensure that children will still have access to health care.

I was an energetic and enthusiastic advocate for other improvements to the bill, such as the provisions to provide funding for child care, to exempt mothers with infant children from the work requirements, and the provision that ensures that a mom with a preschooler cannot be penalized for not working if she can't find or afford child care. These are all important measures to protect children, and I am pleased that we were successful in having them included in this bill. The protections for children are significantly better than in previous bills we have considered.

So I acknowledge that this bill has been improved in important ways from the conference report that I opposed and which the President vetoed last year. And I believe the strong support for the Democratic alternative bill is what made these improvements possible.

While I will vote "yes" today, there are yellow flashing lights that give me pause. They must be monitored meticulously. And all of us who vote for this bill must be prepared to make modifications if the safety net for children and the working poor becomes tattered.

A key yellow flashing light for me is the bill's changes in the rules for the food stamp program. Changes in the excess shelter deduction could harm the working poor—those families that pay over half their income for housing. Other changes will severely limit food stamps for adults without children who lose their jobs. Another yellow flashing light for me is the bill's restrictions on assistance for children of legal immigrants, who have not yet obtained their goals of citizenship. Another yellow flashing light for me is the bill's provisions for meeting the needs of children whose parents reach the 5-year time limit for benefits and still do not have work. I fought for a requirement that States must assess and meet the basic subsistence needs of those children through vouchers or other non-cash assistance. The conference agreement did not include what I advocated, but it gives States the option to use their title XX, social service block grant funds, to provide vouchers to meet the needs of children.

Mr. President, today we must face facts. We cannot make the perfect the enemy of the good. And so I will vote for this bill. The American people and I want welfare reform. And I believe the people currently mired in poverty, who have not been well-served by the current welfare system, deserve better. There are over 9 million children currently on welfare. Under the current

system, that number is estimated to grow to 12 million in 10 years. We owe it to those children to give their parents every incentive to leave welfare behind and to lift themselves and their families out of poverty.

I will vote yes today. But I will be standing sentry and will be in the forefront in fighting for any changes needed to prevent the safety net for children from being tattered.

Mr. HELMS. Mr. President, future historians are likely to regard this as a momentous occasion in Congress—a welfare bill is finally about to be approved by Congress and signed by the President—a bill which will effectively drive a nail in the coffin of the Great Society.

This welfare reform bill proposes to set welfare policy on the right course.

It requires welfare recipients to work;

It promotes family and the work ethic; and

It exercises sound fiscal responsibility.

In addition, this legislation will insist that illegal aliens must not receive welfare and that non-citizens cannot hereafter lawfully receive most Federal welfare benefits during their first 5 years in the United States.

These legislative goals are tough, but fair. Requiring welfare recipients to work provides the hammer that can break the cycle of poverty and dependency. As matters now stand, the average welfare recipient stays at the public trough for 13 years. This bill reverses that folly; it proclaims for all to hear that welfare must not be a way of life.

Equally important, Mr. President, this legislation is fair to taxpayers because it saves \$55 billion of taxpayers' money. The average American worker in 1993 paid \$3,357 in taxes just to support welfare recipients. Taxpayers are sick and tired of working hard, paying taxes and watching folks on welfare get a free ride.

Mr. President, the taxpayers can be thankful that this bill contains tough work requirements for food stamp recipients. On several occasions, including during the conference, I took the position that Congress should require able-bodied food stamp recipients go to work before they receive free food stamps.

The original Senate welfare bill allowed recipients to receive free food stamps for 6 months every year with no work requirement. Now, Congress is sending a bill to the President that will require food stamp recipients to work 20 hours per week for an average of 11 months per year or be thrown off the welfare rolls. This is a giant step forward from current law which gives folks a free lunch at taxpayer's expense.

Mr. President, when the liberal politicians pushed through their welfare system more than 30 years ago, the American people were assured that welfare would not become a way of life.

And when Lyndon Johnson signed the war on poverty legislation in 1964, he promised, "The days of the dole in our country are numbered." Unfortunately, 30 years after this war began, the days have numbered to about 11,680—and we're still counting.

Since Congress obediently embarked down the road called the Great Society, the result has been the most massive Federal spending in history, increased poverty and untold millions of Americans trapped in the welfare cycle. The Great Society has been a monumental failure, but it got a lot of promising politicians elected because they promised everything to everybody. But with the enactment of the bill, the days of the Great Society are coming to a close.

The cost of welfare programs has now reached a budget-busting \$345 billion a year. During the past three decades, welfare spending has cost the American taxpayers \$5.4 trillion. It may come as a surprise that welfare programs have cost 70 percent more than the war against Germany and Japan in World War II.

What, Mr. President, do we have to show for these exorbitant expenditures? An increase in the poverty rate. As of 1993, 15.1 percent of Americans were in poverty, compared to 13 percent in 1964, a 2-percent growth.

Mr. President, the human devastation caused by rising illegitimacy rates and the breakdown of the family is even more troubling than the cost of welfare programs. Government programs of any magnitude carry with them a cargo of unintended consequences. In welfare, like most other things, you reap what you sow. For 30 years, the welfare system rewarded idleness and illegitimacy and there has been a marked increase in both.

Mr. President, I emphasize that nobody is opposed to helping those who are less fortunate. Americans, as individuals and communities, have a responsibility to help those who cannot help themselves. That responsibility cannot and should not be abdicated. But we must help them by teaching them to "help themselves" as President Kennedy once stated.

This legislation will help those on welfare because it restores the American work ethic which once was one of the cornerstones of this Nation. In addition, this bill takes a step in the right direction in helping reduce the rising illegitimacy rates by providing funds for abstinence education, and by allowing States the option of denying benefits to welfare recipients who already have children living on the public dole.

An Associated Press poll showed recently that 69 percent of Americans favor a 5-year limit on welfare payments. Likewise, most Americans obviously don't think it's right that working people are required to give up a substantial percentage of taxes to support people who refuse to work.

Mr. President, the majority of Americans are calling for welfare reform.

Welfare entitlements must be replaced by limited handouts conditional on self-improvement and work.

Mr. ROBB. Mr. President, I rise to support the welfare reform legislation pending before this body. I do so with both reluctance and hope.

My reluctance stems from some very real concerns I have with this bill. First, I am concerned that we fail to give States the resources they need to do the job right. I am willing to pay more in the short term to bring about economic independence in the long term. Second, like the President, I am extremely uncomfortable with both the level of cuts to the Food Stamp Program and the severity of the restrictions on legal immigrants. We cannot simply abandon our obligation to protect the most vulnerable among us. And, finally, I am troubled by specific provisions of this bill—like the one dealing with mothers with young children who do not work because they cannot find child care. The conference lowered the age from 11 to 6—and this is wrong, Mr. President. If we want mothers to move from welfare to work, we have to ensure they have child care for their young children.

I will vote for this bill believing strongly that it is not our final word on welfare reform. And I'm prepared to work with the administration and with my colleagues here in the Congress to address the concerns that I have—and that I know others have—with this legislation.

But, Mr. President, like the President of the United States, I also believe strongly that the opportunity before us is one we cannot let slip away. We simply cannot allow another generation of American children to fall victim to a welfare system that fosters dependency rather than opportunity, that has become for far too many children, not a second chance, but a way of life.

I will vote for this bill, Mr. President, because I believe it contains the incentives needed to bring people out of poverty and into the economic mainstream. It contains tough work requirements, time limits on benefits and nearly \$4 billion in new money for child care. It protects health care for current populations and allows States to use Federal money to provide non-cash vouchers for children whose parents meet the time limits.

It emphasizes work and responsibility. It includes a strong community service component, which teaches both the value and the obligations of citizenship.

But I know, Mr. President, that all the positive incentives in the world mean nothing if there are no jobs at the end of the line—and that the best social policy of all is economic growth.

That is why I believe that the first edition of welfare reform was approved by this Congress in 1993 with the passage of the President's deficit reduction plan. We can approve legislation today that aims at moving people from welfare to work because we do so

amidst a strong, vital economy. In less than 4 years, our economy has created over 10 million new jobs—most of them in the private sector—and we have the lowest unemployment rate in 6 years.

As we bring down our deficit, we enhance our ability to invest in our people. And as we strengthen our economy, we provide new avenues of opportunity for poor Americans to enter the economic mainstream.

We cannot just give incentives to move people from welfare to work, Mr. President. We have to also better invest in programs that give them the tools to succeed—programs like education and job training.

Mr. President, I have outlined my reservations about this bill, and I am committed to working in the coming months to remedy these concerns. But my hope for this bill transcends the ability of individual mothers to exchange a welfare check every month for a pay check.

For every time a welfare recipient earns a living wage, at least one more child in America sees their role model go to work in the morning, earn a salary, pay their bills, believe a little more in their own ability and self-worth, and live in a world that is infinitely stronger because they contribute to it.

And every time a welfare recipient earns a living wage, at least one more child in America escapes from what could become a cycle of dependency and hopelessness that is inherently unAmerican—and which we have an opportunity and an obligation to break.

Although only history will tell for sure, I will vote for this bill because I believe it is the first step in breaking the cycle of poverty which has sapped the optimism and the opportunity of too many generations of innocent American children.

Mr. President, I thank the chair and I yield the floor.

Mr. LUGAR. Mr. President, as we end the debate on the welfare reform conference report, I would like to make several acknowledgements of effort in bringing forward this truly historic legislation.

First, I want to congratulate Chairman DOMENICI and Chairman ROTH and thank them for their leadership. As chairman of the Agriculture Committee, I am pleased to have been a partner with them in crafting this bill.

I also want to thank my staff on the Agriculture Committee for their efforts throughout this 104th Congress to make welfare reform a reality. Staff director Chuck Conner, as always, contributed strong leadership. Dave Johnson and Beth Johnson worked tirelessly to develop proposals that both meet our budget goals and continue to deliver assistance to the needy.

They were assisted ably over the past year by Bill Sims, who has returned to the U.S. Secret Service. Special thanks are also due to Joe Richardson of the Congressional Research Service, whose knowledge of the very complicated nutrition assistance programs was invaluable.

The legislative process that culminates here in the Senate today sometimes seemed like a rollercoaster ride with no end. Frustration and long hours were common for my staff. But they have my sincere thanks for their efforts. They should be very proud of this landmark bill.

In the final analysis, this welfare reform legislation represents the best of our democratic process. After much debate, a proposal of potentially monumental importance is about to be approved overwhelmingly by a Republican-led Congress, and a Democrat President will sign it. I hope we will someday be able to look back at this bill as a major step toward restoring the public's confidence in the ability of its elected leaders to respond to our Nation's pressing needs.

Mr. DORGAN. Mr. President, the bill before us represents a historic opportunity to change and improve the welfare system in this country. Today's Washington Post headline proclaims that this bill represents a "basic shift in philosophy" about welfare in this country.

It is true that this bill sends a strong message. That message is: welfare should not be a way of life. We are saying that welfare should be a safety net—a first step toward achieving independence and self-reliance.

But this is not a major change from the way most Americans view the welfare system. We are a compassionate nation, and we accept our responsibility to help those who are less fortunate, who are on the bottom rung of the economic ladder, and those—especially children and the elderly—who are unable to help themselves. This basic notion is embedded in our social policy, and this bill does not—can not—change that fundamental view. Our task in drafting this bill has been to ensure that the safety net will always be there for those families needing assistance to get over a temporary setback.

I will vote for the welfare reform bill today because I think we need to make some changes in our welfare system. I believe that this bill represents a significant improvement over last year's conference report, which I opposed because it did not provide an adequate safety net for poor children. Specifically, this bill does not include the deep levels of cuts in child nutrition programs or an optional block grant for food stamps. It permits States to use Federal money to provide noncash assistance, or vouchers for children. And it preserves a national guarantee for access to health care for pregnant women and children.

This bill also takes the right first steps toward encouraging and rewarding work. It requires welfare recipients to work after receiving benefits for 2 years, and backs up that requirement with the support families need to move from welfare into the workplace.

The bill provides \$4 billion more for child care and maintains strong health

and safety standards for day care. It gives recipients flexibility to use some of their time on assistance to get the education they need to find and keep a job. The bill also gives States more flexibility to use Federal dollars to create new jobs for welfare recipients, and preserves the earned income tax credit for working families. All of these provisions work together to give welfare parents the support they need so they can afford to leave welfare and enter the workplace. When combined with the minimum wage increase that I hope the Senate will approve in the next few days, it is a significant move in the right direction for America's working families.

While I have reservations about the block grant approach presented in this legislation, the bill does take steps to ensure that States will follow through on their obligation to spend Federal welfare dollars to move people up and out of poverty. Most importantly, we require States to maintain a significant portion of their own contributions for welfare programs. While the maintenance-of-effort provisions are not as strong as I would have liked them to be, they are a major improvement over last year's bill.

One of the most important parts of this bill is its tough child support provisions. Nationwide, only 18 percent of child support cases referred to State agencies for collection result in payments by the absent parent. Yesterday, the President pointed out that, if every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. This bill takes the necessary steps to move us toward demanding responsibility from both parents, and I wholeheartedly support this effort.

Having said why I am voting for the bill, let me now explain that I remain concerned about some of its provisions. One specific area that we will have to adjust with follow-up legislation is the bill's change to the rules for determining eligibility for food stamps. The bill repeals a provision that would have helped families who are forced to pay a higher-than-average percentage of their income for shelter and heating costs. In my state of North Dakota, heating costs take a big bite out of every family's income. For a poor family, this can mean choosing between heat and food. The excess shelter deduction that was scheduled to go into effect next year would have gone a long way toward eliminating the need for that painful decision, and I intend to work to see that provision restored in separate legislation.

We must also address a punitive measure that denies food stamps to Americans who are looking for but have not been able to find work. The conference bill places a 3-month limit on the receipt of food stamps by jobless adults between the ages of 18 to 50. I am certain that each of us knows someone—a brother, an uncle, a cousin—who is out of work, has been look-

ing for work every day, but has not been able to find a job because no work is available. In rural North Dakota, unfortunately, we are not creating a lot of jobs, and finding work may take more than 3 months. It is simply mean-spirited to deny an unemployed person food assistance while they are looking for work, and I will work to fix that.

Despite these concerns, this bill is, on balance, a responsible bill. It moves toward achieving the right balance of personal responsibility and giving people the tools they need to move up and out of poverty. I will support this bill today, and I will work to fix those areas that need improvement.

Mr. GRASSLEY. I am pleased that we are here for this final step in the process of ending welfare as we know it. Just yesterday, President Clinton made clear that he will sign this conference report. After weeks of obfuscation, President Clinton finally has made clear that he will act on his promise to end welfare as we have known it and sign this dramatic change in the welfare system. After all we have been through in the last 18 months, I have to admit that I was beginning to feel like a broken record. We passed 2 different welfare bills under the able leadership of former Senate majority leader Bob Dole. In both cases, the President vetoed those efforts.

From the President's most recent remarks, apparently out hard work has paid off and he is finally going to approve our efforts. Interestingly, Doug Besharov, a resident scholar at the American Enterprise Institute, and known expert on the welfare program, says that the new bill is not significantly different from the 2 previous proposals. A Washington Times article of yesterday quoted Mr. Besharov as saying, "This business about 'how much' improved is a certain amount of political rhetoric."

In my judgment, Mr. Besharov is being kind in his remarks. This bill, in fact, is significantly the same as previous efforts.

In the last 30 years we have spent more than \$5 trillion to fight the war on poverty. Unfortunately, we have lost. The child poverty rate in our nation is .8 percent higher than it is was when we started this process 30 years ago. So what have the families on welfare gotten for their difficulties? And what have the taxpayers gotten for their money? For all we have invested, we have made no progress.

Clearly, something is not working.

The reconciliation bill before us takes a new approach to an old problem. It restores power and authority to the States to create their own systems to meet the needs of low-income citizens.

Iowa is a perfect example of success. Iowa overwhelmingly passed legislation in April 1993 to change welfare in the State. In order to implement their plan, the State had to seek 18 initial Federal waivers and more since. Although the State wanted to implement

a statewide program, in order to obtain their initial waiver, they were required to have a control group of 5 to 10 percent who would remain under old AFDC policies.

In October of 1993, the work incentives and family stability policy changes were implemented. At that time, there were over 36,000 families receiving assistance, with an average monthly benefit of over \$373.

Last week I received the latest State figures. Iowa's caseload is down 12.6 percent to under 32,000 families. The average monthly benefit is down 11.7 percent to \$330.

In January 1994, Iowa implemented its personal responsibility contracts. A family commits to pursue independence and the State commits to provide supports. Before the State implemented reform, only 18 percent of Iowa welfare families had earned income. The most recent numbers show that over 33 percent of all welfare families are earning income now.

With Iowa's success as a backdrop, it is easy to understand why States want welfare reform, not waiver reform.

Another reason is the frustration States feel when seeking a waiver. Though President Clinton has expressed glowing support for the Wisconsin welfare waiver it has not been signed. If the President is for the Wisconsin waiver, why can't he approve it? Even yesterday during his CNN interview, the President challenged other States to follow Wisconsin's lead in reforming their welfare system. Once again we see him saying one thing and doing another.

The reconciliation bill before us also provides for a lifetime limit of 5 years for welfare benefits. This means that there is an actual measurable end so that parents are held accountable for their choices.

When working Americans do not show up for work, they are not paid and are likely to lose their job. They want welfare recipients to live with the same reality. Taxpaying Americans do not understand why their hard work is subsidizing those who are not working.

Mr. President, again, I want to say that I am pleased that the President has finally agreed to sign this conference report. I think this is an historic effort on the part of Congress and it is appropriate for him to sign this legislation.

I look forward with anticipation to what our outstanding Governors and State leaders will do with the freedom and responsibility we are entrusting to them.

Mr. FEINGOLD. Mr. President, I will vote for the welfare reform conference report. I do so with grave reservations about many specific provisions.

Like President Clinton, I think the cuts in nutrition programs are too deep and they can and should be corrected.

Like President Clinton, I am concerned about the treatment of legal immigrants—people who followed the rules and came here under our legal

immigration laws. Many have contributed in numerous ways to their communities. They are taxpayers and workers who, like all of us, may become ill or unemployed. This bill slams the door on them to a variety of programs in a manner that is neither appropriate nor necessary.

There are other provisions of the final bill that I feel are too harsh and should be changed.

But the overall effort at reforming the current welfare system is one that I support.

When I campaigned for the U.S. Senate in 1992, I said then, and I continue to strongly believe, that if people can work, they should work. The focus of this bill is to encourage people to work, rather than remain on welfare. I support that goal.

I also believe that the States should have more flexibility to design programs to meet the needs of their residents. I do not believe that detailed prescriptions from Washington, DC are the answer to the problems afflicting the current welfare system.

Nationwide, the current welfare system is a disaster.

It keeps families trapped in poverty. It discourages self-sufficiency. It creates unnecessary barriers to those trying to move from welfare to the work force. It forces recipients and local officials to wade through piles of bureaucratic red-tape. It fosters dependency, discourages initiative, and dampens the spirits of those in need.

We must do better. We must change the status quo. We must provide a new, flexible approach that will help people work and get off welfare.

This bill has improved dramatically from the original Republican proposal of last year. Many of the draconian provisions have been dropped.

The Medicaid safety net has been restored for vulnerable children, the aged and disabled. Child care funds have been significantly increased and efforts to roll back Federal health and safety standards for child care were defeated. Attempts to dismantle the food stamp program and child protection programs failed. The effort to impose a family cap—a penalty for having a child when on welfare—was rejected by a bipartisan majority in the Senate. Maintenance of effort provisions were retained, helping to assure that Federal dollars do not simply replace State dollars.

There are other provisions of the bill that I am disappointed about. I am disappointed that the conference agreement did not include an important improvement made during the Senate debate which expanded the educational activities that welfare recipients could take part in. In addition, the bill is too punitive on mothers who cannot work because of lack of affordable child care. There are vast areas that should have been improved.

I believe that those of us who vote for this measure have an obligation to watch closely as it is being imple-

mented to make sure that it works, works fairly, and that if changes are needed, they are enacted. I am deeply concerned about the opposition of many individuals whose opinions I respect. I share their concerns that in an effort to get able-bodied adults to enter the workforce, we do not inadvertently punish innocent children.

But we are faced with the choice of supporting this bill or maintaining the current system. I vote to change the system.

Mr. FRIST. Mr. President, I rise in strong support of the welfare reform bill. I applaud the bipartisan effort that has taken place to end welfare as we know it, but most importantly I applaud the efforts of the former majority leader, Senator Dole for his efforts in helping to shed some light on the problem of America's children living in poverty.

Mr. President, the most vital investment that we can make in America's future is our children. If there has been any one single pledge that I have made to the people of Tennessee, it was that I would spend my time in Washington working tirelessly to protect the American family but most importantly our Nation's children.

In the real world, beyond the Washington Beltway, everyone knows that the real investment and sacrifice on behalf of children is not made by government do-gooders, educators, Members of Congress, or social workers. The real investment and sacrifice is made by parents.

Mr. President, few in Washington understand this fact more than I do. As the father of three young boys, it is my belief that we should not be asking the question "what should the Government do for our children?" Instead our question should be "what must we do to get parents to do more?" I strongly believe that our children do not need more Government spending but a mother and a father who care about them.

My Republican colleagues and I pledged to return to families something more than a program or a slogan. We have tried to return resources to families, rather than the Federal Government, to help them in raising their children. Our devotion to our Nation's children is demonstrated in our agenda of strengthened families, safer streets, and stronger communities. Our agenda has included:

A balanced budget that saves tomorrow's generations from crushing debt levels—because of Washington spending, each child born this year already owes more than \$187,000 just to pay their share of interest on the debt.

A \$500-per-child tax credit to ease the pressures on families and allow parents to spend more time with their kids.

Adoption reforms, including an adoption tax credit, to make adoptions more frequent, less expensive, more secure, and designed to make it easier to place children in loving homes.

Tough crime legislation to protect our children from violent criminal predators.

Welfare reform that lifts families out of poverty and into work, provides for child care, introduces the toughest child support enforcement standards ever considered by Congress, and real reform that reverses the destructive effects of the \$5 trillion War on Poverty that has failed so many of our children.

Education reforms which empower parents, teachers, school boards and the local communities instead of the Washington bureaucracy. This includes solid reforms which would enable low-income parents to send their children to quality public, private, and religious schools.

Unfortunately, our efforts to enact much of these pro-family items has been stymied by the President's veto or through filibusters here in Congress. The President vetoed the \$500-per-child tax credit, thus refusing to ease the financial burden that so many families feel today, a financial burden that often results in parents spending less and less time with their kids. The President has vetoed a balanced budget, a budget which would have given the children of Tennessee freedom from the repercussions of Washington's destructive spending habits.

Right now, because of the traditional Washington habit of spending now and passing on the bills to future generations, your children and my children will face a lifetime tax burden of more than 80 percent. Imagine that—more than three-quarters of their income will be taken away to pay for the debts we have left behind. That to me is truly immoral. That is why I worked tirelessly last year to pass a balanced budget, the first balanced budget in almost 30 years. A balanced budget would have put a stop to reckless Washington spending and would have allowed us to pay our bills—not pass them on to our grandchildren. The bottom line is: a balanced budget helps to secure a better future for our children—and the President vetoed it.

Mr. President, my Republican Colleagues and I understand that many children are trapped in poverty or failing schools, with little hope of achieving a better life than their parents. During the past year and a half, we have made it our priority to lift the lives and hopes of these children. In addition to lifting the crushing debt burden, we must recognize this immediate, abusive, and destructive threat to the lives of America's children: the liberal welfare state.

Nothing punishes single parents and children more than the current welfare system. Our Federal Government is fixated with a system that is riddled with perverse incentives which discourage work and marriage while encouraging illegitimacy and long-term dependency. Designed as a system to help children, our current welfare system has ended up damaging and abusing the very children it has intended to save.

Consider the facts:

Between 1965 and 1994, welfare spending cost taxpayers \$5.4 trillion in constant 1993 dollars.

There are 77 overlapping welfare programs to assist Americans officially designated as poor.

Total welfare spending in the United States, in 1993 exceeded \$324 billion. Of this spending, 72 percent is Federal and 28 percent is State. About 90 percent of all State welfare spending is on federally designed welfare programs.

The cost of the war on poverty has been some 70 percent greater than the price tag for defeating Germany and Japan in World War II, after adjusting for inflation.

Welfare spending is so large it is difficult to comprehend. One way to make it more tangible is to recognize that, on average, the cost of the welfare system amounted to \$3,357 in taxes from each household that paid Federal income tax in 1993.

A final way to assess the growth in welfare spending is to compare it to the increase in spending on other government functions:

Since President Johnson launched the War on Poverty in 1965, means-tested welfare spending by Federal, State, and local governments has grown more rapidly than spending on all other major government functions.

In 1965, the United States spent 17 cents on welfare for each dollar spent on national defense. By 1993, this had risen to \$1.11 on welfare for each dollar spent on defense.

In 1965, the United States spent 29 cents on welfare for every dollar spent on primary, secondary, and post-secondary education by all levels of government. By 1993, the United States spent 91 cents on welfare for every dollar spent on education.

Even if the analysis is restricted to welfare spending on cash, food, housing, and energy programs, the trends are virtually identical. Since the beginning of the War on Poverty, means-tested cash, food, housing, and energy programs have grown more rapidly than defense, education, or Social Security.

After \$5.4 trillion has been spent on welfare there remains little to cheer about. The onset of the War on Poverty coincided with the disintegration of the low-income family and the rapid increase in illegitimacy. Overall, 30 percent of American children are born to single mothers. We have spent more money on welfare programs since 1965 than on all the wars we have fought this century, yet people are poorer and more dependent than ever.

These are just a few of the ways that Federal Government's welfare policies and social programs are actually working against the American family and our children. I believe that we have a responsibility to provide a safety net—helping those who, by no fault of their own, have fallen on hard times. It is the right thing to do. But when we help people who are able, and yet make no effort to help themselves, we destroy the individual and undermine the very principles of personal responsibility in which our society was founded on. And this is what has happened.

It is clear that our Great Society national urban policy has not helped people. It has destroyed them. It has not kept families together. It has torn them apart. It has not turned the urban areas of America into shining cities on a hill, it has made them war zones where residents live in fear. Our inner cities should be a symbol of what is right about America. Unfortunately, they have become examples—dying examples—of everything gone wrong with government policy.

Mr. President, this bill changes that harmful government policy.

I firmly believe that most of America's children are being raised in loving, caring families that struggle every day to ensure that their children have a chance at achieving the American Dream. But I also know that many of these same families are filled with guilt, at not spending enough time with their kids because both parents must work to make ends meet. While Washington cannot alleviate these parents' guilt—the 104th Congress has acted to ease the tremendous pressures and burdens on struggling families.

Too many single moms are near poverty because their child support checks are nowhere to be found. Just since President Clinton was elected, 175,000 women, mostly single moms, have slipped into poverty. Through the efforts by my colleagues in the House and the Senate, this welfare reform bill holds fathers accountable for their child support, putting in place the toughest "deadbeat dads" provisions anywhere in the country. We increased child care funds by \$4 billion over current law in order to help single parents make the successful transition from welfare to work. Our children are suffering from the current welfare state. We must reverse this trend, to make welfare a helping hand, not a way of life.

Changing the welfare system will help children. Encouraging families to stay together will help children. Putting welfare recipients back to work will help children. Restoring the work ethic will help children. Improving the quality of local education will help children. Encouraging spirituality will help children.

Spending more on the current broken Washington welfare system will not help children. It's time we take away the blindfold and accept reality. We have to rebuild parents, families, and communities, but you can not do it from inside the beltway. It has to be done at home, in school and at church.

Mr. President, the most important thing that we as a nation can do for our children, does not come from the Congress or even the White House. Rather, it must come from within all of us—a commitment to read to your son or daughter, a commitment to attend church with your child and family, coaching your son or daughter's little league team, and becoming involved in the education of your son or daughter. Mr. President, our children are the future of this great country.

I urge my colleagues to vote for this historic bill.

I yield the floor.

Mr. PELL. Mr. President, when the welfare reform bill was before us last week, I said that I could not let my desire to vote for reform cloud my judgment about the bill, and about the serious flaws which I perceived in it. The bill has been returned to us from conference with some of those flaws remedied, but alas not all, and the omissions to my mind are determinative. And so once again, I shall vote against the bill.

I am especially concerned about the bill's undeservedly harsh treatment of legal immigrants. I note with dismay that nearly half of the \$56 billion that would be saved by this bill comes from the denial of benefits to people in this category. More often than not, legal immigrants are hard-working, tax paying individuals who deeply appreciate the freedom and opportunity of U.S. citizenship, which they hope to attain. To deny them so many of the benefits that they might legitimately need as they build a life here, seems unfair and unjustified. While I applaud President Clinton's assurance that this grievous flaw in the bill will be corrected by future legislation, the provision amounts to justice denied, here and now, and I cannot bring myself to vote for it.

I remain concerned, moreover, about the practical consequences of ceasing to treat welfare as an entitlement and replacing it with block grants. But what this means is that this Nation will cease to respond to anyone in great need, as a matter of right, and that some people in need may be cut off simply because we have shifted this serious national problem to the States, and we have done so without providing them with adequate support to address the problem. I am particularly concerned that some States, including my own State of Rhode Island which has just enacted a new welfare program, may be penalized if they choose to have a welfare program which is relatively more liberal than the Federal law.

Also troubling is the retention of cuts in food stamp spending, projected at roughly \$24 billion over 6 years. Unemployed workers without children will be hard hit, as will legal immigrants.

Finally, I continue to be deeply concerned about the plight of children. I simply cannot believe that eliminating an entitlement which ensures that all poor children get the food, clothing, and shelter that they need can move us individually or as a society down the path we all want to go. While some improvements were made in conference, the fact remains that children will be the ones most vulnerable to the vagaries of variable State welfare programs.

Mr. President, it is with real regret, then, that I cast a "no" vote on this welfare reform legislation. I recognize that the bill achieves many important broad objectives which are clearly desired by the public at large—including

work requirements, time limits on benefits and job creation incentives. But looking at the final product, I cannot say that what we have before us is better than what we now have. The bill is, as the Senator from New York [Mr. MOYNIHAN] reminded us "radical legislation with unforeseeable consequences." Better to reject it now than try to make up for its deficiencies in the future.

Mr. LEAHY. Mr. President, it is the understanding of welfare conferees regarding the reconciliation bill that that bill exempts electronic benefits transfers from coverage of the Electronic Funds Transfer Act. The Department of Agriculture is empowered to establish regulations which will provide some protections against recipients' loss of benefits through electronic transfer systems. We encourage the Department of Health and Human Services [HHS] to develop similar regulations which will require procedures to minimize the losses of benefits for aid to families with dependent children recipients. It is also the conferees' understanding that nothing in this bill in any way prevents or discourages HHS from promulgating these essential regulations.

Mr. HATCH. Mr. President, today we take the first big step in ending the era of big government. Today, we send the states the authority to design their own programs for the needy. We move one step further away from the one-size-fits-all approach that comes from a Federal bureaucracy far removed from individual state environments and constituencies. This bill completely changes the very nature of welfare from one of endless individual entitlement to one of temporary assistance and personal responsibility.

This legislation is the result of a truly bipartisan process. I want to thank my colleagues for their work in crafting a compromise that can be supported by a majority of both parties.

I also want to congratulate the President for joining this effort. While we all wondered whether, after vetoing welfare reform twice in the last year, he would sign this measure, I am delighted that he has announced his support for this bill. I commend him for this decision. This is a great victory for Congress, for the President, for the States, for the taxpayers, and, above all, for the needy families of America.

Do we know exactly what will happen after this bill is passed? No. No one is blessed with that kind of omniscience. The current system provides an excellent illustration of the uncertainty of the future. The current system was well-intentioned at its inception. No one was deliberately trying to create a cycle of dependency or despair for beneficiaries who much too often found themselves locked into the system. However, the current system has turned out to be just that, destroying the very spirit of those who are receiving benefits. Through hindsight, we can see that the approaches taken in the

current system have not, do not, and will not work. It has been a near total failure despite its worthy intentions.

We have learned from this experience. We have not crafted this welfare reform proposal out of whole cloth. We did not simply dream it up. We reviewed the findings of academics; we heard hours and hours of testimony; we poured over statistics; and we listened to our constituents.

The result is a welfare system built on a new paradigm—a "can do" philosophy that must be infused into recipients and administrators alike.

In designing a new approach to assisting the needy, we have looked to those programs that are successful in moving people to work and helping them become independent. The States have been moving in this direction and have been designing innovative and successful programs for several years. My own State of Utah is in the third year of a successful demonstration project that has just gone statewide. The Single Parent Employment Demonstration [SPED] has 90 percent of the caseload actively participating in work activities, utilizes the use of education and training to provide basic job skills, and has been successful in moving participants into unsubsidized, private sector jobs. This bill will continue this trend and allow the States to continue to design comprehensive programs to address their unique constituencies, needs, and resources.

Mr. President, this bill is not perfect. There are several things included in this bill that I don't agree with. There are many things that aren't in this bill that I think should be there. There are even some things that I think need to be changed. I would particularly like to see an expansion of the use of education and training to provide job skills for long-term employment, changes made in the language regarding existing State waivers, and a broader compromise on Medicaid eligibility to provide a level of administrative relief to the States.

However, the core reforms contained in this bill far, far outweigh these concerns. This bill contains block grants to States and gives them the opportunity to design their own systems—systems that will provide not only the wherewithal to transition people into jobs, such as child care, but also systems that have dignity, hope, and independence as the primary goals.

Throughout this debate, we heard from many who were concerned about the effects that these reforms could have on native Americans. I am pleased that this conference report retains several provisions addressing these concerns. The most important of these provisions is the native American tribal allocation provision. I would like to thank my colleagues for working with me to address this issue.

The tribal allocation provisions in this bill will provide tribal governments the same opportunities and responsibilities as the States to receive

direct funding and the flexibility to design their own programs based on the unique geographical and cultural needs of tribal members. This represents a significant shift in thought and Federal policy. Through provisions like these, this legislation reinforces the Federal Government's commitment for Indian self-determination and self-governance.

Mr. President, we have heard from the American taxpayers in no uncertain terms that they are tired of paying for people to do nothing. Families who are getting up to work every day and are still struggling to make ends meet are tired of seeing families receiving assistance with virtually no obligation to work for it. This bill changes all that. Under this legislation, people must work for their benefits. No longer will beneficiaries be able to continue to receive benefits for nothing. Families receiving assistance will now be given the resources and opportunity to receive job training and education and to move into work and independence. The legislation provides child care and other support services to these families.

Mr. President, we have heard much during this debate about the children and about how this bill is bad for children. This bill is not bad for children. If there is a program that has been cruel to children, it is the current system. How can anyone say that a program that traps our families in a hopeless cycle of dependency is good for and helps children? The current system may throw money at the problem of poverty, but it does not provide a solution.

This bill provides a solution, a way out of the dependency cycle. This bill gives needy children back the things that money can't buy—hope, dignity, self esteem, and a way out of long-term dependency. The best way we can help needy children in the long run is to give their parents the skills and resources—and, yes, motivation—to enter and be successful in the labor market. It can be done. Many have done it. Many more can be successful under the new system of assistance and incentives incorporated in this bill.

Mr. President, this bill is not the end of the welfare reform debate. Congress will continue to review and reform programs for the needy of this country. The reforms contained in this bill will continue to be monitored and evaluated. We can even see some technical corrections that could be made in the near future. I assure my colleagues and the American people that the passage of this legislation does not signal the end of congressional interest in the welfare programs. Passing this legislation is only the first, most important step in a long ongoing process.

Not only is this bill only the first step in reforming the welfare system, it is also the first step in tackling the seemingly insurmountable problem of ever-growing entitlement programs and balancing the Federal budget. This

is not a plateau but rather a ledge on the way to the top of the mountain. Congress must continue to look at other entitlement programs for the needy. We must look at the Medicaid Program, at Medicare, at programs for the disabled, and yes, even Social Security. Without reforming these programs, this country will find itself digging itself deeper and deeper into a black hole with no way to get itself out. But, more importantly, our citizens who have come to rely on these programs will wake up one day to find that these programs have met with fiscal disaster and are no longer viable.

Just as important as the fiscal aspect of reforming these programs is the evaluation of the role and values of the Federal Government. We must reform the very nature of Federal programs from one of dependency to one of independence and transition. I encourage my colleagues to continue this fight. We must not stop here at the first victory over big government, but rather continue the process of reviewing the role of the Federal Government and of reforming those programs that are holding us back on the way to a prosperous and secure 21st century.

Mr. INOUE. Mr. President, I regret that the conferees on the welfare reform bill have decided to report out a measure that is short-sighted and punitive to children, the disabled, and legal immigrants. I realize that the President has indicated that he will sign this bill into law, but I have concerns, as have already been expressed by the President in his recent statement, with many of its provisions.

Preliminary estimates that this measure will push an additional 1.3 million children nationwide into poverty. Once families have reached the 5-year time limit for receiving assistance in this legislation, they will have no recourse for assistance if a poor economy leave them without the possibility of finding employment.

Legal immigrants, including those who have been in this country for some time already, will be prevented from participating in all Federal means-tested programs, including the Food Stamp and Medicaid Programs.

This measure also cuts \$23 billion from the Food Stamp Program over the next 6 years. It also limits benefits for those out of work without minor children to 3 months total in a 3-year period.

This measure will cause much grief in Hawaii. The State is already at its limit in its ability to assist those living in poverty, and the changes in the Federal law will only exacerbate a bad situation.

I believe that the intent of a welfare reform bill should be to make it easier for families to make the transition from welfare to work. This bill does not provide adequate resources for States to provide the necessary support for families to do so. For these reasons, I will vote against the conference report.

However, I wish to commend the conferees for including in the bill that will now go before the President important provisions that would: First, provide child support enforcement services and funding to Indian tribes; second, authorize a State to exempt any Indian tribe from the 5-year limitation on participation for any Indian residing on an Indian reservation where the resident Indian population is 1,000 or more and where the unemployment rate is 50 percent or higher; and third, establish a 3 percent set-aside for American Indian tribal governments in the child care development block grant. Given the President's statement of his intent to sign his measure into law, I am pleased that the conferees have given special attention to the very serious needs of tribal communities.

Mr. PRESSLER. Mr. President, in 1935 Franklin Roosevelt had the foresight to realize that a welfare system that replaces real work with handouts was doomed to fail the very individuals it was intended to assist. In FDR's own words,

The lessons of history * * * show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit.

I am pleased that America's long, costly drug addiction to the easy, insidious welfare drug may be beginning to end today. Destructive generational dependency, illegitimacy, fraud, waste, abuse, and neglect soon will be replaced with greater self-sufficiency, responsibility and pride.

The bill before us would change the welfare system and the lives of many Americans for the better. Welfare was meant to be a safety net, not a way of life. This bill would restore the values of personal responsibility and self-sufficiency by making work, not Government benefits, the centerpiece of public welfare policy. I am proud to be a part of the team that has brought this historic legislation to the Senate and, soon, to the President's desk.

Why did the welfare system fail? The value of work was replaced with a handout, instead of a hand-up. The welfare system eroded the American work ethic. In many cases, welfare recipients today can sit at home and make double the minimum wage. Work, as my colleagues and staff know all too well, is a character building process. For generations, South Dakotans demonstrated this principle, that a hard-work ethic provides for themselves and their families. Imagine how they must feel when their tax dollars are used to support Americans who need not work. I can tell you how they feel—upset. That is why we needed workfare.

Workfare may seem innovative here in Washington, but it's not a new idea. Fifteen years ago, South Dakotans sought to develop new solutions for

their welfare system. South Dakota wanted workfare, not welfare. With the reforms it has implemented, South Dakota has succeeded in decreasing its welfare caseload by 17 percent and saved taxpayers \$5.6 million. Those reforms, considered radical at that time, will the vision of the future for the rest of the country when the bill before us become law. Governor Janklow first pursued workfare in the early 1980's, and former Governor Miller and our late Governor Mickleson continued with further reforms. I also want to acknowledge and commend Deputy Secretary Mike Vogel, Social Services Secretary, Jim Ellenbecker, Denny Pelkofer, Donna Keller, Judy Heinz, Julie Osnes, and the rest of the staff at the South Dakota Department of Social Services for their efforts to make welfare reform a reality in South Dakota. When today's bill becomes law, these innovators will have even greater freedom to succeed where the Federal Government has failed.

I am pleased that the final bill includes workfare amendments I had included during the Finance Committee's markup of welfare reform. These amendments ensure that welfare recipients will put in a full workweek, just as other Americans do, in order to receive benefits. My amendments also increase the number of welfare recipients who must work and tighten liberal loopholes that have allowed people to avoid real work.

This historic legislation is a dramatic turn to decentralization of government. We are putting greater faith and trust in the states to operate their own welfare programs. I am confident South Dakotans will do better than Washington bureaucrats. No longer will the Federal Government apply a one-size-fits-all welfare system run by bureaucrats. Indeed, the Federal agencies responsible for welfare will be drastically reduced. States will have the flexibility to seek solutions and alternatives to welfare problems. This bill also would do something very revolutionary for the native American community—it would give them the opportunity to run their own welfare programs. This is a great opportunity for them to seek innovative solutions as well. This bill is not just about changing the welfare culture, but also the big Government culture. We change both for the better.

Workfare is not just about restoring responsibility at the individual and State level, it is about protecting children in need. This workfare bill would ensure that children have quality food and shelter. This bill would increase our investment in child care by \$4.5 billion and increase federal child protection and neglect funding by \$200 million over current law. What this bill eliminates is cumbersome bureaucracy and needless regulations.

We also strengthen child support enforcement and give States new tools to crack down on deadbeat parents. These reforms represent the toughest child

support laws ever passed by Congress. The past welfare system fostered illegitimacy and discouraged marriage and parental responsibility. This welfare reform would promote the basic family unit, and crack down on those who deliberately walk away from meeting the needs of their children. More and more children are growing up without the moral guidance and financial support of parents, especially fathers. This is a tragedy of our time.

I am also pleased the final bill includes provisions I authored to crack down on food stamp fraud and prisoner fraud. Last year, I was shocked to learn the extent to which prisoners are able to continue receiving welfare benefits. The workfare bill before us once and for all puts an end to cash payments to alcohol and drug addicts in prison. It also would, reward States that crack down on food stamp recipients who abuse the welfare system. Although my home State's food stamp program is ranked first in the Nation, each year \$1.7 billion is lost nationally through food stamp fraud, waste, and abuse. My provision would give additional incentive to crack down on those who abuse the welfare system. I want to extend my thanks to the staff at the South Dakota Office of Recovery and Investigations, specifically Marty Armstrong, for their diligent and effective work on this matter.

Several years ago, President Clinton promised America he would change welfare as we know it. Our former colleague and majority leader, Bob Dole, made the same promise. Last year Congress delivered on that promise. We passed workfare. Unfortunately, President Clinton vetoed that workfare bill. The President vetoed workfare again as part of our balanced budget plan. Thanks to Chairman ROTH, Senator DOMENICI, and so many others we didn't quit. We produced another workfare bill. I am pleased the President has said he will do the right thing this time and support this workfare legislation.

I want to thank the conferees for their quick action in approving the welfare bill. Again, I am proud to have played a significant role in this effort to enact workfare legislation. The workfare bill before us will end welfare dependency by requiring work and placing a time limit on benefits. Tomorrow's welfare system would encourage people to become more self-sufficient and productive members of society, as was intended many years ago. Americans deserve more than a handout for today, they deserve the hope and happiness that come through personal financial independence and the self-realization of work. Welfare reform ensures a better future for all Americans.

Mr. BYRD. Mr. President, as the Senate debates the Conference Report on H.R. 3734, the Personal Responsibility and Work Opportunity Act, Senators are considering one of the most significant pieces of legislation to come be-

fore this body in the current Congress. Indeed, if this legislation is approved today—and the President signs it as he has indicated—this welfare reform legislation may be the very hallmark of the 104th Congress. This being said, Mr. President, it is important that all Senators pay heed to the vast and complex changes that this legislation would effectuate on federal welfare policy. I intend to support the Conference Report on H.R. 3734 because I believe it represents a necessary departure from a welfare system that few will deny is fundamentally flawed. My overall support of this legislation notwithstanding, I do harbor certain reservations about the possible effects of certain aspects of this welfare reform initiative on our neediest citizens. With this in mind, Mr. President, allow me to explain why I believe that this legislation, even with its potential deficiencies, represents a marked improvement over "welfare as we know it."

Mr. President, by combining many of the current federal welfare programs into a single Temporary Assistance for Needy Families Block Grant, H.R. 3734 would effectively end the federal entitlement to welfare assistance and give the States expanded control over their respective welfare programs. Under the bill's provisions, each State must establish objective criteria for determining eligibility and providing "fair and equitable" treatment for its welfare recipients. In order to receive their full block grant, States would have to enforce rigid work requirements for welfare recipients and provide adequate child care resources to families with children. Moreover, H.R. 3734 stipulates that States, in order to receive their full block grant, must continue to spend at least 75 percent of the amount they spent on cash assistance programs in fiscal year 1995. And, importantly, H.R. 3734 would limit welfare recipients to five years of benefits and would require most welfare recipients to work at least 30 hours per week by the year 2000. In addition, to protect children of families whose 5 years of assistance have expired, H.R. 3734 permits States to use funds from their Social Services Block Grant to provide vouchers for food for children.

Finally, the legislation permanently bans illegal immigrants from receiving any Federal benefits, and bans legal immigrants from receiving most assistance for the first five years of their residency in this country.

Mr. President, having mentioned the various aspects of this welfare reform legislation that I believe will improve our system of welfare, I must also allude to a particular provision of the bill that I believe may have unnecessarily negative effects on many of the neediest welfare recipients. Specifically, I am concerned about the food stamp work requirements included in this legislation, which would limit adults without dependent children to just 3 months of food stamps every 3 years. Unemployed laid-off workers

would be given an additional three months, and areas with unemployment of ten percent or more would also be given a waiver from the work requirements. Nevertheless, Mr. President, these provisions represent a significant departure from the Senate-passed welfare bill, and they also embody a complete departure from our national policy of providing our needy with the most basic safety net: food. On the surface, it might seem that the two exemptions from the work requirement provide a safety net. Yet, the Congressional Budget Office has reported that States will not be able to create the necessary jobs or workfare slots for individuals that are likely to be subjected to these new work requirements.

Mr. President, the Senate-passed measure, like the measure before us now, would penalize States for not creating the necessary jobs or workfare programs. However, this bill goes further than that by including provisions that would also punish an individual who simply cannot find a job or a workfare slot available. While ostensibly intended to target those who could work but choose not to, this provision may in fact have the worst effect on vulnerable individuals who want to work but cannot find a job. Indeed, this issue warrants careful watching. I believe the conferees would have better served this country by adopting the Senate food stamp work requirements.

While this legislation is not perfect, it represents what I believe to be a reasonable attempt to restore the concept of welfare to its original purpose: a temporary "safety net" for those who have fallen on hard times. Welfare should not be a permanent way of life for those among us who are able to work. The cost of such misguided policies is far greater than the dollars spent on providing benefits to those who choose not to work because, in time, they foster dependence and indolence among recipients and their families. This argument is not new. President Nixon, in addressing the Nation on welfare reform in 1969 said, "If we take the route of the permanent hand-out, the American character will itself be impoverished." Mr. President, I agree fully with President Nixon's statement and that is why I support this conference report.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. PRYOR. Mr. President, today, I will be unavoidably absent from the Senate, as I am in Arkansas on a family matter. However, I feel it is important to express my support for this welfare reform measure and discuss briefly the reasons for my support.

My concerns in the debate over welfare reform stem from proposals that would outright dismantle the safety net in this country. For decades, the Federal Government has assumed the responsibility to help those that cannot help themselves. The welfare re-

form bill before us shifts much of that responsibility to the States. I voted against last week's Senate version of the welfare bill with the hope that I could improve it in the conference committee. In some ways it has improved, in others it has not.

Even so, if I were able to vote for this bill today, I would. I am not going to say this bill before us today is perfect. It is not. But I cannot justify keeping the current system. There are more individuals in poverty now than ever before. I believe we have a responsibility to seek new ways to help people help themselves. Our current system fails at this task and we must recognize this fact.

Welfare as we know it has not effectively emphasized work or pulled individuals out of poverty. I do not like all of the provisions in this bill, but I can not support the status quo.

In the past week I have heard from many people in Arkansas about welfare reform. They know how the current program works in places like Little Rock, and in Camden, in Fayetteville, and across the Arkansas Delta. They can see that the current program needs reform.

Under this bill, States will be given the flexibility to reform welfare to meet the needs of that State. Yesterday, President Clinton said that the welfare population today is different than the one 60 years ago. It is also true that the welfare population today differs from State to State. Individuals on welfare in Arkansas face different problems and have different strengths than those in New York or California. This legislation will give States the opportunity to design a welfare program unique to that State. It is a big responsibility we hand over to the States today. I pray they act wisely. •

Mr. JEFFORDS. Mr. President, I rise today to voice my support for the legislation upon which we are about to vote. We have been working on this bill for a year and a half and we've been back to the drafting table several times. Today, though, we're going to pass this bill and we have the President's assurance that he'll sign it. I am truly pleased to have been part of this historic effort, and I want to thank my colleagues on both sides of the aisle for their hard work and dedication to reforming welfare.

Does my support mean that I believe we've got the perfect bill and all of our concerns have been addressed? Do I think we've finished the job and we can forget about welfare for another thirty years? Certainly not. No one thinks that this is the perfect approach to reforming welfare. Many of us would like to see less in cuts to food stamps; we would prefer more support for children.

In particular, we're emphasizing work in a way that we never have before—and let me stress that I think we are emphasizing that goal, and I commend the bill on that point. Even so, we're not doing nearly as much as we need to do to ensure that jobs are

available for people, and that people have the education and training they need to fill the available jobs. We've spent a fair amount of time and energy this session talking about job training. As we all know, reconciliation on this issue has eluded us to date. We must address this issue. The first thing people need to get and hold down a job is a good education. Too often, I think, we assume that to mean a college education. That is not necessarily true. In the next Congress, I hope we will renew our discussion of how to link education and job training so that people are able to fulfill the expectations of the jobs that are available.

Our international competitors have been leaders in making the important link between education and work. Germany for example, has long been a model for vocational education. As early as the sixth grade, students opt for a college-prep or vocational education program.

Over and over we've said people need to get off welfare and get back to work. I agree with that. We've said "you can always get a job at McDonalds." There are two flaws with this flippant argument. One is that a person doesn't earn a living wage at a fast-food restaurant—but we've had that debate. The other flaw with the argument is that even the fast food industry jobs are not as available as we'd like to believe. A 1995 Columbia University study of fast-food minimum wage job openings found that 14 people applied for every opening. Among those rejected, 14 percent hadn't found work a year later. What are we going to do for these people? What are we going to do about this problem?

While this bill makes some nods in that direction, I think perhaps its biggest failing is it fails to recognize all the work we need to do to get people back to work. So far, the necessary resources in education and job training far exceed the available resources. Job training and education are an investment that will yield us incredible returns. Last year the Department of Education released a study that found that "a 10 percent increase in the educational attainment of a company's workforce resulted in an 8.6 percent increase in productivity. Whereas a 10-percent increase in the value of capital stock such as tools, buildings, and machinery only resulted in a 3.4 percent increase in productivity." I won't belabor this point, but education and job training are issues I will continue to work on, and I urge my colleagues to do the same.

I think all of us realize that it will be our responsibility to monitor the effects of this bill, to improve and enhance those provisions that seem to work well, and to revisit those provisions that are unproductive or fall short of what's needed, such as those surrounding job training and education that I have just highlighted.

This bill is not perfect. Even so, the system we have now is not working and

we need to move forward now. The bill before us takes important steps in the right direction, and is clearly preferable to the welfare program we've arrived at after 30 years under the old system.

We enacted this system 30 years ago to combat poverty, and the truth is—this system hasn't worked. In 1965, 3.3 million children received AFDC benefits. In 1990, 7.7 million kids received AFDC benefits, and in 1994 9.6 million children received AFDC. At the same time, between 1965 and 1990, the actual number of children in the United States declined by nearly 5 million. Clearly, the current system isn't working, and because of that there is strong support in this country and in this Congress to reform welfare.

Furthermore, the current system has developed into one that permits, even encourages, a lifestyle of dependence. Under the system we have now, 65 percent of families on welfare will be dependent for at least eight years. One in eight children in this country is on welfare, and nearly one in five mothers in inner cities is on welfare. Without welfare reform, millions more children will grow up dependent on welfare. Under the current system, children who grow up in families dependent on welfare are twice as likely to rely on welfare when they become adults. It is clear that for many people, welfare has become a way of life.

The bill before us will terminate reliance on Federal assistance as a way of life. We end this reliance by terminating cash assistance after 5 years of receiving benefits. After two years, we require people to get jobs. This is real welfare reform. Time limits are unprecedented at the Federal level. Five years of benefits allow adequate time for most people to get their feet under them and get back on the road to supporting themselves. But even after 5 years the line is not a hard and fast one. There can be exceptions. The bill allows a 20 percent hardship exemption for the really difficult cases. So even though we say "5 years and you're off," even then there's some leeway.

Another strength of this reform bill is that it retains the Federal safety net for nutrition benefits. One of the changes I worked hard on in the Senate version of the bill was the food stamp block grant. We eliminated the block grant option last week, and the conference bill retains the food stamp entitlement. The entitlement ensures that food stamps will always be available to our most vulnerable populations: children, the very poor, and the elderly. And food stamps will be available even after the eligibility for cash assistance has ended. I want to thank my colleagues for joining me and voting to strike the optional block grant.

Another difference between this bill and the ones we've considered previously is the money provided for child care. This bill fulfills the Governors' and the President's request for addi-

tional child care funds, and as a result we'll be spending \$4.5 billion above current law on child care. In addition, the bill retains minimal health and safety standards for child care, and it maintains a quality set-aside from child care block grant funds so we might better focus on encouraging and developing good child care for our children. Finally, this bill requires that the Secretary report to the Congress on how children are affected by welfare policy change; additionally, it requires the states to report on their child poverty rates. If the child poverty rate increases by more than 5 percent, then immediate corrective action is required. I mention all of these factors because they contribute to my willingness to support this bill, and also because they illustrate that the drafters are concerned about children and intend to monitor the effect of this bill and follow up to ensure that we are bringing about the positive change we're attempting to achieve.

In conclusion, let me speak briefly on how this bill will affect Vermont. I was pleased to learn that the Governor of my home State, Gov. Howard Dean, has spoken positively of this bill. While he shares the concerns that many of us have, Gov. Dean thinks that Vermont can come out ahead under the provisions of this bill. Vermont is currently operating its welfare program under a waiver. Not only does this bill allow the State to continue its first-in-the-nation reform project, the Governor recognizes that the calculations used to determine the size of the Federal block grants mean that Vermont will have more money to spend on its welfare program.

While I am on this subject, I would like to take a moment to voice my support and praise for those states, like Vermont, that have already undertaken welfare reform through waivers and demonstration projects. I am pleased that we will allow those waiver projects to continue.

But let me urge clarification on what I consider to be a confusing and counter-intuitive provision in the bill. Under the provisions of the bill setting forth the guidelines for the temporary assistance for needy families block grants we have a section that gives States the option of continuing the waiver projects already underway. In fact, the section goes so far as to require the Secretary to encourage any State operating under a waiver to both continue the waiver and to evaluate the result of the waiver so that other States may make use of the valuable information to be gained from these demonstration projects.

However, under the hold-harmless provisions of this waiver section, we seem to forgive the accrued liability of States that choose to terminate their waiver projects. Our intent, I believe is to forgive the accrued liability of those States, like Vermont, that choose to continue their waiver projects. To take any other stance except one that also

wipes those slates clean would give States incentive to terminate their waivers. States like Vermont that are already conducting demonstration projects should be encouraged and supported in their efforts to continue those projects. I understand that there may be an opportunity to revisit that issue soon, and I urge my colleagues to ensure that we're creating incentives to continue the waivers that are promising, rather than offering incentive to terminate those projects.

Another aspect of the bill that is very important to Vermont is the assurance that, as under current law, LIHEAP benefits will not be counted as income for purposes of determining food stamp eligibility. This provision is very important to poor people in cold regions of the country who may rely on both LIHEAP benefits and food stamp benefits. There was a provision in both the House and Senate bills that would have forced people to choose between heating and eating, and I thank my Senate colleagues for accepting my amendment to strike those provisions. I also want to thank my colleagues who worked on the conference committee for working to maintain the Senate bill provisions on this issue.

Mr. President, I agree with my colleagues who say this bill has flaws, and I look forward to working with them next year and in future years as we continue to work towards the proper balance between self-sufficiency and Government assistance. In spite of its weaknesses, I think this is a good bill. We've worked hard over the past year and a half to get to this point and I think we've made some very positive changes that will help all Americans to be productive and contributing citizens. I will be pleased to vote "yes" on final passage.

Mr. BIDEN. Mr. President, since 1987, when I first proposed an overhaul of the welfare system, I have argued that welfare recipients should be required to work. None long years later, I am pleased that it is finally about to happen.

It has been a long road. I was piloried by many of my friends back then for even suggesting the idea of requiring work. Today, I think everyone here believes that work should be the premise of our welfare system.

It was unthinkable a few short years ago, that we would limit the time that people could collect welfare benefits. Today, I think that is a proposition on which nearly everyone here agrees.

And, on the other side of the aisle, it was just a few short months ago, that many were unwilling to invest sufficient amounts in child care so that the children of welfare mothers would be taken care of when their mothers went to work.

We have come a long way toward reaching agreement on how best to reform our failed welfare system. And, much of that meeting of the minds is reflected in this bill. So, I will vote for it, although I believe it could have been better.

I would feel much more comfortable if we were here today debating and voting on the Bipartisan Welfare Reform Act that Senator SPECTER and I introduced in the Senate and that Representatives CASTLE and TANNER introduced in the House. It was more realistic in putting people to work; it was more compassionate to the children who did not ask to be born in poverty; and it was a model of bipartisanship from the very beginning.

Unfortunately, the Biden-Specter, or Castle-Tanner, bill is not a choice facing us today. Today, we have but one choice: this bill with its flaws or the current flawed system. And, in weighing the alternatives, the flawed—I should say failed—status quo is simply no longer an alternative.

The culture of welfare must be replaced with the culture of work. The culture of dependence must be replaced with the culture of self-sufficiency and personal responsibility. And, the culture of permanence must no longer be a way of life. I will vote for this bill, Mr. President, because it is a step toward changing the culture.

This bill will require welfare recipients to work in exchange for their benefits, and it will limit the amount of time that families can receive welfare. The bill will increase our investment in child care so that welfare mothers can go to work, and it will go after the deadbeat dads who refuse to support their own children. Finally, it will crack down on fraud in the Food Stamp Program.

These are important and crucial changes that need to be made in our failed welfare system. They have been my priorities in reforming welfare, and this bill meets those goals.

But, we should not fool ourselves. There will be people, many of them children, who will fall through the cracks because of this bill. I do not know how many. I have heard numbers thrown around on how many more poor children there will be under this bill. To tell the truth, no one knows for sure. But, there will be some. And, for that, we should not brag or boast or pound our collective chests or, as one Member of the other body did yesterday, claim that this will be great for America.

However, that's not a reason for failing to move forward. It is a reason for watching closely what happens as we move forward. As this new welfare system is implemented, we must monitor it with a microscopic eye. And, I hope the authors of this legislation will be as willing to make corrections if corrections are needed as many of us have been willing to vote for a good, but not perfect, bill.

And, this is not a perfect bill. In fact, I do not even believe this is the best bill we could have written. But, it is a good bill. And, it is time to move forward.

Mr. COHEN. Mr. President, about 11 months ago, the Senate passed a welfare reform bill by an overwhelming 87

to 12 margin. That vote demonstrated that there was strong, bipartisan agreement that the current welfare system needs a dramatic overhaul. After almost a year of discussion relating to the best way to reform the current system, it is satisfying that the same bipartisan spirit will be present when we vote on a welfare reform plan for third time.

The current system, with its trademark entitlement programs, has been only marginally successful in providing for the most basic needs of low-income people, and has been a dismal failure in encouraging recipients to become independent.

While we supported changes in 1988 to emphasize work in our welfare system—those reforms included so many exemptions that the incentives to work were seriously undermined. Those reforms did not do enough to help us distinguish those who had fallen on hard times and needed a helping hand from those who simply refused to act in a disciplined and responsible manner. When welfare is a Federal entitlement, it is very difficult to make that distinction.

The legislation before us today will put welfare recipients on notice that their time on the system is limited. We are offering them assistance with child care, health care, and training to become self-sufficient. In return, recipients are expected to put in time improving their education, participating in training, and getting a job to get off the system permanently.

As recipients increase their efforts to comply with these new requirements, States must understand the responsibility they are accepting with the flexibility gained from the block grant. The Federal Government is ending the 60-year philosophy that anyone at any time is entitled to cash assistance.

The philosophy has changed to: we will help someone get a job and keep a job by providing child care and health care for a specified period of time. This shift in philosophy means that the culture of State welfare offices must evolve into the culture of a job placement service where the focus is getting jobs, not mailing checks.

This legislation also takes a big step forward to reinforce the importance of families in society. Regrettably, too many of our young people are growing up without two parents involved in their lives; 92 percent of AFDC families have no father in the home. This bill recognizes that reducing out-of-wedlock births is an important goal, but does not prescribe Federal solutions that would hamstring the ability of States to try different approaches.

One of the most essential ingredients for self-sufficiency is the availability of child care. By funding child care activities at almost \$22 billion, States will have the resources they need to design successful return-to-work programs. With this enhanced funding, parents will have some assurance that their children will be cared for in safe settings.

As the President indicated yesterday, this bill is not perfect. One of my principle concerns is the impact of cuts in food stamps on the working poor. Food stamp benefits do not extend just to families on AFDC. The Food Stamp Program plays an important role in helping poor, working families make ends meet.

Food stamps are the front-line defense against poverty, providing a minimum safety net of 1 out of every 10 people in Maine. This program has proven vital in improving the health of our children and the elderly, and protecting people with disabilities. We need to ensure that this program retains its vital mission: to ensure that families have enough resources to buy food.

One of the most important provisions in this bill is the emphasis on the collection of child support and establishing paternity for children born out-of-wedlock. Child support collections continue to increase across the Nation. The Republican bill includes provision which will encourage even greater increases in child support collections. By taking a tougher stand to establish and then enforce child support orders, some of the families currently tied to the welfare system may be able to get loose.

It is obvious that no one likes the current system. Governors don't like it, welfare recipients don't like it, and the public believes that welfare programs serve only those people who want to take advantage of the system. As a result, support for antipoverty programs has eroded drastically in recent years.

By injecting a work ethic into our welfare system and emphasizing self-sufficiency, which this bill does—we are on the right track. This bill comes very close to providing resources and incentives that will improve our antipoverty programs, but I also hope we will continue to work to ensure that our most vulnerable populations are protected.

Mr. GLENN. Mr. President, today the Senate will be voting to transform the Nation's welfare system. Despite some changes, I believe that the fundamental flaws of the Senate and House passed bills remain and therefore I will vote against the conference report.

Children and low-income working men and women will be the victims of this legislation. There are already far too many poor children in this country and I believe that this bill will in the end cause many more children to live in poverty. I am particularly concerned that in Ohio alone, as many as 43,500 children will be pushed into poverty by the implementation of the bill before us. Mr. President, I cannot support legislation that would cause this kind of harm.

I have been concerned from the start that simply washing our hands of the Federal responsibility for welfare and turning it over to States is no guarantee of success. This is risky policy and

there will no longer be any mechanism for guaranteeing a national safety net for our poorest families.

I am concerned that the work requirements in the bill can not be met. States that do not meet employment goals will lose part of their block grants. Penalties would rise from 5 percent in the first year to 21 percent in the ninth year. The Congressional Budget Office has already reported that most States will be unable to meet the work requirements. This legislation lacks the necessary commitment or resources to help people move from poverty to meaningful employment. It does not provide any specific funding for States to help people find or train themselves for better-paying jobs. Rather than moving people off welfare and onto work, this bill emphasizes cutting off welfare.

While I support reform that promotes personal responsibility and community initiatives, I cannot support legislation which undermines the national safety net and reduces resources for hungry families.

Mr. GRAHAM. Mr. President, during consideration of the Senate reconciliation bill, two definitions regarding immigrants, section 2403(c)(1), and in section 2423, section 213(A)(f)(2), were stricken because they contained material that was not under the jurisdiction of the Finance Committee. Specifically the definitions denied all means-tested benefits to immigrants including benefits subject to appropriations.

The Parliamentarian also agreed that the provisions violated another section of the Byrd rule, section 313(b)(1)(D). Section 313(b)(1)(D) prohibits language in a reconciliation bill or conference report if the deficit reduction is merely incidental to the larger policy changes contained within the provision. The Parliamentarian agreed that since the reconciliation process is confined to mandatory spending, expanding the scope of provisions to include benefits provided by discretionary spending was a violation of the Byrd rule.

The conferees were certainly notified about these rulings and the offending provisions were not included in the conference report.

Moreover, would the Senator agree that, when the Senate struck these sections as violating the Byrd rule, the Senate's intent was to prevent the denial of services in appropriated programs such as those that provide services to victims of domestic violence and child abuse, the maternal and child health block grant, social services block grant, community health centers and migrant health centers? Does the Senator agree that recipients of appropriated funds are not forced to conduct checks on citizenship and immigration status when providing community services?

Mr. KENNEDY. Yes. Under the Byrd rule, the budget reconciliation process cannot be used to change discretionary spending programs. Only mandatory spending is affected.

Mr. GRAHAM. Is this consistent with the understanding of the Senator from Nebraska as well?

Mr. EXON. Yes. As ranking minority member of the Budget Committee, I have been concerned to ensure that the budget reconciliation process is limited to affecting mandatory spending and is not misused to achieve other objectives. Budget reconciliation's departure from ordinary Senate rules of debate must be carefully limited to its original and proper purpose. Our colleagues on the other side of the aisle shared this view when they agreed to strike the offending provisions from the Senate bill.

Mr. GRAHAM. Would the Senator agree that the version of the bill recommended in this conference report is consistent with this understanding?

Mr. EXON. Yes. These provisions stayed out of the bill in conference, as the conferees sought to avoid another challenge on the Senate floor that these provisions violated the Byrd rule. This manifests our intent to keep this bill within the proper parameters of budget reconciliation.

Mr. President, changes in discretionary programs on a reconciliation bill, such as the ones mentioned by the Senator from Florida and the Senator from Massachusetts, result in no direct budgetary savings and are therefore extraneous under the Byrd rule.

During floor consideration of this legislation, we struck section 2403(c)(1), and in section 2423, section 213(A)(f)(2) because they contained material that was not under the jurisdiction of the Finance Committee, namely many discretionary programs, because they violated section 313(b)(1)(C) of the Budget Act. These provisions also provide no budgetary savings, and violating the intent of section 313(b)(1)(A) of the Budget Act, but because they were cleverly embedded in language which did provide direct budgetary savings, it was difficult to fully enforce the Byrd rule. Nonetheless, it is clear that this bill should not be used to make changes in discretionary programs, and those who look to interpret the action of the Congress should take this into account.

Mr. President, the purpose of the Byrd rule is to prevent reconciliation bills from being loaded up with provisions, such as these, that have no budgetary impact. This is important because reconciliation bills move in the Senate under special rules which limit amendment and time for debate. Without the protections provided by the Byrd rule, it would be far too easy to take advantage of the privileged nature of reconciliation to enact controversial items without proper consideration in the Senate. Allowing reconciliation to be used in this manner fundamentally undermines the basic nature of the Senate's rules which protect the voice of the minority and damages the Senate as an institution.

For this reason, I feel it is important to bring these provisions to the atten-

tion of the Senate, and I thank the Senators for their efforts.

Mr. LEVIN. Mr. President, today, the Senate will reach a milestone in the long and sometimes twisting journey of welfare reform legislation. The Senate will pass this bill, as the House of Representatives did yesterday. The President has told the Nation that he will sign it, and soon it will become law. I will vote in favor of this bill because it is a step toward ending the present system which simply does not work and replacing it with a system which requires and rewards work. I wish, however, that we had before us a reform bill which I could wholeheartedly, without reservation, endorse and support. I would greatly prefer a bill, for example, like the work first legislation which contained a Federal safety net for children and which I cosponsored with Senator DASCHLE and many of my colleagues or even like the bipartisan Biden-Specter approach which I voted for in the Senate.

The bill before us is an improvement over the legislation which I opposed last year and which the President vetoed because, among other things, it provides more support for child care, retains needed child protection programs and services, includes my amendment strengthening the work requirement, does not block grant food stamp assistance, requires a greater maintenance of effort from the States, and doubles the contingency fund to help States in times of economic downturn. However, it contains a number of serious flaws. That is why it is a milestone and not a final destination. It will need repairs. As the President has indicated, there are aspects of this legislation which the Congress will be required to revisit. And beyond that, I believe that this kind of sweeping reform involves an element of risk. Although our efforts are directed toward improving the system, recognizing within the welfare system the principle of the value of work, assuring the protection of children and reasserting the responsibility of absent parents to their children, we cannot possibly be sure that all the effects of such sweeping reform will be those intended. For that reason, the Congress must remain vigilant in its oversight and monitoring of the impacts of this legislation. We must stand ready to address negative impacts. If critics are fully correct and there is a large increase in the numbers of American children who find themselves impoverished, we must stand ready to remedy quickly the defects in this bill.

For a number of years, I have been working toward reform of the welfare system. The existing system has failed. It does not serve families and children well. It does not serve the American taxpayer well. It was created to meet the needs of families in hard times. Unfortunately, for far too many, what was intended as a safety net has too often become a way of life, a cycle of dependency. It is wrong to allow such a system to continue.

Meaningful reform should protect children and establish the principle that able-bodied people work. It should tighten child support enforcement laws and be more effective in getting absent fathers to support their children. The bill before us represents a constructive effort.

The funding levels in this bill are aimed at assuring that adequate child care resources will be available for children as single parents make the transition into work. Those levels are significantly improved over last year's bill. This strengthens the work requirement because it better assures that States can effectively move people into job training, private sector employment, and community service jobs. The bill will provide the kind of flexibility which the States have been asking for. Now, they must step up to the task and meet their responsibility. If they fail, this reform will fail because it is built on the foundation of getting able-bodied people back to work.

I am particularly pleased that this legislation includes my amendment which I first offered last year which greatly strengthens the work requirement in the bill. The original legislation required able-bodied recipients to work within 2 years of receipt of benefits. My amendment adds a provision which requires that unless an able-bodied person is in a private sector job, school, or job training, the State must offer, and the recipient must accept community service employment within 2 months of receipt of benefits.

As I have said, I am deeply concerned by several provisions contained in this legislation. I am afraid that the reductions in food stamp assistance may go too far, although the conference committee added \$1 billion in food stamp assistance back in. Also, while some language was added in the conference to allow States to use some funds under this bill to provide noncash vouchers for minimum safety net support to children of families which lose their benefits they have reached the 5-year limit on assistance, I believe such minimum aid should be mandated. We will want to monitor how the States handle this problem. And, I am concerned that the provisions included, denying benefits to legal immigrants, are too harsh. I particularly object to the impact on legal immigrants who are already in the United States and on legal immigrants who come here, work hard, and then may unfortunately become disabled. As the President stated yesterday, these provisions don't belong in a bill relating to welfare reform.

I am also concerned by a provision in the bill which did not appear in either the House-passed or Senate-passed bill. Both the House and the Senate bills prohibited penalties against single custodial parents with children under 11 years old who cannot find adequate, affordable child care, as determined by the State. Inexplicably, the conference committee changed that provision to lower the protected age to children

under the age of 6. Again, I think this is a matter which Congress should monitor closely as it is applied in the States, and revisit it, soon.

Mr. President, the decision on this bill is a difficult and a close one. But, I believe we must reform the broken welfare system which currently serves America's children poorly and serves the American taxpayer poorly. But, as we move forward on a bipartisan basis, we must vigilantly work with the States, to make this reform successful, to get people back to work, and to improve the lives of America's most vulnerable children, with an on-going commitment that mistakes will be addressed, and shortfalls will be reevaluated.

Mr. HATFIELD. Mr. President, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 moves our Nation in a positive direction by reforming our current welfare system. Not only does it eliminate the entitlement status of welfare, but the bill requires those able-bodied recipients who can work, to work. In addition, the bill provides \$4.5 billion more for child care than current law, maintains Medicaid eligibility for those citizens who qualify for assistance, and allows those States who are operating under Federal waivers to continue to do so. The child care and Medicaid provisions in this bill will allow welfare recipients to better make the transition to work. Also, the Federal Government, by allowing States to continue with their innovative welfare reform programs, will see continued successes, as in Oregon, in welfare reform.

As chairman of the Appropriations Committee, and while currently embroiled in the appropriations process, my experience has taught me all too well the dire consequences of continuing, without change, entitlement programs that we do not, and cannot control. We can no longer keep spending until all needs are met. These entitlement programs place a great burden on the Appropriations Committee and more importantly, a burden on the many other needs of our Nation.

Only through a commitment to providing better opportunities for those living in poverty will we find a solution to poverty. We can achieve a reduction in welfare spending while working to transition the impoverished, out of poverty. The recent vote in the Senate to increase the minimum wage is an indication of Congress' commitment to ensure that in the area of employment, a minimum standard is assured. However, Congress cannot eliminate poverty by merely raising the minimum wage. There is a cycle of poverty which is passed from generation to generation, and it is the root causes of this poverty that must be addressed: a lack of education and access to upward social, and economic stability. Education is the key to the success of society. Citizens without the opportunity to educate themselves, to increase knowledge and skills, will weaken in despair,

maintaining the status quo at best. In my home State of Oregon, the Governor's office, county commissioners, and the Oregon Workforce Quality Council, are only a few among many who have worked towards improving job training. As a result of the efforts in Oregon, in only a few years Oregon has reduced their welfare roles by almost 25 percent. By progressing towards a seamless link amongst differing human resource agencies, Oregon has made outstanding progress in integrating education, employment, and training programs. These are key links in ending the cycle of poverty. Thus, I am pleased to see waiver language contained in this bill which will continue the welfare reform process. With this added flexibility Oregon will be able to continue its extraordinary welfare program.

Mr. President, we have chosen to address welfare reform and Medicaid reform separately; a decision which I cannot fully support. Welfare reform is an integrated effort which includes: child care, effective job training and quality health care. To end welfare as we know it we must allow our citizens the opportunity to climb out of the welfare trap and become productive citizens of our Nation. Without an integrated approach the entire system is placed in jeopardy. Thus, I am dismayed that we did not reform Medicaid while reforming welfare, for they are an integrated pair. However, I am satisfied at this point to know that Medicaid will remain intact for our citizens who are fulfilling the work requirements of this bill. Furthermore, I am pleased that the State of Oregon will continue to operate its Medicaid system under the Oregon health plan. Under the Oregon health plan, my State has enrolled 114,000 more Oregonians who would otherwise not have had access to health care. The Oregon health plan required numerous Federal waivers to achieve this success, and I am hopeful that Medicaid reform, whenever enacted, will have similar success as in Oregon.

I ask unanimous consent to have printed in the RECORD a letter from the State of Oregon endorsing this bill.

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

OREGON DEPARTMENT OF
HUMAN RESOURCES,
Salem, OR, July 31, 1996.

Hon. MARK O. HATFIELD,
United States Senator,
Washington, DC.

DEAR SENATOR HATFIELD: Thank you for your ongoing work with us on both our welfare reform waivers and the current pending legislation. Your assistance has made it possible for Oregon to continue to improve upon its extraordinarily successful strategies to move families from poverty to employment.

Regarding the current bill, it is my understanding that the conference committee has allowed states the option to determine if, after a five-year period following enactment, qualified aliens (generally speaking, legally residing non-citizens) would remain eligible for Medicaid coverage. With this issue resolved, the Department of Human Resources

is satisfied that the bill will allow the State to have more flexibility and success in helping Oregon families become self-sufficient than would be possible under current law.

Sincerely,

GARY WEEKS,
Director.

Mr. HATFIELD. In Oregon, we are reducing our welfare roles by training our workers and putting people to work. This is being accomplished through a concerted effort of local, State and Federal officials striving together towards a common goal of putting people to work. We are demonstrating that welfare reform is an integrated system of job training, child care, personal responsibility, and health care.

Mr. BINGAMAN. Mr. President, today the Nation will vote to change the Nation's welfare system. While I hope these changes will make people's lives better, I greatly fear that these changes will do far more harm than good.

Let me say I believe the country needs welfare reform, and I strongly support some portions of this bill. I support requiring all able-bodied recipients to work, turning welfare offices into employment offices, providing adequate child care and requiring strong child support enforcement. This bill achieves some of these goals, but I am deeply concerned that it will push more people into poverty instead of lifting them out.

I am encouraged by the President's commitment to pursue these concerns and come back next year to propose changes to this legislation. In fact, I wish we had incorporated those changes in this bill.

I have been hopeful that this Congress would achieve real welfare reform. A good bill would encourage adults to work without threatening the well-being of children or legal immigrants or the States that need welfare assistance most. I originally voted for welfare reform legislation in the Senate with hopes of ultimately achieving this goal.

Unfortunately, this has not happened. In the highly politicized environment in which we find ourselves, I fear that we are trading an admittedly imperfect system for one that may prove to be far worse for our Nation's children and poor. That is why I am voting against the conference report before us.

I have been persuaded that this bill will hurt New Mexico. While under this bill, States may have substantial discretion on how they administer welfare benefits, it is equally clear that they will have substantially less money with which to administer those benefits.

I believe this bill will increase the number of children living in poverty in our State. Relative to other States, low per capita income states like New Mexico will suffer. According to the New Mexico Human Services Department, the number of families on welfare is increasing in New Mexico—from

an 18,400 caseload in 1989 to 34,000 cases per month in 1996. New Mexico cannot easily absorb funding cuts when the caseload is growing and the State budget is not.

This bill requires progressively more hours of work, from a greater percent of each State's caseload every year, with States losing cumulatively more funding each year they fail to hit their targets. While I am a strong proponent of work requirements as an integral part of welfare reform, I am skeptical of this approach.

Currently, unemployment in New Mexico is 6.8 percent, higher than the national average of 5.3 percent. While we have experienced a recent period of high job creation, many of those new jobs are concentrated in our urban centers and are not likely to be accessible to those who live in rural areas. And what will happen to New Mexico in the event of an economic downturn, when rates of job creation are not so high? This bill provides a penalty of a 5 percent cut in Federal funds for the State's block grant that will be increased to a maximum of 21 percent cut should targets be missed in consecutive years. The National Governors' Association [NGA] shares the concern that many States will have difficulty in meeting the work requirements. This will leave States with the choice of using State and local funds for education, training, and child care, or throwing more people off the rolls so it will be easier to hit their work targets, or cutting far back on benefits.

The nonpartisan Congressional Budget Office has said that, over 6 years, this bill falls \$12 billion short of the funding needed to meet the work requirements of this legislation, and about \$2.4 billion short in child care resources. Currently, the caseload in New Mexico is growing. Who will be forced to pick up the shortfall? State and local governments will.

Last year in New Mexico, 239,000 recipients in 87,000 households relied on food stamps. About \$28 billion in savings realized by this bill will be in food stamps. Such cuts to funding benefits erode the integrity of the safety net for those who need it most. I say again that we are trading in an imperfect system for one that may prove much worse.

Our common goal is to eliminate public assistance as a way of life while preserving temporary protections for those truly in need. We can do this without denying the basic needs of innocent children and without driving State and local governments further into debt. I look forward to voting for the necessary amendments to this legislation in the next Congress.

Mr. DOMENICI. Mr. President, I am pleased that the welfare reform conference report includes a suggestion I made to the conferees.

Before final passage in the Senate, I suggested that we delete a direct spending appropriation that was in the Senate-passed bill—section 2211(e)(5).

This provision would have given the Social Security Administration [SSA] \$300 million in entitlement funding for administrative costs associated with welfare reform.

Although it is important to make sure SSA gets the funds it needs to implement welfare reform, I oppose creating new entitlement spending for Federal agencies.

As an alternative, I suggested that we build upon a process that is already in current law and which adjusts the discretionary spending caps to accommodate additional funding in the appropriations process for SSA to do continuing disability reviews.

I am pleased that the conferees accepted this approach.

Let me also clarify one issue.

The language in the conference report provides that the chairman of the House Budget Committee must take back the cap adjustment in the event the President vetoes the bill.

For the record, we do not need this explicit authority in the Senate. The chairman of the Senate Budget Committee already has the authority to reverse adjustments of this kind in the event the legislation does not become law.

Mr. LIEBERMAN. Mr. President, I rise to support the conference report and welfare reform.

The Congress and the administration have worked now for over 3 years to reform the shameful situation in which millions of Americans on welfare find themselves. Parents seeking work are discouraged from doing so by the current system. Teenage mothers languish alone in households without the support of their children's fathers and often without proper adult supervision. Welfare as we know it has allowed these societal ills to fester and drain increasingly large amounts of public assistance funds. The current system has made it too easy for young men to father children without assuming either the financial or emotional responsibilities of parenthood. For too long, society has assumed the responsibility of caring for poor children with welfare checks, while not placing expectations of accountability upon the young parents. Too many families face the daily burden of survival, unemployment, and society's suspicion of their unwillingness to change their situation.

The provisions of this conference agreement can ensure that our welfare system will finally reflect a respect for two of the most fundamental values of our society—an adherence to the American work ethic balanced with a compassion for those truly unable to care for themselves. This bill redirects hard-earned tax dollars toward achieving employment opportunities for adults and improvements in the quality of life of children.

First and foremost, it eliminates the possibility of receiving public assistance without any intention of making some kind of a contribution to society in return. Beneficiaries will be aware

that from the day they receive their first check, the clock will be ticking. Society is fulfilling an obligations to help them get back on their feet, and they in turn are obligated to make every effort to receive job training or education and to find employment. The employment of parents will enrich their children not only financially, but morally as well. In watching their parents benefit from educational opportunities and engage in gainful employment, children may embrace a valuable work ethic and eventually be better able to free themselves from the cycle of poverty and welfare dependence in which they are currently entrapped. States will also have an incentive to help beneficiaries find work. Welfare offices should become employment offices as States strive to move recipients into the work force in order to earn a performance bonus from the Federal Government.

The conference bill also holds the hope of protecting children and reducing welfare spending by attacking the problem of unmarried teen parenthood. Welfare will no longer encourage the proliferation of single and uneducated parents by automatically and unconditionally underwriting the mothers who bear children out of wedlock. Children born out of wedlock are shown by studies to be three times more likely to be on welfare as adults than their peers. By implementing this bill, however, the Federal Government will require States to combat this problem and hopefully prevent it in a number of ways. First, paternity must be established for all children born out of wedlock at birth as a condition for receiving assistance, and fathers will be required to pay child support and set a good example for their children by engaging in either private sector or community service jobs. Mothers must live with an adult parent or relative or in an adult-supervised, strictly run Second Chance Home where they can learn skills necessary to the proper management and care of a child and household. A further condition of receiving assistance is a commitment to educational advancement. Young mothers must stay in a school or training program as a condition of continuing to receive welfare checks.

This welfare reform bill will additionally work to prevent a new generation from entering into the cycle of early parenthood and welfare dependence by making it a national goal to lower teen pregnancy rates. It establishes a national campaign that will assure the creation of teen pregnancy prevention programs in at least 25 percent of American communities by 1997. It includes two amendments which I authored with the intent of combating this problem. One will require the Justice Department as well as the States to crack down on what studies show is a class of older men—many of them predatory—who father the children of young girls in the majority of teen pregnancy cases. The second amend-

ment requires States to reserve a portion of their social service block grant funds for programs and services that educate young people about the consequences of premarital pregnancy. As we reduce the number of teens who become pregnant, we will be increasing the number of children who are able to enjoy a childhood without depravation.

There are other aspects of this legislation which have been framed with the protection of children in mind. For example, minor children continue to receive Medicaid even if their parents lose coverage as a penalty for not getting off of welfare into job training and work. Families can also be eligible for transitional Medicaid coverage as they move from welfare to work. These provisions are vital as many parents currently refrain from finding jobs and moving off welfare for fear of losing the medical coverage for their children that welfare provides.

Mr. President, this bill provides a significant improvement over the Senate-passed bill in allowing States to provide needy children of parents who go off of welfare with vouchers through the title XXblock grant. The legislation also answers the all-important question of who will care for the children as their mothers and fathers move into the world of education and work. We have designated \$13.8 billion—a substantial increase—to be spent just on child care over the next 6 years, and we have retained child care health and safety standards. Moreover, we will not penalize mothers with children under the next 6 years, and we have retained child care health and safety standards. Moreover, we will not penalize mothers with children under the age of 6 who do not accept employment because they cannot find or afford child care. I would have preferred the retention of the Senate provision in this regard which allowed the mothers of children age 6 to 11 who cannot find adequate, affordable child care to stay home with them without penalty.

Mr. President, this is a good bill—a giant step forward from the welfare status quo—but it is no more perfect than any other bill that has passed the Senate on a big, complicated problem. I am especially concerned by the food stamp provision which is a real break with what was agreed to in the Senate-passed bill. It limits the receipt of food stamps by jobless individuals who do not have children to 3 months out of a 3-year period and allows no hardship exemptions. This is far harsher than the Senate provision which allowed jobless individuals to receive food stamps for 6 months out of each year as well as a 20-percent hardship exemption. Food stamps are also now cut for households receiving energy assistance, a proposal not included in the Senate bill. The conference report also cuts the cap on the shelter deduction by \$42 and takes away food stamps for more families with children who pay over half their income for housing. And I remain very concerned about the ban on

food stamps, Medicaid, and other assistance for legal immigrants; it has no good place in a welfare-to-work bill.

As the President has urged, we must keep these issues in mind for repair in the future even as we recognize that this legislation is definitely an improvement in the current welfare program. In voting for this bill, we will realize an historic opportunity to meet President Clinton's call to "end welfare as we know it." We will have also proven to the American people that the Federal Government is capable of bringing about change through bipartisan cooperation.

This is not the end of welfare reform but it is the largest step forward we have taken to improve the way America cares for its poor, and tries to make real for them the dreams of equal opportunity, which is the driving impulse of our history.

I thank the Chair and yield the floor.

Mr. GRAHAM. I wonder if my colleague could address one point on this bill. I notice that the term "Federal means-tested public benefit" was defined in previous versions of the bill. However, in this conference report, no definition is provided.

Mr. CHAFEE. It is my understanding that the Parliamentarian noted that the previous definitions of "Federal means-tested public benefit" were broad enough to include discretionary spending. According to the Parliamentarian, that inclusion caused the definition to violate Section 313(b)(1)(D) of the Byrd rule, which prevents reconciliation legislation from extending its scope to items that provide merely incidental deficit reduction, that is, discretionary programs.

Therefore, when the bill was considered in conference, I understand that there was an intentional effort to ensure this provision complied with Byrd rule by omitting the definition of that particular term.

In other words, then, the term "Federal means-tested public benefit"—if it is to be in compliance with the Byrd rule—does not refer to discretionary programs. I would assume that programs such as funding for community health centers, as well as the maternal and child health block grant, would not be impacted.

Mr. GRAHAM. I thank the Senator for clarifying that point.

Mr. DOMENICI. Mr. President, I believe our last Senator, other than the leader and myself, is Senator THURMOND, and he would like 8 minutes. We have plenty of time, so I give him 8 minutes.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the conference report to H.R. 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This legislation reforms welfare to emphasize fundamental American values. It rewards work and self reliance, promotes personal responsibility, and renews a sense of hope

in the future. Additionally, the bill slows the growth of Federal welfare spending, thus reducing the Federal budget deficit by \$55 billion over 6 years. The measure does provide sufficient increases in spending to protect vulnerable populations.

This Congress previously passed two welfare reform bills. The President subsequently vetoed those bills, despite his 1992 campaign pledge to end welfare as we know it. I hope as we send him another bill, that the President will finally keep his pledge on this issue, and sign the bill.

Mr. President, more than 30 years ago the Federal Government declared its War on Poverty. Since then, the number of individuals receiving aid to families with dependent children has more than tripled. Over two-thirds of these recipients are children. The increase in the number of children receiving public assistance is closely related to the dramatic increase in births to unmarried women, particularly to teenage young women. Mr. President, the War on Poverty has inflicted many casualties. Multiple generations of children have grown to adulthood, continuing welfare as a way of life. Mothers and children have been abandoned. Families have been destroyed by long-term dependence on Government. The War on Poverty has been costly, both in terms of human suffering and taxpayer dollars spent.

In contrast, this reform measure takes steps to promote stable families and discourage illegitimacy. We recognize many children in America are vulnerable. In response to this need, the bill guarantees they will continue to receive the support they need. In doing so, the prospects of children in welfare families are greatly improved.

Mr. President, the measure before us is built on five main principles, which I believe are supported by residents of South Carolina and by the American people in general. I would like to briefly summarize these pillars of welfare reform.

First, welfare should not be a way of life. By placing lifetime limits on benefits, this bill ensures that welfare will be temporary assistance to those who are in need.

The second principle is work, not welfare. Able-bodied beneficiaries will, for the first time ever, be required to work for their benefits. This principle is designed to restore dignity to the individual and fairness to the system.

Third, welfare for noncitizens and felons will be limited. The bill provides adequate exceptions for emergency benefits, for refugees, and for those who have contributed to this Nation by paying taxes for 10 years or through military service.

Fourth, the bill encourages personal responsibility to halt rising illegitimacy rates. This legislation seeks to counter that trend by increasing efforts to establish paternity and enforce child support orders. Furthermore, the bill encourages the formation and maintenance of two-parent families.

Finally, this legislation returns responsibility and flexibility to the States. The national Government has an obligation to promote the general welfare of the United States. At the same time, we know that those who are closest to the problem are better able to provide for the specific welfare of needy individuals. This bill establishes general guidelines and provides broad cash welfare and child care block grants. With this flexibility States can design programs that meet local conditions and particular needs.

Mr. President, like the two vetoed bills that preceded it, this bill has many provisions that will encourage work and education, lessen dependency on the Government, and foster an environment to reduce unwed and teen pregnancy. The legislation also ensures that needy Americans will receive a wide range of services including cash assistance, child care, food stamps, medical care, child nutrition, and disability payments. The bill also contains strong provisions related to child support enforcement, child protection, foster care, and adoption assistance.

I compliment the managers of the bill who have brought historic reform to our welfare system. This bill deserves our support. I thank the Chair and yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield 2 minutes off our side to Senator FORD to go along with whatever he has.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. EXON. I yield 2 minutes on our side to the Senator from Kentucky.

Mr. FORD. Mr. President, I thank my friend from New Mexico for allowing me to have a couple minutes.

Mr. President, I think we need to be very careful to put this bill into perspective. Yes, it will modify a system that no one defends. Yes, it will give States more flexibility to deal with their poorest citizens. Yes, it will provide more for child care than H.R. 4, easing one of the greatest barriers for those on welfare who want to work. All of these things are good reasons for supporting this bill.

But I find some of the predictions of what this bill will do to be a bit of a stretch. It is being suggested by some that this bill will reduce the poverty rate, the illegitimacy rate, the teen pregnancy rate, the crime rate, and just about every other kind of rate you can imagine. We hear that this bill provides dynamic opportunities for education and training and is the opportunity that people who are poor in this country have been asking for.

Well, I hope the strongest supporters of this bill are right. Sometimes I wonder when I listen to some of these speeches just how many poor people some of my colleagues have ever met. Maybe they could come to eastern Kentucky. Maybe then they could understand how difficult it is to determine

whether a lack of personal responsibility or a lack of opportunity is the greater cause of poverty.

For those of us in the middle of the political spectrum, this is a tough vote. When I hear some of the predictions about what this bill will do, I am skeptical. I have a hard time figuring out how it will affect my State.

We have been doing some innovative things in Kentucky with welfare reform. We are one of the 10 States left that has not obtained a Federal waiver from welfare laws—something you hear so much about in Washington today. Yet we are 1 of the top 10 States in reducing our welfare rolls—reducing welfare rolls without a waiver—23-percent reduction since January 1993. We have tried a lot of things to put people to work. Our current Governor is looking at even broader changes—maybe this bill will allow him to do most things without having to worry about a waiver request, and that is a good thing.

But when I talk to those in my State about why our welfare rolls have come down, the most important reason I hear about is the improvement in the economy. I remember how tough the vote was in 1993 on the deficit reduction package. I believe that vote had a lot to do with the strength of our economy today. In many ways, that bill may have been much more important in reducing welfare rolls and putting people to work than the welfare bill before us today.

And speaking of predictions, I remember the predictions that opponents of deficit reduction made in 1993. They said the 1993 deficit reduction package would cause a recession, cost jobs, increase inflation, cause interest rates to rise, fail to reduce the deficit below \$200 billion, and shake up the stock market. Guess what, Mr. President? Our friends who made these predictions were zero for six. That kind of batting average won't even get you in the minor leagues. Just this morning, we learned that the economy grew in the second quarter at an extremely strong annual rate of 4.2 percent. We have a healthy, growing economy, and the deficit has been cut from \$290 billion to \$117 billion and may go below that. These are important reasons why the welfare rolls are down in my State by 23 percent.

Some of our colleagues who made those wrong predictions about the 1993 deficit reduction package are the same ones making the boldest predictions about what this welfare bill will do. So I am skeptical.

I am willing to support, and will support, this conference report for the steps it takes in the right direction. But we need to monitor the impact of this bill very carefully. About the only thing we know for sure is that it will reduce the growth in welfare spending by about \$55 billion over the next 6 years. We hope it will achieve some of the other things that are being predicted today, and at least give our Governors and State legislatures more

flexibility in experimenting and designing programs which address poverty. I hope that we will see more success at the State level. But somehow, I am also quite certain that as we monitor the impact of this bill, we will quickly find out that this is not the end of the welfare reform debate, and that future Congresses will find there is much more work to be done. I thank the Chair and yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Senator ROTH started off today following me. Since he is the chairman of the committee that wrote most of this, we thought it might be appropriate that he give the closing argument. We have saved time for him. I yield 5 minutes to Senator ROTH.

Mr. ROTH. Mr. President, in these last few minutes before we put August 1, 1996, into the history books as the day we end the welfare system as we know it, I will close with a few observations and some important acknowledgments.

Last February, after welfare reform had been vetoed twice, the Nation's Governors restarted today's legislation by reaching a unanimous agreement to reform welfare. Gov. John Engler of Michigan testified before the Finance Committee later that month and put this entire debate into its proper perspective. He said:

Just consider the Washington Post headline describing what the governors' policy—adopted unanimously with the support of our most conservative and most liberal governor and everybody in between—meant.

The Post headline read, "Governors reform plan would break with 60 years of policy."

Governor Engler went on to say:

Remember what the governors propose is changing a law that has been the basis of federal policy for 60 years and remember how counterproductive these policies have been.

They punish parents who work too much.

They punish mothers and fathers that want to stay together.

They punish working families who save money.

They reward teenagers who have babies out of wedlock, and the list is longer.

Mr. President, this 60-year-old welfare system rewards the behavior which leads to poverty and punishes the behavior which leads out of poverty. Yes, it is time to end this system.

Mr. President, this legislation is about personal responsibility and work opportunity. Work is not only about earning our daily bread. Work is an integral part of the human condition. A parent's work also teaches the values necessary to prepare the next generation for its responsibilities.

We can all be proud of our work today because it will make a profound difference in the lives of millions of Americans.

It will go down as one of the most important legislative achievements not only in this Congress, but in many, many years.

This is a historic week for a historic Congress. In a matter of weeks, we

have moved from gridlock to winning gold medals. Welfare reform is certainly one of our gold medal achievements.

I end by again thanking Senator DOMENICI for his leadership in orchestrating this legislation through the process. I want to extend my thanks to the Finance Committee conferees, Senator CHAFEE, Senator GRASSLEY, Senator HATCH, and Senator SIMPSON for their extraordinary assistance and cooperation.

The contributions of Senator NICKLES, Senator GRAMM, and Senator SANTORUM as we moved through the conference cannot be overstated. They played key roles in assuring this legislation would meet all of our objectives, especially with respect to tough work requirements.

Let me compliment the majority leader, Senator LOTT, getting this conference report completed. This is a major accomplishment in the brief time of his leadership position.

Our former majority leader and colleague, Bob Dole deserves as much credit for this legislation as anyone. When the tough decisions needed to be made, and there were plenty through this process, he demonstrated the leadership we all look to.

I extend my congratulations and thanks to those Members in the House of Representatives who have worked so hard on this issue. It was a privilege to work with Chairmen BILL ARCHER, CLAY SHAW, BILL GOODLING, and TOM BLILEY over these months.

I extend the thanks of everyone to both the majority and minority staffs of the leadership, the Finance Committee, especially Lindy Paull, Frank Polk, Ginny Koops, and Dennis Smith, the Budget Committee, and the Agriculture Committee, for their work. There are too many to name individually and I would not want to fail to mention anyone. I do thank each of them.

I also extend those same thanks to the respective staffs in the House, most especially to Ron Haskins, Matt Weidinger, Cassie Bevin, and Margaret Pratt at the Committee on Ways and Means.

We should remember that until a few weeks ago, Medicaid was included in this package, so the staffs at Finance and the House Commerce Committee who worked on Medicaid should be recognized, especially Susan Dull, the First Heinz Fellow working in Congress.

Of course, the committee work cannot be done without the help of those staff members at Legislative Counsels in both the Senate and House, especially Ruth Ernst, and Mark Mathiesen.

I extend our thanks to those at the Congressional Budget Office, especially Jean Hearne, Robin Rudowitz, Sheila Dacy, Justin Lattice, and Kathy Ruffin; the Congressional Research Service, most especially, Vee Burke, Gene Falk, and Melvina Ford; and the

General Accounting Office, especially, Greg Dybalski and Jerry Fastrup.

Let me mention something else that is historical about this day which has been overlooked.

I know of no other time in which congressional and State officials and staffs have worked so closely together on an issue.

For months, Governors John Engler, Tommy Thompson, and Mike Leavitt have given so generously of their time, support, and the power of ideas. They truly deserve the thanks of the American people.

They have donated the talent and expertise of their staffs, especially LeAnne Redick, Kathy Tobin, who also worked on this legislation as a staff member of the Finance Committee, Joanne Neumann and Mary Kay Mantho.

Mr. President, this will indeed be a day to remember. Thank you and congratulations to all the Republicans in the House and Senate who stuck to our principles and stuck together to make this a reality. Together we have made a difference.

Mr. DOMENICI. Mr. President, I believe we have a few moments left.

The PRESIDING OFFICER. The Senator has 7 minutes and 15 seconds.

Mr. DOMENICI. I will use 5 minutes, then yield the balance to our leader.

While I have during the day given deference to this being a very bipartisan effort, and while I have from time to time and during the day said we are glad the President is going to sign this measure, I take a few minutes of my closing time to thank the Republicans in the U.S. Senate and Republicans in the U.S. House, because I think it is obvious the President of the United States came into office promising the end of welfare as we know it, and for 2 years during his administration he had Democrats in the Senate and Democrats in the House and no welfare reform was achieved.

Now, while we are glad to have the President saying, "Yes, I will sign this bill," I do not think it ought to escape anyone that there would be no welfare reform if the Republicans had not taken control of the U.S. House and the U.S. Senate. I believe I can say that with a degree of certainty, because I worked on reconciliation bills and budget bills that called for reform for at least 10 years and nothing happened.

So I say thank you to the American people who elected the Republican Members to the House and Republican Members to the Senate, because tonight we celebrate a very, very significant achievement. As we moved through the Chamber of the Senate with our efforts to get a balanced budget, I say to most Republicans it was truly a difficult job to stand here and ask you to vote for all those tough items, as we moved a budget resolution toward balance, and a reconciliation bill, a big bill changing the law, only to find that the President did not agree.

I believe tonight the fruits of that effort are going to be realized and a program that has not worked for millions

of Americans will begin to work in their behalf, as it works for all Americans who get jobs and assume personal responsibility. For tonight we say if 60 years ago, or even 30 years ago, or even 10 years ago, if we would have looked at this program and said it is inconsistent with everything that is good about America, for it locks people in poverty and denies them the interest and enthusiasm to get a job—for many, many years the welfare laws of America were administered by people who were worried about the sociological problems of the poor.

I am hopeful that across America the offices that are helping welfare people will be job training, will be jobs-oriented, will be talking about training and education, and how people can get off welfare instead of finding ways to assure them that they can stay on.

This bill is going to say most Americans work, and we are going to ask that welfare recipients work. We will give them training. We will give them child care. But we will say, you ought to work because through work, you get responsibility, and through responsibility, you and your families get the joy of living.

Second, simple as it sounds, we are going to ask parents to take care of their children. We stress personal responsibility. I can predict that across this land, as millions of welfare recipients who are not working and have children get jobs, guess who will be the happiest about it? Their children. For they do not like it any more than anyone else that they are locked in, and so are their parents, in poverty.

Third, we are going to change the culture of welfare. How obvious it is—had we changed this culture a few dec-

ades ago and said the principle of welfare is a short-lived assistance while you attempt to get a job and take care of yourself, we would not have the welfare problem we have in America today.

Fourth, we will end the futile and cumbersome regulations of the Federal Government and its bureaucrats who set such stringent requirements that they assume a degree of arbitrariness that people cannot even make sense of getting on and off of welfare, and those running them in the State governments are constantly looking through five volumes of regulations to see just what they can do.

Fifth, and finally, and this should not go in any sheepish manner as if we are embarrassed to say it, we are going to save money. What is wrong with that? The taxpayers of America have been paying for a program that does not work. They will be paying now for a program that at least has a chance of working.

I am very hopeful those leaders, including the Catholic hierarchy of America, who I generally talk to and seek advice from, I am hopeful that they understand there is a lot more to welfare reform and to trying to help the poor people than to continue programs that exchange money and give them benefits, for they, too, may find them more responsible and more independent and doing for themselves. I believe this has a chance of working, and I think when we adopt it tonight, it is going to be historic.

I ask unanimous consent that a detailed analysis of the savings to the Federal budget in all categories, made by June O'Neill, dated August 1 be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 1, 1996.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has reviewed the Conference Report on H.R. 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The bill would replace federal payments under the current Aid to Families with Dependent Children program with a block grant to states, restrict the eligibility of legal aliens for welfare benefits, modify the benefits and eligibility requirements in the Food Stamp program, increase funding for child care programs, and tighten the eligibility requirements for disabled children under the Supplemental Security Income program.

Although the estimate assumes that the bill will be enacted by September 1, 1996, its impact on direct spending and revenues in 1996 is estimated to be negligible. The bill would reduce federal spending by \$3.0 billion in 1997 and by \$54.1 billion over the 1997-2002 period, as well as increase revenues by \$60 million and \$394 million over these respective periods. Detailed tables are enclosed. For the most part, the underlying assumptions and methodology are described in CBO's estimates for the House- and Senate-reported versions of the bill (see House Report 104-651 and Senate Print 104-59).

In addition to its federal budgetary impacts, the bill would have a significant impact on the budgets of state, local, and tribal governments. A statement on the intergovernmental and private-sector mandates in the bill is also enclosed.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,
JUNE E. O'NEILL,
Director.

SUMMARY TABLE.—FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT DATE BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000	2001	2002	7 year total
Projected Direct Spending Under Current Law:									
Family Support Payments ^a	18,066	18,371	18,805	19,307	19,935	20,557	21,245	21,937	
Food Stamp Program ^b	25,554	26,220	28,094	28,702	31,092	32,476	33,847	35,283	
Supplemental Security Income	24,510	24,017	27,904	30,210	32,576	37,995	34,515	40,348	
Medicaid	89,070	95,766	105,081	115,438	126,306	138,514	151,512	166,444	
Child Nutrition ^c	7,899	8,428	8,898	9,450	10,012	10,580	11,166	11,767	
Old-Age, Survivors and Disability Insurance	333,273	348,186	365,403	383,402	402,351	422,412	444,081	466,767	
Foster Care ^d	3,282	3,840	4,285	4,667	5,083	5,506	5,960	6,433	
Social Services Block Grant	2,797	2,880	3,010	3,050	3,000	2,920	2,870	2,840	
Earned Income Tax Credit	15,224	18,440	20,191	20,894	21,691	22,586	23,412	24,157	
Maternal and Child Health	0	0	0	0	0	0	0	0	
Total	519,715	546,168	581,571	616,140	652,106	693,186	728,608	775,976	
Proposed Changes:									
Family Support Payments ^a	0	(*)	868	882	897	762	456	-146	3,720
Food Stamp Program ^b	0	(*)	-2,093	-3,939	-4,129	-4,194	-4,334	-4,568	-23,260
Supplemental Security Income	0	(*)	-793	-3,526	-4,280	-4,824	-4,344	-4,958	-22,725
Medicaid	0	0	-38	-514	-567	-581	-948	-1,433	4,082
Child Nutrition ^c	0	(*)	-128	-403	-494	-553	-605	-670	-2,853
Old-Age, Survivors and Disability Insurance	0	0	-5	-10	-15	-15	-20	-20	-85
Foster Care ^d	0	(*)	68	25	16	31	41	51	232
Social Services Block Grant	0	0	-375	-420	-420	-420	-420	-420	-2,475
Earned Income Tax Credit	0	0	-445	-456	-463	-480	-493	-515	-2,852
Maternal and Child Health	0	0	18	35	50	50	50	50	253
Total	0	(*)	-2,923	-8,326	-9,404	-10,224	-10,618	-12,630	-54,127
Revenues: Earned Income Tax Credit	0	(*)	60	61	62	65	68	78	394
Net Deficit Effect	0	(*)	-2,983	-8,387	-9,466	-10,289	-10,688	-12,706	-54,521
Projected Direct Spending Under Proposal:									
Family Support Payments ^a	18,086	18,371	19,673	20,189	20,832	21,319	21,701	21,791	
Food Stamp Program ^b	25,554	26,220	26,001	25,763	26,963	28,282	29,513	30,715	
Supplemental Security Income	24,510	24,017	27,111	26,684	28,296	33,171	30,171	36,390	
Medicaid	89,070	95,786	105,043	114,924	125,799	137,573	150,564	165,011	
Child Nutrition ^c	7,898	8,428	8,770	9,047	9,516	10,027	10,561	11,097	
Old-Age, Survivors and Disability Insurance	333,273	348,186	365,398	383,382	402,336	422,397	44,061	486,747	
Foster Care ^d	3,282	3,840	4,363	4,712	5,099	5,537	6,001	6,484	
Social Services Block Grant	2,797	2,880	2,636	2,630	2,560	2,500	2,450	2,420	
Earned Income Tax Credit	15,224	18,440	19,748	20,438	21,228	22,106	22,919	23,642	
Maternal and Child Health	0	0	16	35	50	50	50	50	

SUMMARY TABLE.—FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1966; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1966; ASSUMES ENACTMENT DATE BY SEPTEMBER 1, 1966—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000	2001	2002	7 year total
Total	519,715	546,168	578,748	607,814	642,701	682,982	717,991	763,347	

*Amounts less than \$500,000.

^a Under current law, Family Support Payments include spending on Aid to Families with Dependent Children (AFDC), AFDC-related child care, administrative costs for child support enforcement, net federal savings from child support collections, and the Job Opportunities and Basic Skills Training program (JOBS). Under proposed law, Family Support Payments would include spending on the Temporary Assistance for Needy Families Block Grant, administrative costs for child support enforcement, the Child Care Block Grant, and net federal savings from child support collections.

^b Food Stamps includes Nutrition Assistance for Puerto Rico under both current law and proposed law, and the Emergency Food Assistance Program under proposed law.

^c Child Nutrition Programs refer to direct spending authorized by the National School Lunch Act and the Child Nutrition Act.

^d Under current law, Foster Care Includes Foster Care, Adoption Assistance, Independent Living, and Family Preservation and Support.

Notes: Details may not add to totals because of rounding.

SUMMARY TABLE II.—FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE I—TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Direct Spending:								
Title I: Temporary Assistance for Needy Families Block Grant								
Budget Authority	10	—212	—1,125	—969	—837	—1,109	—1,839	—6,100
Outlays	(*)	—571	—945	—819	—667	—1,064	—1,814	—5,889
Title II: Supplemental Security Income								
Budget Authority	(*)	—408	—1,031	—1,525	—1,869	—1,729	—2,048	—8,610
Outlays	(*)	—408	—1,031	—1,525	—1,869	—1,729	—2,048	—8,610
Title III: Child Support Enforcement								
Budget Authority	88	—21	144	168	183	110	74	746
Outlays	(*)	25	148	173	183	110	74	712
Title IV: Restricting Welfare and Public Benefits for Aliens								
Budget Authority	(*)	—1,174	—3,947	—4,311	—4,652	—4,525	—5,038	—23,655
Outlays	(*)	—1,174	—3,947	—4,311	—4,652	—4,525	—5,038	—23,655
Title V: Child Protection								
Budget Authority	6	86	6	6	6	6	6	122
Outlays	(*)	68	25	6	6	6	6	117
Title VI: Child Care								
Budget Authority	(*)	1,957	2,067	2,167	2,367	2,567	2,717	13,852
Outlays	(*)	1,635	1,975	2,082	2,227	2,377	2,482	12,778
Title VII: Child Nutrition Programs								
Budget Authority	(*)	—151	—449	—505	—563	—615	—680	—2,963
Outlays	(*)	—126	—403	—494	—553	—605	—670	—2,853
Title VIII: Food Stamps and Commodity Distribution								
Budget Authority	(*)	—1,792	—3,539	—3,918	—4,282	—4,580	—4,990	—23,103
Outlays	(*)	—1,792	—3,539	—3,918	—4,282	—4,580	—4,990	—23,103
Title IX: Miscellaneous								
Budget Authority	(*)	—591	—594	—597	—608	—618	—634	—3,642
Outlays	(*)	—578	—609	—597	—608	—618	—634	—3,644
Total Direct Spending:								
Budget Authority	104	—2,296	—8,468	—9,504	—10,265	—10,493	—12,430	—53,353
Outlays	(*)	—2,923	—8,326	—9,404	—10,224	—10,618	—12,630	—54,127
Direct spending:								
Repeal AFDC, Emergency Assistance, and JOBS:								
Family Support Payments:								
Budget Authority	(*)	—8,021	—16,550	—17,003	—17,439	—17,893	—18,342	—19,247
Outlays	(*)	—7,925	—16,510	—16,973	—17,409	—17,863	—18,322	—19,501
Repeal of Child Care Programs: ^a								
Family Support Payments:								
Budget Authority	0	—1,405	—1,480	—1,540	—1,595	—1,655	—1,715	—9,390
Outlays	0	—1,345	—1,475	—1,535	—1,590	—1,650	—1,710	—9,305
Authorize Temporary Family Assistance Block Grant: ^b								
Family Support Payments:								
Budget Authority	(*)	8,368	16,389	16,389	16,389	16,389	16,389	90,314
Outlays	(*)	8,300	16,389	16,389	16,389	16,389	16,389	90,246
Population and Poverty Adjustment to the Temporary Family Assistance Block Grant:								
Family Support Payments:								
Budget Authority	0	0	87	174	261	278	0	800
Outlays	0	0	87	174	261	278	0	800
Food Stamp Program:								
Budget Authority	0	0	—5	—10	—15	—15	0	—45
Outlays	0	0	—5	—10	—15	—15	0	—45
Contingency Fund: ^c								
Family Support Payments:								
Budget Authority	0	107	210	313	393	473	565	2,061
Outlays	0	107	210	313	393	473	565	2,061
Food Stamp Program:								
Budget Authority	0	—5	—15	—20	—25	—30	—35	—130
Outlays	0	—5	—15	—20	—25	—30	—35	—130
Study by the Bureau of the Census:								
Family Support Payments:								
Budget Authority	10	10	10	10	10	10	10	70
Outlays	(*)	4	18	10	10	10	10	62
Research, Evaluations, and National Studies:								
Family Support Payments:								
Budget Authority	0	15	15	15	15	15	15	90
Outlays	0	3	15	15	15	15	15	78
Grants to Indian Tribes that received JOBS Funds:								
Family Support Payments:								
Budget Authority	0	8	8	8	8	8	8	46
Outlays	0	6	8	8	8	8	8	44
Grants to Territories:								
Family Support Payments:								
Budget Authority	0	116	116	116	116	116	116	696
Outlays	0	116	116	116	116	116	116	696
Penalties for State Failure to Meet Work Requirements:								
Family Support Payments:								
Budget Authority	0	0	0	—50	—50	—50	—50	—200
Outlays	0	0	0	—50	—50	—50	—50	—200
Grants to States that Reduce Out-of-Wedlock Births:								
Family Support Payments:								
Budget Authority	0	0	0	50	50	50	50	200
Outlays	0	0	0	50	50	50	50	200
Bonus to Reward High Performance States:								
Family Support Payments:								
Budget Authority	0	0	0	200	200	200	200	800
Outlays	0	0	0	200	200	200	200	800
Hold States Harmless for Cost-Neutrality Liabilities:								
Family Support Payments:								
Budget Authority	0	50	0	0	0	0	0	50

SUMMARY TABLE II.—FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE I—TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Outlays	0	50	0	0	0	0	0	50
Establish Rainy Day Loan Fund:								
Family Support Payments:								
Budget Authority	0	0	0	0	0	0	0	0
Outlays	0	0	0	0	0	0	0	0
Extension of Transitional Medicaid Benefits:								
Medicaid:								
Budget Authority	0	0	0	180	390	400	210	1,180
Outlays	0	0	0	180	390	400	210	1,180
Increased Medicaid Administrative Payment:								
Medicaid:								
Budget Authority	0	500	0	0	0	0	0	500
Outlays	0	75	135	135	135	20	0	500
Effect of the Temporary Assistance Block Grant on the Food Stamp Program:								
Food Stamp Program:								
Budget Authority	0	45	90	170	430	560	695	1,990
Outlays	0	45	90	170	430	560	695	1,990
Effect of the Temporary Assistance Block Grant on the Foster Care Program:								
Foster Care Program:								
Budget Authority	0	0	0	10	25	35	45	115
Outlays	0	0	0	10	25	35	45	115
Effect of the Temporary Assistance Block Grant on the Medicaid Program: ^d								
Medicaid:								
Budget Authority	0	0	0	0	0	0	0	0
Outlays	0	0	0	0	0	0	0	0
Total Direct Spending, Title I, by account:								
Family Support Payments:								
Budget Authority	10	-752	-1,195	-1,319	-1,642	-2,059	-2,754	-9,710
Outlays	0	-684	-1,142	-1,284	-1,607	-2,024	-2,729	-9,459
Food Stamp Program:								
Budget Authority	0	40	70	140	390	515	660	1,815
Outlays	0	40	70	140	390	515	660	1,815
Foster Care Program:								
Budget Authority	0	0	0	10	25	35	45	115
Outlays	0	0	0	10	25	35	45	115
Medicaid:								
Budget Authority	0	500	0	180	390	400	210	1,680
Outlays	0	75	135	315	525	420	210	1,680
Direct Spending Total All Accounts—Title I:								
Budget Authority	10	-212	-1,125	-989	-837	-1,109	-1,839	-6,100
Outlays	0	-569	-937	-819	-667	-1,054	-1,814	-5,859

* Amounts less than \$500,000.

^a Funds for existing child care programs are repealed by this title, but equal or greater funding for similar activities is restored in Title VI.^b States have the option to begin to operate under the Temporary Assistance for Needy Families Block Grant any time after enactment of this bill. A few states may opt to do so in FY 1996 creating small savings in the AFDC, Emergency Assistance, and JOBS programs and small costs in the TANF program.^c The bill appropriates \$2 billion for the contingency fund for use in years 1997 through 2001. The estimate shows costs of the contingency fund in 2002 because section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 requires that the baseline shall assume that mandatory programs greater than \$50 million dollars are continued.^d The bill retains categorical eligibility for Medicaid for families that meet the eligibility criteria for Aid to Families with Dependent Children as they are in current law.

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE II—SUPPLEMENTAL SECURITY INCOME; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Direct Spending:								
SSI Benefits to Certain Children:								
Supplemental Security Income:								
Budget Authority	(*)	-125	-925	-1,450	-1,800	-1,675	-2,000	-7,975
Outlays	(*)	-125	-925	-1,450	-1,800	-1,675	-2,000	-7,975
Family Support Payments:								
Budget Authority	(*)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Outlays	(*)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Food stamps: ^b								
Budget Authority	(*)	20	130	210	240	265	290	1,155
Outlays	(*)	20	130	210	240	265	290	1,155
Medicaid:								
Budget Authority	(*)	-5	-25	-40	-45	-55	-60	-230
Outlays	(*)	-5	-25	-40	-45	-55	-60	-230
Subtotal provision:								
Budget Authority	(*)	-110	-820	-1,280	-1,605	-1,465	-1,770	-7,050
Outlays	(*)	-110	-820	-1,280	-1,605	-1,465	-1,770	-7,050
Reduction in SSI Benefits to Certain Hospitalized Children With Private Insurance:								
Supplemental Security Income:								
Budget Authority	0	-40	-55	-60	-70	-60	-65	-350
Outlays	0	-40	-55	-60	-70	-60	-65	-350
Funding for Cost of Reviews: ^c								
Budget Authority	0	(c)	(c)	0	0	0	0	0
Outlays	0	(c)	(c)	0	0	0	0	0
End Payment of Pro-Rated Benefits for Month of Application:								
Supplemental Security Income:								
Budget Authority	(*)	-55	-130	-150	-160	-165	-175	-835
Outlays	(*)	-55	-130	-150	-160	-165	-175	-835
Pay Large Retroactive Benefit Amounts in Installments:								
Supplemental Security Income:								
Budget Authority	0	-200	-15	-15	-15	-15	-15	-275
Outlays	0	-200	-15	-15	-15	-15	-15	-275
Tighten Restrictions on Payment of Social Security Benefits to Prisoners: Make Payments to Prison Officials Who Report Ineligible Recipients:								
Old-Age, Survivors and Disability Insurance—benefits saved: ^d								
Budget Authority	0	-5	-10	-15	-15	-20	-20	-85
Outlays	0	-5	-10	-15	-15	-20	-20	-85
Supplemental Security income—benefits saved:								
Budget Authority	0	(*)	-5	-10	-10	-10	-10	-45
Outlays	0	(*)	-5	-10	-10	-10	-10	-45
Old-Age, Survivors and Disability Insurance—payments to prison officials:								
Budget Authority	0	0	0	0	0	0	0	0
Outlays	0	0	0	0	0	0	0	0
Supplemental Security income—payments to prison officials:								
Budget Authority	0	2	4	5	6	6	7	30
Outlays	0	2	4	5	6	6	7	30

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE II—SUPPLEMENTAL SECURITY INCOME; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Subtotal, provision:								
Budget Authority	0	-3	-11	-20	-19	-24	-23	-100
Outlays	0	-3	-11	-20	-19	-24	-23	-100
Total Direct Spending:								
Supplemental Security Income:								
Budget Authority	(*)	-418	-1,126	-1,680	-2,049	-1,919	-2,258	-9,450
Outlays	(*)	-418	-1,126	-1,680	-2,049	-1,919	-2,258	-9,450
Food Stamps: ^b								
Budget Authority:	(*)	20	130	210	240	265	290	1,155
Outlay	(*)	20	130	210	240	265	290	1,155
Medicaid:								
Budget Authority:	(*)	-5	-25	-40	-45	-55	-60	-230
Outlays	(*)	-5	-25	-40	-45	-55	-60	-230
Family Support Payments:								
Budget Authority	(*)	(^a)	(^a)	(^a)	(^a)	(^a)	(^a)	(^a)
Outlays	(*)	(^a)	(^a)	(^a)	(^a)	(^a)	(^a)	(^a)
Old-Age, Survivors and Disability Insurance:								
Budget Authority	0	-5	-10	-15	-15	-20	-20	-85
Outlays	0	-5	-10	-15	-15	-20	-20	-85
Total All Accounts:								
Budget Authority	(*)	-408	-1,031	-1,525	-1,869	-1,729	-2,048	-8,610
Outlays	(*)	-408	-1,031	-1,525	-1,869	-1,729	-2,048	-8,610

* Denotes less than \$500,000.

^a Proposed to be block-granted elsewhere in the bill.

^b Includes interactions with other food stamp provisions of the bill.

^c The bill proposes an adjustment to the discretionary spending caps of \$150 million in 1997 and \$100 million in 1998 to cover the costs of reviewing 300,000 to 400,000 children on the SSI rolls under the new, tighter criteria. The bill does not, however, directly appropriate that money. Its availability remains contingent on future appropriation action. In addition to those one-time costs of \$250 million or more, the bill would require that most disabled children who qualify even under the tighter eligibility criteria be reviewed every 3 years to see if their medical condition has improved. That cost, which CBO estimates at about \$100 million a year beginning in 1998, could be met by raising the caps on discretionary spending as permitted in P.L. 104-121. The cap adjustment in that law, however, was designed to cover periodic reviews and not the heavy volume of one-time reviews that would be mandated in 1997 by this legislation.

^d The provision would encourage prison officials to exchange data with SSA by paying them up to \$400 for providing information that helps to identify each inmate who receives SSI (and whose benefits should therefore be suspended). In the course of checking that information, SSA would find that some inmates collect OASDI. Therefore, although the language makes no mention of OASDI, savings in that program would result.

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE III—CHILD SUPPORT ENFORCEMENT; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[Outlays by fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1997-2002
New enforcement techniques:								
State directory of new hires:								
Family support payment	0	0	-1	-4	-6	-9	-10	-30
Food stamp program	0	0	-1	-7	-12	-18	-21	-59
Medicaid	0	0	-3	-11	-20	-31	-38	-102
Subtotal	0	0	-5	-21	-38	-58	-70	-192
State laws providing expedited enforcement of child support:								
Family support payment	0	0	0	-17	-35	-55	-77	-185
Food stamp program	0	0	0	-6	-13	-21	-30	-70
Medicaid	0	0	0	-5	-11	-18	-26	-59
Subtotal	0	0	0	-28	-59	-94	-133	-314
State laws concerning paternity:								
Family support payment	0	-16	-18	-20	-22	-24	-26	-127
Food stamp program	0	-3	-3	-4	-4	-4	-5	-23
Medicaid	0	-2	-2	-2	-3	-3	-3	-15
Subtotal	0	-21	-23	-26	-29	-31	-34	-164
Suspend drivers' licenses:								
Family support payment	0	-4	-9	-14	-19	-20	-21	-88
Food stamp program	0	-2	-5	-8	-12	-12	-13	-52
Medicaid	0	-1	-3	-5	-7	-8	-9	-35
Subtotal	0	-7	-17	-27	-38	-41	-43	-175
Adoption of uniform state laws:								
Family support payment	0	10	2	-7	-11	-15	-21	-41
Food stamp program	0	0	-1	-3	-4	-6	-9	-24
Medicaid	0	0	-2	-3	-6	-8	-11	-30
Subtotal	0	10	-1	-13	-21	-29	-41	-95
Subtotal new enforcement	0	-19	-46	-115	-185	-254	-322	-940
Lost AFDC collections due to reduced cases funded by block grant funds:								
Family support payment	0	0	29	63	142	200	224	658
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	0	29	63	142	200	224	658
Eliminate \$50 passthrough and exclude gap payments from distribution rules at state option:								
Family support payment	0	-222	-236	-260	-285	-311	-336	-1,850
Food stamp program	0	114	122	139	147	164	171	857
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	-108	-114	-121	-139	-147	-165	-793
Distribute child support arrears to former AFDC families first:								
Family support payment	0	0	62	69	76	148	183	539
Food stamp program	0	0	-11	-12	-14	-27	-33	-96
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	0	51	57	63	122	150	442
Hold states harmless for lower child support collections:								
Family support payment	0	0	17	29	34	39	29	148
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	0	17	29	34	39	29	148
Other Provisions with Budgetary Implications:								
Automated data processing development:								
Family support payment	(*)	83	91	129	129	8	0	440
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	(*)	83	91	129	129	8	0	440
Automated data processing operation and maintenance:								
Family support payment	0	12	55	52	52	46	40	257

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE III—CHILD SUPPORT ENFORCEMENT;
ASSUMES ENACTMENT BY SEPTEMBER 1, 1996—Continued

[Outlays by fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1997– 2002
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	12	55	52	52	46	40	257
Technical assistance to state programs:								
Family support payment	(*)	48	51	50	48	47	45	290
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	(*)	48	51	50	48	47	45	290
State obligation to provide services:								
Family support payment	0	0	0	3	11	22	39	75
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	0	0	3	11	22	39	75
Federal and state reviews and audits:								
Family support payment	0	3	3	3	3	3	3	20
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	3	3	3	3	3	3	20
Grants to States for Visitation:								
Family support payment	(*)	10	10	10	10	10	10	60
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	(*)	10	10	10	10	10	10	60
Optional Modification of Support Orders:								
Family support payment	0	–5	0	10	15	15	20	55
Food stamp program	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0
Subtotal	0	–5	0	10	15	15	20	55
Subtotal, Other provisions	(*)	151	210	258	269	151	157	1,197
Total, by account:								
Family support payment	(*)	–81	57	99	142	103	101	421
Food stamp program	0	109	100	99	88	76	62	533
Medicaid	0	–3	–8	–27	–46	–68	–88	–242
Total	(*)	25	148	172	184	110	74	712
*Amount less than \$500,000.								
**Budget authority is generally equal to the outlay shown in this table. Where this is not the case, budget authority is shown here: Family Support Payments Budget Authority—								
Automated data processing development	42	42	91	129	129	8	0	440
Technical assistance to state programs	36	44	47	46	48	47	45	314
Grants to States for visitation	10	10	10	10	10	10	10	70
All other provisions	0	–222	–95	–91	–45	38	45
Family support payments: Total BA	88	–127	53	95	142	103	101	455

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS; AS ORDERED REPORTED BY THE COMMITTEE ON CONFERENCE ON JULY 31, 1996; ASSUMED TO BE ENACTED BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Direct Spending:								
Supplemental Security Income:								
Budget Authority	(1)	–375	–2,400	–2,600	–2,775	–2,425	–2,700	–13,275
Outlays	(1)	–375	–2,400	–2,600	–2,775	–2,425	–2,700	–13,275
Medicaid:								
Budget Authority	(1)	–105	–615	–815	–1,015	–1,245	–1,495	–5,290
Outlays	(1)	–105	–615	–815	–1,015	–1,245	–1,495	–5,290
Family Support Payments:								
Budget Authority	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Outlays	0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Food Stamps: ³								
Budget Authority	(1)	–470	–700	–660	–630	–610	–590	–3,660
Outlays	(1)	–470	–700	–660	–630	–610	–590	–3,660
Child nutrition: ⁴								
Budget Authority	0	0	0	0	0	0	0	0
Outlays	0	0	0	0	0	0	0	0
Earned income tax credit:								
Budget Authority	0	–224	–232	–236	–242	–245	–251	–1,430
Outlays	0	–224	–232	–236	–242	–245	–251	–1,430
Total Direct Spending:								
Budget Authority	0	–1,174	–3,947	–4,311	–4,662	–4,525	–5,036	–23,655
Outlays	0	–1,174	–3,947	–4,311	–4,662	–4,525	–5,036	–23,655
Revenues: Earned income tax credit	0	28	29	29	30	30	31	177
Deficit Effect	(1)	–1,202	–3,976	–4,340	–4,692	–4,555	–5,067	–23,832

¹ Denotes less than \$500,000.

² Proposed to be block-granted elsewhere in the bill.

³ Includes interactions with other food stamp provisions of the bill.

⁴ Section 742 of the bill, in Title VII, specifically states that benefits under the school breakfast and school lunch programs shall not be contingent on students' immigration or citizenship status. Therefore, CBO estimates no savings in the child nutrition program from the proposed restrictions contained in Title IV on immigrants' eligibility for federal benefits.

Note: The CBO estimate assumes that the proposed exemption for public health programs that provide immunizations will be modified or interpreted to permit continued Medicaid funding for pediatric vaccines.

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE V—CHILD PROTECTION; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996– 2002
Direct Spending:								
Extend Enhanced Match Rate for Computer Purchases for Foster Care Data Collection:								
Budget Authority	0	80	0	0	0	0	0	80
Outlays	0	66	14	0	0	0	0	80
National Random Sample Study of Child Welfare:								
Budget Authority	6	6	6	6	6	6	6	42

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE V—CHILD PROTECTION; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996–2002
Outlays	(*)	2	11	6	6	6	6	37
Total Direct Spending:								
Foster Care:								
Budget Authority	6	86	6	6	6	6	6	122
Outlays	(*)	68	25	6	6	6	6	117

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE VI—CHILD CARE; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996–2002
Direct Spending:								
New Child Care Block Grant:								
Budget Authority	0	1,967	2,067	2,167	2,367	2,567	2,717	13,852
Outlays	0	1,635	1,975	2,082	2,227	2,377	2,482	12,778

Note: For states to draw down the child care block grant remainder, this subtitle requires them to maintain the greater of fiscal year 1994 or 1995 spending.

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE VII—CHILD NUTRITION PROGRAMS; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[Outlays by fiscal year, in millions of dollars]

Section	1996	1997	1998	1999	2000	2001	2002	1996–2002
Direct Spending:								
704 Special assistance:								
Extension of payment period:								
Budget Authority		(*)	(*)	1	1	1	1	4
Outlays		(*)	(*)	1	1	1	1	4
Rounding rules for lunch, breakfast, and supplement rates:								
Budget Authority		–2	–15	–15	–15	–15	–15	–77
Outlays		–1	–10	–15	–15	–15	–15	–71
706 Summer food service program for children:								
Budget Authority		–24	–29	–29	–34	–34	–39	–189
Outlays		–18	–29	–29	–34	–34	–39	–184
708 Child and adult care food program:								
Budget Authority		–105	–380	–430	–480	–535	–595	–2,525
Outlays		–90	–340	–420	–470	–525	–585	–2,430
723 School breakfast program authorization:								
Budget Authority		–10	–15	–22	–25	–22	–22	–116
Outlays		–8	–14	–21	–25	–22	–22	–112
731 Nutrition education and training programs:								
Budget Authority		–10	–10	–10	–10	–10	–10	–60
Outlays		–10	–10	–10	–10	–10	–10	–60
Total Child Nutrition Programs:								
Direct Spending:								
Budget Authority		–151	–449	–505	–563	–615	–680	–2,963
Outlays		–128	–403	–494	–553	–605	–670	–2,853

*Less than \$500,000.

Note: Details may not add to totals because of rounding.

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE VIII—FOOD STAMPS AND COMMODITY DISTRIBUTION; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996

[Outlays by fiscal year, in millions of dollars]

Section	1996	1997	1998	1999	2000	2001	2002	1996–2002
801 Definition of certification period	0	0	0	0	0	0	0	0
802 Definition of coupon	0	0	0	0	0	0	0	0
803 Treatment of children living at home	0	–115	–245	–255	–265	–280	–290	–1,450
804 Adjustment of thrifty food plan	0	–935	–980	–1,025	–1,070	–1,115	–1,155	–6,280
805 Definition of homeless individual	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
806 State option for eligibility standards	0	0	0	0	0	0	0	0
807 Earnings of students	0	–10	–10	–10	–10	–15	–15	–70
808 Energy assistance	0	–125	–170	–175	–175	–180	–180	–1,005
809 Deductions from income:								
Standard deduction at \$134 each year *	0	0	–555	–770	–990	–1,220	–1,465	–5,000
Homeless shelter allowance	0	–1	–1	–2	–3	–3	–5	–15
Cap excess shelter deduction at \$247 through 12/31/96. \$250 from 1/1/97 through FY98 \$275 in FY99 and FY00 and \$300 in each later fiscal year	0	–350	–570	–505	–565	–490	–550	–3,030
State option for mandatory standard utility allowance and otherwise allow change between SUA and actual costs only at recertification	0	–35	–70	–75	–80	–80	–85	–425
810 Vehicle Allowance at \$4,650 FY97–2002	0	–45	–140	–175	–200	–225	–245	–1,030
811 Vendor payments for transitional housing counted as income	0	–10	–10	–10	–10	–10	–10	–60
812 Simplified calculation of income for the self-employed	0	0	0	0	0	0	0	0
813 Doubled penalties for violating Food Stamp program requirements	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
814 Disqualification of convicted individuals	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
815 Disqualification	0	–5	–5	–5	–5	–5	–5	–30
816 Caretaker exemption	0	0	0	0	0	0	0	0
817 Employment and training	0	2	6	9	11	13	15	56
818 Food stamp eligibility	0	–15	–21	–27	–27	–27	–27	–145
819 Comparable treatment for disqualification	0	–20	–20	–20	–20	–20	–25	–125
820 Disqualification for receipt of multiple food stamp benefits	0	–5	–5	–5	–5	–5	–5	–30
821 Disqualification of fleeing felons	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
822 Cooperation with child support agencies								
Option to require custodial parent cooperation:								
Food Stamps	0	–5	–10	–15	–20	–20	–20	–90
Family Support Payments	0	5	10	10	15	15	15	70
823 Disqualification relating to child support arrears	0	–5	–15	–25	–25	–30	–30	–130
824 Work requirement	0	–160	–830	–960	–1,010	–1,050	–1,100	–5,110
825 Encourage electronic benefit transfer system	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
826 Value of minimum allotment	0	0	–30	–30	–30	–35	–35	–160
827 Benefits on recertification	0	–25	–25	–25	–25	–30	–30	–160
828 Optional combined allotment for expedited households	0	0	0	0	0	0	0	0
829 Failure to comply with other means-tested public assistance programs	0	–25	–25	–25	–25	–25	–25	–150

FEDERAL BUDGET EFFECTS OF H.R. 3734, THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE VIII—FOOD STAMPS AND COMMODITY DISTRIBUTION; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996—Continued

[Outlays by fiscal year, in millions of dollars]

Section	1996	1997	1998	1999	2000	2001	2002	1996–2002
830 Allotments for households residing in centers	0	(*)	(*)	(*)	(*)	(*)	(*)	(*)
831 Condition precedent for approval of retail stores and wholesale food concerns	0	0	0	0	0	0	0	0
832 Authority to establish authorization periods	0	0	0	0	0	0	0	0
833 Information for verifying eligibility for authorization	0	0	0	0	0	0	0	0
834 Waiting period for stores that fail to meet authorization criteria	0	0	0	0	0	0	0	0
835 Operation of food stamp offices	0	0	0	0	0	0	0	0
836 State employee and training standards	0	0	0	0	0	0	0	0
837 Exchange of law enforcement information	0	0	0	0	0	0	0	0
838 Expedited coupon service	0	0	0	0	0	0	0	0
839 Withdrawing fair hearing requests	0	0	0	0	0	0	0	0
840 Income, eligibility, and immigration status verification systems	0	-5	-5	-5	-5	-5	-5	-30
841 Investigations	0	0	0	0	0	0	0	0
842 Disqualification of retailers who intentionally submit falsified applications	0	0	0	0	0	0	0	0
843 Disqualification of retailers who are disqualified under the WIC program	0	0	0	0	0	0	0	0
844 Collection of overissuances	0	-25	-30	-30	-25	-25	-30	-165
845 Authority to suspend stores violating program requirements pending administrative and judicial review	0	0	0	0	0	0	0	0
846 Expanded criminal forfeiture for violations	0	(b)	(b)	(b)	(b)	(b)	(b)	(b)
847 Limitation of federal match	0	-2	-2	-2	-2	-2	-2	-12
848 Standards for administration	0	0	0	0	0	0	0	0
849 Work supplementation or support program	0	5	15	20	30	30	30	130
850 Waiver authority	0	0	0	0	0	0	0	0
851 Response to waivers	0	0	0	0	0	0	0	0
852 Employment initiatives program	0	-1	-2	-2	-2	-2	-2	-11
853 Reauthorization	0	0	0	0	0	0	0	0
854 Simplified Food Stamp program	0	0	5	10	20	20	25	80
855 A study of the use of food stamps to purchase vitamins and minerals	0	0	0	0	0	0	0	0
856 Deficit reduction	0	0	0	0	0	0	0	0
871 Emergency Food Assistance program	0	100	100	100	100	100	100	600
872 Food bank demonstration project	0	0	0	0	0	0	0	0
873 Hunger prevention programs	0	0	0	0	0	0	0	0
874 Report on entitlement commodity processing	0	0	0	0	0	0	0	0
891 Provisions to encourage electronic benefit systems ^c	0	0	0	0	0	0	0	0
Interactions among provisions	0	20	101	111	136	141	166	674
Total Food Stamp Program:								
Budget Authority	0	-1,792	-3,539	-3,918	-4,282	-4,580	-4,990	-23,103
Outlays	0	-1,792	-3,539	-3,918	-4,282	-4,580	-4,990	-23,103

*Less than \$500,000.

Note: Details may not add to totals because of rounding.

a No savings are shown in fiscal year 1997 for setting the standard deduction at \$134 because the fiscal year 1997 Agriculture Appropriations Act which cleared the Congress before this bill cleared, contained a similar provision.

b Any proceeds from this provision would be used to reimburse law enforcement agencies or for retail compliance investigations. Thus, CBO estimates no net effect on the federal budget, though funds could be received in one year and not spent until a later year.

c This provision is included elsewhere in the bill. If the exemption from Regulation "e" were not enacted, there likely would be costs to the federal government. CBO estimates these costs would be small.

FEDERAL BUDGET EFFECTS OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996; TITLE IX—MISCELLANEOUS; AS ORDERED REPORTED BY THE COMMITTEE OF CONFERENCE ON JULY 31, 1996; ASSUMES ENACTMENT BY SEPTEMBER 1, 1996.

[By fiscal year in millions of dollars]

Section	1996	1997	1998	1999	2000	2001	2002	1996–2002
Direct Spending and Revenues:								
908 Reduction in block grants to States for social services:								
Social Services Block Grant:								
Budget Authority	0	-420	-420	-420	-420	-420	-420	-2,520
Outlays	0	-375	-420	-420	-420	-420	-420	-2,475
909 Denial of earned income credit on basis of disqualified income: ^a								
Budget Authority	0	-170	-168	-151	-146	-152	-160	-947
Outlays	0	-170	-168	-151	-146	-152	-160	-947
Revenue	0	26	27	27	23	23	25	151
Net Deficit Effect	0	-196	-195	-178	-169	-175	-185	-1,098
910 Modification of adjusted gross income definition for earned income credits: ^a								
Budget Authority	0	-98	-106	-112	-120	-129	-138	-704
Outlays	0	-98	-106	-112	-120	-129	-138	-704
Revenue	0	15	18	20	22	25	28	128
Net Deficit Effect	0	-113	-125	-133	-141	-154	-166	-832
911 Abstinence Education:								
Budget Authority	0	50	50	50	50	50	50	300
Outlays	0	18	35	50	50	50	50	253
Interaction among revenue provisions:								
Budget Authority	0	47	50	36	28	33	34	229
Outlays	0	47	50	36	28	33	34	229
Revenue	0	-9	-13	-14	-10	-10	-6	-62
Net Deficit Effect	0	56	63	50	38	43	40	291
Total Miscellaneous—Title IX:								
Direct Spending:								
Social Services Block Grant:								
Budget Authority	0	-420	-420	-420	-420	-420	-420	-2,520
Outlays	0	-375	-420	-420	-420	-420	-420	-2,475
Earned Income Tax Credit:								
Budget Authority	0	-221	-224	-227	-238	-248	-264	-1,422
Outlays	0	-221	-224	-227	-238	-248	-264	-1,422
Maternal and Child Health Services Block Grant:								
Budget Authority	0	50	50	50	50	50	50	300
Outlays	0	18	35	50	50	50	50	253
Total All Accounts:								
Budget Authority	0	-591	-594	-597	-608	-618	-634	-e,642
Outlays	0	-578	-609	-597	-608	-618	-634	-3,644
Revenues: Revenue ^a	0	32	32	33	35	38	47	217

^a Estimates provided by the Joint Committee on Taxation. Components may not sum to totals because of rounding.

CONGRESSIONAL BUDGET OFFICE: CONFERENCE AGREEMENT ON H.R. 3754, ESTIMATED COST OF INTERGOVERNMENTAL AND PRIVATE SECTOR MANDATES, AUGUST 1, 1996

INTERGOVERNMENTAL MANDATES

CBO cannot determine if the bill contains intergovernmental mandates that would impose costs exceeding the \$50 million threshold established in the Unfunded Mandates

Reform Act of 1995 (Public Law 104-4). At issue is a provision dealing with an increase in child poverty.

Temporary Assistance for Needy Families (TANF). The bill would require a state to carry out a corrective action plan if it determines that the rate of child poverty increases by five percent in a given year as a result of carrying out its new program for needy families. Depending on how this re-

quirement is enforced, it may constitute a mandate when it is combined with the reduction in federal funding for needy families and the work requirements of the bill. Under the work requirements, a state would be required to have 50 percent of certain families that are receiving assistance in work activities by fiscal year 2002.

Under Public Law 104-4, an increase in the stringency of conditions of assistance or a

reduction in federal funding for an entitlement program under which the federal government spends more than \$500 million annually is considered a mandate only if state, local, or tribal governments lack the authority under that program to amend their own financial or programmatic responsibilities to continue providing required services.

The bill does not specify how this child-poverty requirement would be enforced. On the one hand, if a state would be allowed simply to submit a corrective action plan but would not be required to take action to reduce child poverty, then the requirement, by itself or in combination with the other changes, would not constitute a mandate because the state would have the flexibility to reduce caseloads and benefit levels in response to the federal requirements and reduced federal funding. On the other hand, if the bill would require a state to reduce child poverty (and a mechanism was developed to enforce that requirement) then it may constitute a mandate when it is combined with the funding reductions contained in the bill and the work requirements.

Even if the requirement is stringently enforced, however, states may still have sufficient flexibility to meet all the requirements of the bill without devoting more state funds to the TANF program. States, not an outside party, would determine whether the rate of child poverty has increased by 5 percent. In addition, the majority of people currently receiving Aid to Families with Dependent Child (the program that TANF would replace) are already in poverty, so that rate of child poverty might not increase significantly even if these people lose benefits.

Child support. The bill would mandate changes in the operation and financing of the state child enforcement systems. The primary changes include using new enforcement techniques, eliminating a current \$50 payment to welfare recipients for whom child support is collected, and allowing former public assistance recipients to keep a greater share of their support collections. The net savings from these mandates would exceed the costs by \$200 million to \$500 million annually over the next six years.

Restricting Welfare and Public Benefits for Aliens and Supplemental Security Income. CBO estimates that the new mandates contained in the portion of the bill titled Restricting Welfare and Public Benefits for Aliens would not be significant. However, the bill would reduce the size of an existing mandate. Current law requires states that supplement federal Supplemental Security Income (SSI) either to maintain their supplemental payments levels at or above 1983 amounts or to maintain their annual expenditures at a level at least equal to the level from the previous years. Once a state elects to supplement SSI, federal law requires it to continue in order to remain eligible for Medicaid payments. Because the bill would restrict eligibility for SSI, primarily for aliens and disabled children, states would no longer have to maintain their supplements for these individuals. CBO estimates that states could save roughly \$750 million annually by fiscal year 1998.

Other Titles. Two other titles of the bill—Child Nutrition and Food Stamps—contain intergovernmental mandates, but the total cost of the mandates would be significantly less than the \$50 million threshold.

PRIVATE SECTOR MANDATES

The bill contains several private sector mandates as defined in Public Law 104-4. CBO estimates that the direct cost to the private sector of those provisions would be \$65 million in fiscal year 1997 and would total about \$1.0 billion over the five-year period from 1997 through 2001, as shown in the following table.

[Fiscal year (dollars in millions)]

	1997	1998	1999	2000	2001
Requirement on Employers		\$10	\$10	\$10	\$10
Requirement on Sponsors of New Immigrants	\$5	20	55	195	400
Changes in the Earned Income Credit	60	61	62	65	68

Requirement on Employers. The child support provisions of the bill include a requirement that employers provide information on all new employees to new-hire directories maintained by the states. This provision would impose a direct cost on private sector employers of approximately \$10 million per year once it became effective in 1998. Based on data from the Bureau of the Census, CBO estimates that private employers hire over 30 million new workers each year. Even so, the cost to private employers of complying with this mandate would be expected to be relatively small. Many states already require some or all employers to provide this information, so that a federal mandate would only impose additional costs on a subset of employers. In addition, employers could comply with the mandate by simply mailing or faxing a copy of the worker's W-4 form to the state agency, or by transmitting the information electronically.

Requirement on Sponsors of New Immigrants. The bill would also impose a new requirement on individuals who sign affidavits of support for legal immigrants by making future affidavits legally binding. This requirement would impose a direct cost on the sponsors estimated to be \$5 million in 1997, rising to \$400 million in 2001. This estimate represents the additional cost to sponsors of providing the support to immigrants that would be required under the bill. The added costs are larger after the first three years because of the new responsibility sponsors would have to provide support after a three-year deeming period.

Changes in the Earned Income Credit. Finally, the bill would make several changes in the Earned Income Credit. The bill would modify adjusted gross income by disregarding certain losses, expand the definition of disqualified income and index the threshold, and strengthen compliance. The Joint Committee on Taxation estimates that the direct mandate cost of these changes would be \$60 million in 1997, increasing to \$68 million in 2001. These estimates include only the revenue effect of the changes in the credit, and not the effect on federal outlays.

Mr. DOMENICI. I yield the floor.

Mr. LOTT. Mr. President, I believe the Democratic leader is on his way and will be prepared to close on that side, and I will go immediately following that.

Until he arrives, 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. DASCHLE. 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. DASCHLE. Mr. President, after 18 months, we are about to pass welfare reform. It has been a long, divisive debate about the direction our Nation will follow on fundamental social policy. The initial bill, approved by the House last year, I think, by virtually any standard, was an extreme piece of legislation. As a result, it enjoyed very

little public support. Twice the President vetoed extreme legislation, and that resulted in far more bipartisan cooperation in the ensuing months.

It is clear that there is a consensus on many concepts relating to welfare reform. Most of us believe the current system is not working, that welfare must be reformed, that welfare as a way of life must end. There is a consensus about the need for work, that able-bodied people should work, that there should not be welfare for those who are unwilling to work. There is a consensus about the need to allow States flexibility and a recognition that South Dakota is different from New York and different from California. There is a consensus that the lack of child care is a major barrier to work, that States need to provide adequate funds to help parents afford it, that the current law with regard to health and safety standards must be maintained and even improved, and that child care needs to become more available and certainly more affordable.

So there are points on which there is common ground and a great deal of agreement. The welfare debate has come a long way since those early months when the President felt compelled to veto that extreme legislation. There have been many areas where bipartisan progress in reducing the barriers that I have just discussed has been made. The debate began on welfare reform with not \$1 for child care money, with not \$1 for child care to be provided under any circumstances. Now, in this legislation, there is \$14 billion to assist parents' efforts to secure child care.

The debate began over a House bill with absolutely no guarantee of Medicaid coverage for families under any circumstances. Now families moving from welfare to work will continue to receive health care during a 1-year transition period.

We have made bipartisan progress in other areas, too. This bill improves the Nation's child support enforcement system. It improves the Nation's supplemental security program for the disabled children of our country. We dropped the proposals to block grant food stamps and eliminate the national nutrition safety net, and we dropped proposals to block grant child abuse funds, which would have undermined our Nation's child protection system.

So, Mr. President, this bill does represent progress. In these areas, and in others, I think it is fair to say that we have come a good distance. But in a democracy everybody has to make their own assessment. We have our own internal comfort zone. We have our own sense of what is right. From phone calls I have received from my State of South Dakota, and letters I received from across the country, the views are as diverse outside Washington as they are here in the Senate.

Every Senator, every Representative, and the President of the United States must make his or her own judgment

and draw his or her own lines. It is better than when we started. We began having a threshold for which there could be agreement and consensus on items that I have discussed. Thoughtful people will disagree about where we go from here, how we can assess that progress, and whether or not this marks enough progress to stop now. For many, including this Senator, it is a tough call.

There is no crystal ball. Nobody can predict with certainty the effect of this bill. It will improve, in some ways, the welfare system that we have right now. I think that is a given. But will it help move welfare recipients to work? We can only hope that it does. Will it ensure that children are protected? We can only hope that it does.

Is there a guaranteed safety net for children in the future? On that answer, in my view, Mr. President, the answer is not even hopeful. The answer, in my view, is no. Is this the last point? Is this the only point? There are others. But the fact is that this important issue affecting 100 percent of the future population is not resolved. On that issue, we can do better.

We all want reform. We want to require people to work. But we also want to protect children who can't protect themselves.

We have to be careful to balance those goals. The need a meaningful safety net for children—a guarantee that they will not pay for the mistakes or circumstances of their parents—ought to be paramount for every one of us as we make our decision tonight.

Mr. President, we need vouchers to ensure children's basic needs are met when their parents reach the time limits, and you can't find vouchers in this bill—not to any meaningful extent. We need a contingency for emergencies. When we went through the last recession, this country drew down more than \$6 billion in emergency AFDC funds an 18-month period. These were the resources necessary to provide the safety net, especially for children who otherwise had nothing—\$6 billion. You know what is in this bill? We have about \$2 billion in contingency funds. We may be more than \$4 billion underfunded the next time we have a recession in this country. Then what happens?

The level of nutrition cuts continue to concern me as well. I am not comfortable reducing food stamp benefits for families with children who pay more than 50 percent of their income in rent. We do not treat the elderly that way, and we should not. And we should not treat children that way, either. Nutrition cuts have nothing to do with work, nothing to do with reforming welfare. It is an attack on the essential nutritional safety net in this country, and we ought to recognize it as that.

I support strong work requirements. But the work requirements in this bill are inadequately funded. This is something that we ought to be concerned about, and the Congressional Budget

Office says that most States in the country, when this legislation passes, will fail to meet the work requirements. They will not even be close.

We all agree that the lack of affordable child care is a barrier to work. The Senate and House bills said mothers with elementary school children could not be sanctioned or terminated from assistance if they don't find child care or cannot afford it, but the conference bill precludes sanctions only for mothers with children under 6. The distinguished Senator from Connecticut addressed this point earlier this afternoon. I am concerned that this is an impossible choice for mothers. A mother's choice is to go to work in order to receive assistance, leaving a child of 7 or 8 alone after school, or not to go to work and lose the help she needs to feed and clothe her child. What a choice. Mr. President, that is not a choice that you and I and the rest of this body can be comfortable with.

Frankly, I am very troubled about the treatment of legal immigrants. There is no assistance for illegal immigrants, and perhaps that is appropriate. But this bill attacks legal immigrants. I am not talking about those who cross our borders in the dead of night. Individuals who have followed the rules, paid taxes in this country, and gone to fight in other parts of the world for this country are now going to be told that there is nothing, no help whatsoever, even when they desperately need it through no fault of their own.

It was 100 years ago that my grandparents came to this country with the promise of 160 acres of soil. They came with a lot of hopes and dreams about what this country could provide for them and their grandchildren and for all of the Daschles to follow. They came here for freedom. They came here in the belief that this would be a better life. We joked about the Government betting you 160 acres of land that you could not survive it on for 5 years in South Dakota. If you could survive for 5 years, it was yours. They got off the railroad, they built a sod house, and survived. But the Government gave them the opportunity to survive, gave them the license to be Americans, and I am here 100 years later because that happened.

We do not have any more land to give, but I sure hope we can still give dreams. I hope that there are still people out there who believe that the freedom that they can find in this great country of ours, for all of the things this country can provide, ought to be ample reason to come to this country and give it their best.

But we are saying we are not going to help you; we are going to punish you if you even try. That is not American. My grandparents could not have come with this law in effect 100 years ago.

So, Mr. President, it is with some sadness that we have come to the conclusion that we cannot do better than this. But we are going to pass this leg-

islation tonight with the understanding that there are some very severe deficiencies. Is it an improvement over what we passed a year ago? Yes. Can we do better? I think we all know in our heart of hearts that the answer to that is also yes.

I hope that we can agree when it is signed into law that we will go back, without much time to waste, and attempt as best as we can to fix those deficiencies so we do not punish children, so we do not send the wrong message to people who want to be Americans, so we recognize that this country is still all that it can be, so we can work together to make it an even better one.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I believe we have some 2½ minutes left, and beyond that I will use my leader time.

Mr. President, over the years we have watched a program that we started some 60 years ago with very good intentions to help the weak and the genuinely poor people in this country to be able to get some degree of temporary assistance to help them exist.

We have watched over the years as the taxpayers of this country worked hard to try to look after their families, tried to get clothes to put their children in school, and pay their taxes. Then they began to wonder, who was thinking about them? Because they saw this program continue to grow and build, and they saw it continue to cost more and more billions of dollars, and they saw abuses. Then they started to worry. What about the children that are getting locked into this system of welfare dependency?

Over the years it moved in that direction—to where we have disaffection on all sides; those who pay the bills for the welfare program and those who are on the program. People ask: Who is it really helping? Is it really giving people a lift out of poverty, or is it locking them in? Does it really help the children when the parents are not able to get a job, they do not have the training, the education, nor the day care to be able to really get a job? Who is the real loser? The children have become the losers of this program. It has become a program of dependency without a way out. That is what this bill is really about.

I am happy that the Senate is about to take this final action on this monumental accomplishment, a bipartisan accomplishment on a bill that is entitled "Personal Responsibility and Work Opportunity Act of 1996." We call it welfare reform, but that is the real title. That is what it is really about—personal responsibility; taking advantage of the program when you really need it on a temporary basis, to give you an opportunity to exercise your responsibilities and get off the system and get into a job—work opportunity. That is the American way; to have an

opportunity to get what you need temporarily with training to go out and get a job and look after your family.

It has been a long haul with more than a few dead-ends. But we stuck with it. We forged the kind of compromises that were needed to move it ahead, and at last we have come to our destination: ending the destructive welfare cycle. That is what this is all about.

There is more than enough credit to go around. But I think special tribute clearly should be given to the Senator from Delaware, Senator ROTH. He has pulled off a gold medal performance this week. He was lead chairman on the welfare reform bill. He was the chairman that negotiated the agreement on the small business tax relief bill, and he was the lead participant in the health insurance reform legislation; a tremendous week. We are all indebted to Senator ROTH for that great work. I know it has been exhausting, but I know you are extremely proud of the accomplishment that you have in this bill and those other bills.

Of course, the venerable chairman of the Budget Committee, Senator DOMENICI, hangs in there. It was going to be maybe just a few hours and then it looked like it was going to be the full 10 hours. He has to do it over and over again. He has been a partner with the Senator from Delaware. They have done a great job. He is the most knowledgeable Member that we have on how we deal with these budget issues.

Senator NICKLES, at my request, was representative of the leadership in a lot of the negotiations. That youngster from Pennsylvania, Senator RICK SANTORUM, he was great. He came to the floor one night. He did his job. He knew his subject matter. He has been working on it for 2 years—actually longer than that. I guess about 4 years. He really knows the intricacies of this bill. It has been bipartisan, House and Senate. The vote in the House, 328 to 101. That looks mighty broad to me in its support and its bipartisanship.

In the Senate, Senator BREAUX was involved and helpful as we went along. Senator LIEBERMAN, I read his article, I believe, in a New York newspaper last week, an excellent article. So I think we have truly made this bipartisan. It is an effort of which we can be proud.

Also, I have to say this. A lot of credit goes to the man whom I succeeded as majority leader. Bob Dole worked on this effort, pushed this effort, would not let it end, helped get it through, not once but twice, and was committed to getting it done again this year for the third time. Without his leadership, without his determination, without his commitment, we would not be here tonight passing this welfare reform package. In my opinion, it should truly be called the Dole Welfare Reform Package.

The last time I spoke on the Senate floor about welfare, I expressed the hope then that President Clinton would not again veto the reform bill that we

had come up with on welfare. And I did have an opportunity over the past 2 weeks to talk with him about it. There were some changes made that he had hoped for in the bill, and so I am, frankly, greatly satisfied that he has announced he will, indeed, sign this bill into law.

So now our country begins a great transition. It will be complicated and difficult and probably will require fine tuning on our part in the future, but we have made a start. We have made a commitment. We signed on to the blueprint for the most profound restructuring of public assistance since the New Deal.

This legislation will end the Federal entitlement to welfare and replace it with block grants to the States. All by itself, that makes this landmark legislation. But the flexibility for the States and the Governors, I think, will work well. They are close to the problems. They will be able to use the money where it is needed the greatest to help the people who need it the most.

More than that, for the first time ever we are legislatively imposing time limits on the receipt of welfare on an endless basis, and for the first time ever we are applying a meaningful work requirement that can help recipients make the move—and we know it is not always an easy one—from dependence to independence.

That is what we desire and we hope for all Americans. This bill responds to a consensus among the American people by ending most welfare for noncitizens. It strengthens our child support enforcement and paternity establishment requirements. It combats fraud and abuse of welfare programs and will save the taxpayers about \$54.5 billion over the next 6 years.

We can be proud of this package, and we can build on it in the months ahead as we seek to improve Medicaid and other programs of assistance to the needy. We are going to be working with the Governors to make sure that this bill sets the pattern for a new era of cooperation between the States and the Federal Government.

Again, I thank everyone whose diligence and patience brought us this far. There is an old saying: "Well begun is only half done." Today, the herculean task of comprehensive welfare reform is, indeed, well begun and much more than half done.

With the lessons we have learned in this effort, we can finish the job for the benefit of both the taxpayers of America and the poor in the months ahead.

I yield the floor.

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

The PRESIDING OFFICER (Mr. SMITH). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report to accompany H.R. 3734, the Budget Reconciliation Act of 1997.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

[Disturbance in the Gallery]

The PRESIDING OFFICER. The clerk will cease until order is restored. The Sergeant at Arms is directed to restore order.

The Senate will come to order.

The clerk will resume the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

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

The result was announced—yeas 78, nays 21, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—78

Abraham	Ford	Lott
Ashcroft	Frahm	Lugar
Baucus	Frist	Mack
Bennett	Gorton	McCain
Biden	Graham	McConnell
Bond	Gramm	Mikulski
Breaux	Grams	Murkowski
Brown	Grassley	Nickles
Bryan	Gregg	Nunn
Burns	Harkin	Pressler
Byrd	Hatch	Reid
Campbell	Hatfield	Robb
Chafee	Heflin	Rockefeller
Coats	Helms	Roth
Cochran	Hollings	Santorum
Cohen	Hutchison	Shelby
Conrad	Inhofe	Simpson
Coverdell	Jeffords	Smith
Craig	Johnston	Snowe
D'Amato	Kassebaum	Specter
DeWine	Kempthorne	Stevens
Domenici	Kerry	Thomas
Dorgan	Kohl	Thompson
Exon	Kyl	Thurmond
Faircloth	Levin	Warner
Feingold	Lieberman	Wyden

NAYS—21

Akaka	Feinstein	Moseley-Braun
Bingaman	Glenn	Moynihan
Boxer	Inouye	Murray
Bradley	Kennedy	Pell
Bumpers	Kerrey	Sarbanes
Daschle	Lautenberg	Simon
Dodd	Leahy	Wellstone

NOT VOTING—1

Pryor

The conference report was agreed to. Mr. BOND. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will come to order. Members will stop conversations so the Chair can recognize the majority leader.

Mr. WELLSTONE. Mr. President, can we have order in the Chamber?

The PRESIDING OFFICER. The Senate will come to order. Will Senators please take their conversations to the Cloakroom?

MEASURES PLACED ON CAL-
ENDAR—S. 2006, S. 2007 and H.R.
2391

The PRESIDING OFFICER. The clerk will now read three bills for the second time.