

Education Act, to find common ground in ideas that we can all support—bold legislation that sends the message to parents and children struggling to find schools that work, and to teachers and principals struggling in schools simultaneously bloated with bureaucracy and starved for resources—to prove to them not just that we hear their cries for help, but that we will respond not with sound bites and salvos, but with real answers. And Mr. President, I would suggest that in this time when the United States, the richest nation on the face of the earth, leading a global economy, pushing our stock market well over 10,000, with budget surpluses we all herald at every turn, I would suggest that at this time we need to make the commitment—together, Democrats and Republicans—to give every school the chance to give every child in our country a world class education. That is an investment we can not afford to pass up—and Mr. President this is the time to do it. I look forward to working with all colleagues, Mr. President, in fashioning a budget that takes serious the American people's call for real and comprehensive education reform.

#### WELFARE REFORM

Mr. WELLSTONE. Mr. President, I rise today because I am concerned that there is a growing national crisis in America. Although we do not know its exact dimensions, the early evidence is extremely troubling.

Nearly three years ago, against my objections, Congress passed and President Clinton signed the welfare reform law. The stated purpose of the law was to move people off welfare and toward economic self-sufficiency.

By now, we all know that the welfare caseloads have dramatically declined. The welfare caseloads are at their lowest point in nearly 30 years. Since welfare reform became law, 1.6 million families have left the welfare rolls. Approximately 4.6 million are no longer receiving cash assistance. Clearly, the law has been successful at moving people off welfare. On this basis, nearly everyone is jumping at the opportunity to proclaim welfare reform as a "success." But, Mr. President, I have my doubts. How can we call welfare reform a success without knowing what has happened to these people after leaving welfare? How can we call it a success without knowing how people are doing? Mr. President, declining caseloads do not answer the fundamentally important questions. They don't tell us if families are moving toward economic self-sufficiency. They don't tell us if people have been able to escape poverty. They don't tell us if mothers have been able to find work. They don't tell us if children have food and are covered by health insurance.

Mr. President to be honest, the declining welfare caseloads tell us very little. We should not be trumpeting the success of welfare reform before we

know about the living conditions of the people who have been moved off welfare. And right now, no one seems to know. Over and over again I have asked my colleagues if they know of any research demonstrating that the decrease in the number of families receiving assistance means that people are escaping poverty, but no one has produced such a study. No one!

My fear is that these people are simply disappearing.

Mr. President, we've got a similar problem with the recent reports about Food Stamps. Lately we've been hearing a lot about the plunge in Food Stamp participation. Over the last four years the number of people using food stamps dropped by almost one-third, from 28 million to 19 million people.

Some want to interpret this decline as an indication of diminished need. But, just like the decline in welfare rolls, there are important questions that are left unanswered. I hope that the drop means that fewer people are going hungry. But, I have my doubts.

If people are no longer needy, then how can we account for the fact that 78 percent of cities surveyed by the United States Conference of Mayors for its Report on Hunger reported increases in requests for emergency food in 1998?

If people are no longer needy, then how can we explain why Catholic Charities USA reported early this year that 73 percent of dioceses had increases of as much as 145 percent in requests for emergency food assistance compared to a year before.

Mr. President, how can we account for these findings without questioning whether the reformers' claims of success are premature?

What is going on here? A story from the New York Times suggests one troubling explanation:

"[One welfare recipient was told] incorrectly . . . that she could not get food stamps without welfare. So, though she is scraping by raising a family of five children and sometimes goes hungry, she has not applied [for food stamps]. . . . 'They referred me to the food pantry,' she said. 'They don't tell you what you really need to know. They tell you what they want you to know.'" (4/17/99).

Mr. President, I am here today to propose an amendment. It is an amendment that I hope will receive widespread support. It is simple and straightforward. It will help us find out how people who have left welfare are doing. It will provide us with the information we need in order to properly evaluate the success or failure of welfare reform.

Mr. President, the 1996 welfare law sets aside \$1 billion for "high-performance" bonuses. Currently, the money is awarded to states using a formula that takes into account state effectiveness in increasing employment among TANF recipients. My amendment would add three more criteria:

Food stamp participation among poor children,

The proportion of families leaving TANF who are covered by Medicaid or child health insurance, and

The number of children in working poor families who receive some form subsidized child care.

In other words, states would have to provide this information in addition to the job entry, job retention, and earnings data they already must provide in their high-performance bonus applications.

Mr. President, some of my colleagues might suggest that these additional requirements will be too difficult for the states to meet. I will address this issue in detail in a little while. Right now, let me just reassure everyone that no state will be required to conduct any new surveys. In fact, no state will have to collect any new data. All that my amendment will require is that states report data they already have.

Mr. President, as I have already suggested, I am here today because of my deep concern for the millions of Americans who struggle each day to get by. These are the people who worry about:

How to keep a roof over their families' heads, How to get food in their children's stomachs, How to earn a wage that pays their bills, and How to obtain medical help when they are sick.

I am especially concerned about our nation's children who all too often are the innocent victims of poverty.

Mr. President, we live in the richest country in the world. We live in a country that has experienced what many call "an unprecedented period of prosperity." But Mr. President, this prosperity has not extended to all families and their children. While our country is supposedly doing so well, we've got about 14 million—That's one in five—children who live in poverty. And, 6.5 million children live in extreme poverty. Their family income is less than one-half the poverty line.

This poverty has profoundly terrible consequences on the lives of these children. On the basis of research, we now know that poverty is a greater risk to children's overall health status than living in a single parent family. A baby born poor is less likely to be alive to celebrate its first birthday than a baby born to an unwed mother, a high school dropout, or a mother who smoked during pregnancy.

Mr. President, poor children must walk a gauntlet of troubles, that begin even before they are born and often last a lifetime. Not only are poor children more likely to die during childhood, they are:

More likely to have low birth weights and be born premature; More likely to be deaf; More likely to be blind; More likely to have serious physical or mental disabilities, and More likely to suffer from stunted growth.

Mr. President, I am worried that welfare reform is making these problems worse. I think that we really need to pay attention to the quality of people's lives not just to the numbers of people on assistance.

Mr. President, the purpose of my amendment is to help us to understand at a national level what is happening in our country in the wake of welfare reform. I've spent a lot of time trying to figure this out and have come to the conclusion that what we currently know is not sufficient. I am not alone in this belief. One of the organizations I work is called NETWORK. It's a National Catholic Social Justice lobby. The people at NETWORK wrote the following in their recent report on welfare reform:

Even though government officials are quick to point out that national welfare caseloads are at their lowest point in 30 years, they are unable to tell us for the most part what is happening to people after they leave the welfare rolls—and what is happening to people living in poverty who never received assistance in the first place.

Mr. President, although we lack a national portrait, some of the research I read about what is going on in the states deeply concerns me.

For example: In Alabama, a professor found that intake workers gave public assistance applications to only 6 out of 27 undergraduate students who requested them, despite state policy that says that anyone who asks for an application should get one.

In Arizona, after holding fairly steady from 1990 to 1993, the number of meals distributed through Arizona's statewide food-charity network has since risen 50 percent.

In California, tens of thousands of welfare beneficiaries are dropped each month as punishment. In total, half of those leaving welfare are doing so because they did not follow the rules.

In Florida, more than 15,000 families left welfare during a typical month last year. About 3,600 reported finding work, but nearly 4,200 left because they were punished. The state doesn't know what happened to almost 7,500 others.

In Georgia, nearly half of the homeless families interviewed in shelters and other homeless facilities had lost TANF benefits in the previous 12 months.

In Iowa, 47 percent of those who left welfare did so because they did not comply with requirements such as going to job interviews or providing paperwork. And in Iowa's PROMISE JOBS experiment, the majority of families punished for failure to meet welfare-to-work requirements told researchers that they didn't understand those requirements.

In my own State of Minnesota, care managers found that penalized families were twice as likely to have serious mental health problems, three times as likely to have low intellectual ability, and five times more likely to have family violence problems when compared with other recipients.

In the Mississippi Delta, workfare recipients gather at 4 a.m. to travel by bus for two hours to their assigned work places, work their full days, and then return—another two hours—home each night. It is no surprise, therefore,

that they are having trouble finding child care during these nontraditional hours, and for such extended days.

In New York, a September 1998 survey found that 71 percent of former recipients who last received TANF in March 1997 did not have any employer-reported earnings.

In a rural Appalachian community in Ohio, there is a lack of jobs at decent wages that has resulted in dramatic increases in requests for food. The Congressional Hunger Center tells us that, "As people are being moved off of the rolls in rural areas, there is very little support structure to help them become self-sufficient—government programs are unavailable due to time limits, there is little private industry in the area, and neighbors struggle to get by on their own."

And then there is the so-called success story in Wisconsin. Only one in four families that permanently leave welfare have incomes above the poverty line. The typical recipient actually lost income during the year after leaving welfare. Only one in three of those who left welfare increased their economic resources. In La Crosse, Wisconsin, the number of children sleeping in Salvation Army homeless shelters shot up by 50 percent between 1994 and 1996. In contrast, the number of homeless men—a group that is largely unaffected by welfare changes—rose by only one percent during the same period. And, a recently released study by the Institute for Wisconsin's Future says that the number of families in extreme poverty jumped from about 1,700 in 1989 to 11,200 in 1997.

Mr. President, clearly we need to be careful about pronouncing welfare reform a "success" simply because the caseloads are down. People are continuing to suffer and struggle to meet their basic needs.

Mr. President, I have already discussed the dramatic decline in welfare caseloads. Let me remind everyone that the caseload decline has not been matched by a similar decline in poverty indicators.

I think we need to know, on a national level, what's going on. The research we do have suggests that moving people off of welfare is not having the intended effect of putting them on the road to economic self-sufficiency.

The NETWORK study reports that people continue to experience severe hardship. For example:

Nearly half of the respondents report that their health is only "fair" or "poor." 43% eat fewer meals or less food per meal due to cost. 52% of soup kitchen patrons are unable to provide sufficient food for their children. Even the working poor are suffering as 41% of those with jobs experienced hunger.

Mr. President, NETWORK is not the only group out there trying to find out what is going on. In another study, seven local agencies and community welfare monitoring coalitions in six states compared people currently receiving welfare to those who stopped getting welfare in the last six months.

The data show that people who stopped getting welfare were:

Less likely to get food stamps; Less likely to get Medicaid; More likely to go without food for a day or more; More likely to move because they couldn't pay rent; More likely to have a child who lived away or was in foster care; More likely to have difficulty paying for and getting child care, and; More likely to say "my life is worse" compared to six months ago.

The National Conference of State Legislatures' analyzed 14 state studies with good information about families leaving welfare. It found:

Most of the jobs [that former recipients get] pay between \$5.50 and \$7 an hour, higher than minimum wage but not enough to raise a family out of poverty. So far, few families who leave welfare have been able to escape poverty.

And then there is the recent study by Families USA, which presents a very troubling set of findings. It reports:

over two-thirds of a million low-income people—approximately 675,000—lost Medical coverage and became uninsured as of 1997 due to welfare reform. The majority (62 percent) of those who became uninsured due to welfare reform were children, and most of those children were, in all likelihood, still eligible for coverage under Medicaid. Moreover, the number of people who lose health coverage due to welfare reform is certain to grow rather substantially in the years ahead.

Mr. President, sometimes with all these numbers and studies we lose sight of the fact that they are based on the lives of real people—people who want the best for themselves and their children. But, we must not forget this reality.

Here is the story of one family that one of the Sisters in the NETWORK study worked with:

Martha and her seven year-old child, David, live in Chicago. She recently began working, but her 37-hour a week job pays only \$6.00 an hour. In order to work, Martha must have childcare for David. Since he goes to school, she found a sitter who would receive him at 7 a.m. and take him to school. This sitter provided after school care as well. When Sister Joan sat down with Martha to talk about her finances, they discovered that her salary does not even cover the sitter's costs.

The Families USA Report tells us the following story:

Terry (This is not her real name) had been on welfare for about two years when she got a job at McDonald's. Working 30 hours a week, Terry earned \$600 a month. When she told her welfare caseworker about her new job, Terry and her 5-year-old son, James, were cut off of cash assistance and Medicaid. Her Food Stamps stopped, too, although she was promised they would continue. When Terry left welfare for work, no one told her that she was eligible for Transitional Medicaid. And her son James should have continued to receive Medicaid until Terry earned at least \$1,200 a month—twice as much as she made at her job at McDonald's.

Mr. President, these three cases I just mentioned are about families where a parent is working. There is an even scarier situation—families that neither receive government assistance

nor have a parent with a job. We don't know for certain how large this population is, but in the NETWORK study 79% of the people were unemployed and not receiving welfare benefits. Of course this study was focused on the hardest hit and therefore overestimates the overall percentage of former recipients who are unemployed. But, it still represents a 50% increase over the level it found before welfare reform.

How are these families surviving? Mr. President, I am deeply concerned and worried about them. They are no longer receiving aid and they don't have jobs. They are literally falling through the cracks and disappearing. I call these families, which are composed primarily of women and their children, The Disappeared Americans.

We must find out what is going on. That is why this amendment is so important. It will provide us with valuable information we need in order to be responsible policymakers.

Mr. President, this is not the first time I have come to the floor of the US Senate to offer an amendment designed to find out what is happening to poor people in this country. Last month I offered a similar amendment and it lost by one vote. Although 50 Senators voted against it, not one spoke in opposition. Not a single Senator rose to debate me on the merits of the measure. At that time, I promised and I would return to the Senate floor with the amendment, and today I am fulfilling my promise.

Since I first offered the amendment, we have received some valuable input about the best way to gather the kind of data we need to understand on a national level what is going on. In the original amendment, states would have been required to conduct new studies to track all former TANF recipients. In the version of the amendment I offer today, states can simply rely on administrative data that they already collect. For example, in order to provide Medicaid and child health insurance data, states would just have to do a match between their TANF and Medicaid/CHIP computer systems. And, if states choose not to apply for the TANF bonus money, they would only need to provide data on a valid sample of former recipients, not the entire population.

In other words, Mr. President, we have reworked the amendment to make it significantly less burdensome of the Secretary of HHS and the states. Frankly, with these changes, I don't see a reason why anyone would vote against this amendment. If there is going to be opposition, I expect that we will have a debate. Let's identify our differences and debate them.

Mr. President, let me wrap things up by reminding us all that it is our duty and our responsibility to make sure that the policies we enact for the good of the people actually are doing good for them. Evaluation is one of the key ingredients in good policy making and it does not take a degree in political

science to realize what anyone with common sense already knows: When you try something new, you need to find out how it works.

As policy makers—regardless of our ideology or intuitions—it is our role to ensure that the programs we enact to provide for American families' well-being are effective and produce the outcomes we intend.

We need to know what is happening with the families who are affected by welfare reform. We need to know whether reform is, in fact, effectively helping low income mothers and their children build a path to escape poverty and move toward economic self-sufficiency.

As I have already explained, the data we do have does not provide us with all the information we need. We need to go beyond simply assuming that welfare and food stamp declines are "good" news.

The Swedish sociologist Gunnar Myrdal once said, "Ignorance is never random." Sometimes we choose not to know what we do not want to know. In the case of welfare reform, we must have the courage to find out.

#### PLIGHT OF THE DOMESTIC OIL AND GAS INDUSTRY

Mr. DOMENICI. Mr. President, the Wall Street Journal yesterday wrote:

What is not in dispute is how hard a hit small domestic oil took during the recent downturn in oil prices. While larger oil companies with their huge asset bases and integrated businesses were able to weather the storm, many of the smaller producers, which operate on low margins and minuscule volumes, lurched toward ruin.

These small producers, who mop up the tailings of the country's once-great oil fields primarily in the West and the Mid-west collectively produce about 1.4 million barrels of oil daily, an amount roughly equivalent to that imported to Saudi Arabia. And the total number of such subsistence wells, defined by the Interstate Oil and Gas Compact Commission as ones producing 10 barrels of crude a day or less were abandoned at an accelerated rate during the downturn, experts say.

The Wall Street Journal is not the only entity noticing the plight of the domestic independent oil and gas industry. DOE recently wrote: "Domestic crude oil producers have seen the price of their product (adjusted for inflation) fall to levels not seen since the 1930's."

Independent oil and gas producers have wells in 32 States. Senators from these producing States have heard from the producers, oil and gas service small businesses, Governors, mayors and county commissioners. The situation was so bad in Oklahoma that the Governor held a special session of the legislature. In New Mexico, we have oil and gas producers organizing marches and rallies calling attention to their crisis. When the oil and gas industry suffers a cash flow problem and credit crunch, so do Federal, State and local governments. The recent oil and gas crisis has cost States and localities \$2.1 billion in lost royalties alone. One

community had to chose between keeping the hospital or the school open. Oil tax revenues were, not sufficient to keep both operating.

The number of oil and gas rigs operating in the United States is at the lowest count since 1944, when records of this tally began. The industry is predicting that the U.S. will lose an additional million barrels a day of domestic production as a result of the last price collapse. This production shrinkage will be felt in the marketplace in 12 to 18 months.

Beginning in November 1997, the oil and gas exploration and development industry began experiencing the lowest inflation-adjusted oil prices in history.

Recent Independent Petroleum Association of America (IPAA) statistics speak for themselves:

- 55,000 jobs lost out of an estimated 338,600 total industry jobs.

- Additional 68,000 oil and natural gas jobs (20 percent) are at risk of being lost.

- 136,000 oil wells (25 percent of total U.S.) and 57,000 natural gas wells shut down.

Every barrel of domestic that we lose will have to be replaced with barrel of foreign produced oil and our dependence on foreign oil is already too high—in excess of 57 percent and trending higher.

The industry we are trying to help includes royalty owners in all 50 States. Many of these royalty owners are retired and depend on their oil royalty checks to pay for their daily expenses. When the price of oil dipped to \$10 a barrel several months ago, these royalty owners saw their royalty checks drop by half.

At \$18 to \$19 a barrel our independent producers barely break even. At \$14 a barrel they lose \$10.30 a day per well or \$3,752 a year per well.

The oil and gas industry is a very capital intensive industry on the front end—exploring and drilling wells and also on the back end—shutting in wells or going out of business. The drilling costs for a well range from \$600,000 to \$15 million for an off-shore deep water well. Getting out of the business is capital intensive industry, too. On average it costs \$5,000 to \$10,000 a well to decommission a well.

It is an industry dependent on banks and credit. The independents get about 40 percent of their capital from financial institutions. The price of oil has just recently improved, but the bankers have been reluctant to restructure loans or to make new loans.

Capital budgets to develop new production and replace depleting existing production have been cut dramatically. Most independents are not drilling new wells. The industry has a viable future but they have to get through this current credit crunch, and they need loan restructuring to keep them going until they can recover from the big price drop of 1997 through mid-1999.

This is why I joined with Senator BYRD to propose an emergency loan