children from our Federal life-support system would be the most ''regressive and brutal act of social policy since Reconstruction.''

Think of what it means for our cities. Remember, not all these children will be 4 months old or 4 years old. Many will be 14 years old. In 5 years' time, you will not recognize Detroit, Los Angeles, New York. These are cities where a majority of births are out of wedlock. The average for our largest 50 cities is 48.0 percent.

What is going on is a profound social change which we do not understand, just as we could not comprehend the problem of unemployment in the first part of this century, and ended with the crisis of the world depression, which almost destroyed democracy. It was a very close thing. Now, we are putting the viability of our own social system at risk.

This year the National Center for Health Statistics reported that the nonmarital, out-of-wedlock ratio of births in the United States has now reached one-third, 32.6 percent. That was for 1994, so it is a third today. In Detroit, that number is 75.3 percent; in Los Angeles, it is 50.1 percent; in New York City, 52.3 percent; in Chicago, 56 percent; in New Orleans, 64 percent. I think Detroit and New Orleans are probably the highest. No society in history has ever encountered this problem. These numbers a half century ago were 4 percent. New York City, 4 percent half a century ago, 52 percent today; Manhattan, 54 percent.

Nobody understands. Something like this is going on in Britain, in Canada, in France, in Germany. We are undergoing an enormous social change which we do not understand. Although it does not happen at all in Japan. Ratios were 1 percent in 1940 and 1 percent today.

Yet, we are acting as if we do understand. The basic model of this problem in the minds of most legislators, and most persons in the administration, is that since we first had welfare and we then got illegitimacy, it must be that welfare caused illegitimacy. And they may be right. I do not know. But neither do they.

I have stood on this floor and argued for the Family Support Act, which one Senator after another invokes as a measure that works, getting people out of dependency, into jobs. It could continue to work. But not this sharp cutoff—bang, 2 years, you are off; 5 years, you are off forever. That invites the kind of calamity which it may be we are going to have to experience in order to come to our senses.

I said on the floor last September that we will have children sleeping on grates if this becomes law. I repeat that today. I hope I shall have been proved wrong. I hope.

We will have a chance to track it. In the Social Security Act Amendments of 1994, I was able to include a small, but significant, provision to try to get us some accumulation of information and then perhaps theoretical knowledge about this situation. We enacted the Welfare Indicators Act of 1994. It requires the Secretary of Health and Human Services to start producing an annual report based on the Economic Report of the President, which derives from the Employment Act of 1946.

We will have the first interim report due October 31 of this year. It takes a long time for these institutions, if I can use that word, to mature, but we will have documentation of what this legislation did. We will know, unless we are reduced to concealing the truth, which we are getting very close to in this debate. Administration officials saying, when asked for the report, ''There is no report''; when the report is published saying, ''Well, I guess there was a report''; then saying, ''No more reports.'' We are standing here on the Senate floor with no report from the administration. Shame.

One of the comments I have made throughout this debate, over the last year and a half, is that it has been conservative social analysts who have been most wary of what we are doing. They have consistently warned us that we do not know enough to do this. They have asked us to be conservatives and not take this radical step, putting at risk the lives of children in a way we have never done.

After we allowed a system to develop in which children are supported in this manner, to suddenly stop that support based on some very vague notion of human behavior—that if you are going to suffer awful consequences, you will change your behavior. We will be making cruelty to children an instrument of social policy. Lawrence Mead of NYU said you don't know enough to do this. Lawrence Mead, no liberal he; a career telling the liberals they were letting this situation get out of hand.

But 52 percent of the children born in the city of New York are to a single parent. John J. Dillulio, Jr., at Princeton saying, ''Conservatives should know better than to take such risks with the lives of children.''

And then George F. Will. George Will of unequaled authority as a commentator on the difficulty of social change and the care with which it is to be addressed. He wrote of the vote last September:

> As the welfare debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here. No child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare state.

I end on that proposition. No child in America asked to be here. Why, then, are we determined to punish them?

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has approximately 36 minutes remaining.

Mr. DOMENICI. I yield 15 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank the chairman.

EXPRESSING CONDOLENCES TO PEOPLE OF MONTOURSVILLE, PA

Mr. SANTORUM. Mr. President, before I speak about the welfare bill, I just want to express my condolences to the people of Montoursville, PA. As many of you know, the crash of TWA Flight 800 included French students from that high school in Montoursville, along with five chaperones.

I talked with some people in Montoursville today. To say the people are shocked and overwhelmed does not quite, I think, relay the feelings that are going through that small town in north central Pennsylvania, near Williamsport, PA.

Senator SPECTER and I have pledged to do all we can to aid the people of that community in getting information that is necessary to begin the healing process, which is a very difficult one. We will do whatever we can to assist them in that process. Obviously, we will be vigilant in making sure the U.S. Government follows up and makes a thorough investigation of this and to the cause of this accident, hopefully accident.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. SANTORUM. Mr. President, let me move on to the issue before us of welfare reform. It is never easy to follow the Senator from New York when talking about this issue, because there is no one on the Senate floor who knows more about this issue than the Senator from New York. But I was struck by one of the comments he made. I felt compelled to respond to that comment, when he made the comment that the bill before us invites calamity. I am quoting him. He used the term ''invites calamity.''

I found it odd that he used the term, that the bill before us invites calamity, right after a very eloquent and fact-filled dissertation on the calamity that has been created by this welfare system, that calamity of illegitimacy in our civilization.

He suggested there is no solution, at least we do not know the solution, and, therefore, we should not try anything. I assume that is the conclusion. Since we are not absolutely sure what causes illegitimacy, then we should not even attempt to bring it up since we do not have the answer.

I suggest that the Senator from New York should have been here in the 1960's when in fact we did not know the solution for poverty but we went ahead and tried the Great Society programs anyway. We went ahead not knowing

what the answers would be, and for the last 30 years, in my opinion, ignoring—ignoring—the results of the Great Society programs, the welfare component of the Great Society programs in particular.

So if we are going to talk about not knowing what the future holds with the bill before us, then let us talk about not knowing back in the 1960's what the welfare state that we created would do, and now refusing to change it, when we know it has created the calamity that the Senator from New York eloquently described. He only described, in my opinion, one element of that calamity.

Oh, it is a very serious one—illegitimacy. I suggest it may be the great social ill that can be the cancer within to destroy this civilization. So I think he does highlight a most important issue. It is one that we attempt to address in this bill, which I suggest we attempt to address in a very modest way. We have not gone out with a right wing extreme agenda, whatever that is, to deal with this issue.

We have taken steps like saying that people who are on welfare, if they want to have more children, they should not necessarily get more money for having more children out of wedlock. The States can enact a law under our bill to pay them money if they want. But the presumption is that if you are on AFDC and you are not married, and you are receiving benefits and you have additional children, you are not automatically going to get a pay raise.

The second thing we do is we look at mothers who have children out of wedlock and do not cooperate with the Government in telling us who the father is. One might suggest that that probably is not a very likely occurrence. The fact of the matter is, having visited many agencies in my State that deal with this problem, that is a very common occurrence for a variety of reasons.

The most common reason is because usually there is a relationship between mom and the boyfriend. Mom does not want to jeopardize that relationship by giving the boyfriend a legal responsibility for the child. The Government is willing to pay. Why rely on a tenuous relationship, sometimes, between the boyfriend and the mom, to track down someone who may not have regular work to provide for that, when you have a Government who is going to consistently provide for that child? You may even work out something that has been told to me on many occasions, where the Government provides, and under the table the real dad provides some money, too.

It works out best for everybody except for the fact that the child is without a father. That is a little glitch that somehow gets glossed over. Like it or not, in our society—I know some do not believe it—but I think fathers are important. I think we need mothers and fathers to raise children.

I happen to believe one of the big problems in our society of youth violence among young males is because we do not have fathers in the household. They do not have the example of a father to help guide them through the very difficult time of growing up.

Yes, we do some things that are untested. Sure, they are untested, granted. We do not know whether making mom cooperate with authorities, forcing the mother to give us the name of the father—sanction her if she does not—will in fact help. We do not know. But, my God, we should start trying.

We cannot turn our back and say, just because we do not know, we should not try. Donna Shalala says, Well, you know, there may be people who fall off welfare because they did not cooperate, and that is a tragedy for the children. What the tragedy for the children is is they have no father. That is a tragedy. We run around and we hide behind children. The liberals hide behind children, when it is the children who are hurt the worst by this system that does not care. It is not loving and compassionate. Passing out a check behind a bulletproof window in a welfare office is not compassion, is not how we solve problems in this society when it comes to the poor.

We give States a bonus if they reduce their illegitimacy rate. So we provide an economic incentive for States to begin to try things to help reduce the number of illegitimate children. And they cannot do it through abortion.

That is illegitimacy. That is only one of the calamities that we now have as a result of this system.

How many people believe that, in the last 30 years, as a result of the welfare state, the neighborhoods in which people on welfare reside are safer, that crime is less, that the values of the people who are on welfare in second and third generations are better than they were before? If you want to look into the eyes of those values, look into the eyes of the senseless and indiscriminate juvenile crime that we see in our society, the lack of values between right and wrong, the lack of respect for human life in our society.

Drugs. Are there less drugs? Are drugs less of a problem in these communities than they were 30 years ago? Is education better in these communities than it was 30 years ago? Is the family structure better than it was 30 years ago? Oh, what progress we have made, what a system we should defend. And, oh, we dare not try anything that is untested. I would agree with the Senator, maybe he is right, maybe we should not try anything that is untested, because the last time we tried something that was untested, we got a horrible result. But the problem is, we are stuck with that system right now. We must—we must—face that and change that.

Here is how we change it. As I said before, we deal with the issue of illegitimacy and in a modest way—I have to repeat that—in a very modest way.

Secondly, what we say is that we are going to require people who are able-bodied to work. I talked about the values in communities. One of the most important values that you can pass on to your children is a work ethic. You can pass it on by talking about it. But you parents know you can tell your children all sorts of things—I have three children; I tell them lots of things—but they are more interested in watching you and seeing what you do and following your example.

How many times do you catch your kids saying things that you say, and you say, ''Gosh, do I say that that much that they actually pick it up?'' I tell them not to say it, but they say it, so I guess I do, too. I do this, so they do it, too. Work is one of those things. The most important thing for economic success for children is to have a mom and a dad—or mom or dad—go to work every day. So we require work because we think that is a value that is important for people to exit poverty.

I am not interested in taking care of people on poverty as the solution to poverty. My solution to poverty is to get people out of poverty. That is how we should measure a successful system—not how many children we take care of—by how many families are no longer needed to be on the system. That, to me, is a successful poverty program, not going around looking and saying, ''Look at all the people we have on welfare and we are taking care of all these people now.'' I have not met very many people on welfare who tell me that life on welfare is a lot of fun or is what they desire for their life. Why should it be the goal of the Government to put people or to capture people in a system which they do not want to be in, and which the public resents paying for, because it is a dead end? That is not a solution.

Our goal is to get people to work and to self-sufficiency, to instill the values that make America great. So, yes, after 2 years we require work. For 2 years the State, through this bill, will have resources available for education, for training, for searching jobs. There are a lot of people who get on welfare, are job-ready, and there are some that cannot, they need their GED, to get some training, it takes time. Some people take more than 2 years.

The Senator from New York said we are going to put these rigid time limits on people of 2 years, and after 5 years no more benefits. The Senator from New York knows very well within this bill there is what is called a hardship exception. What the State can do is exempt 20 percent, 20 percent of the people in this program from the time limit. The time-limited program only applies to 50 percent of all the people in the program. That is not for 7 years. It starts out at 25 percent of the people.

I know it is a lot of numbers, but let me suggest there is lots of flexibility here for hard cases, for people who are really trying, and just cannot seem to find a job. We understand that happens. We understand it happens in a lot of urban areas and rural areas where unemployment is scarce. We provide an

exception, but it is an exception to the rule. Sometimes it is important to establish a rule, an expectation of what we desire out of everyone. Set the bar a little higher. Instead of just saying you are all incapable of providing for yourself, so we will provide for you.

I ask the Senator from New Mexico for 3 additional minutes.

Mr. DOMENICI. I yield 3 additional minutes to the Senator from Pennsylvania.

Mr. SANTORUM. It is important to set that standard. We set that standard. We do it with the understanding that we know not everybody can meet that standard. We give the States and the communities, and, I hope, and the Governors assure me, this is not going to be just one Federal bureaucratic program transferred to 50 State bureaucratic programs.

Frankly, I am not that much comforted, I am somewhat comforted, but not significantly comforted, to know that this is a Federal program run by Federal bureaucrats that now is going to be a State program run by State bureaucrats. State bureaucrats may be marginally better than Federal bureaucrats, but that is not enough. The Governors understand, at least the ones that are talking to me, that they need to go further. They need to get down into the local communities, into the nonprofit organizations, into the folks who really have compassion, because it is their neighbors and their friends they are providing for. Those are the organizations we have to empower through this bill, and give them the resources to solve the problems that are in their community. We believe this is a vehicle with the flexibility that is in this bill to make that happen.

I want to talk about just a couple of other things. No. 1, child care. It has been argued on this floor, and I think well argued on this floor by Members, frankly, on both sides of the aisle, that the key to making work work is child care. That there are millions of women out there who would like to go to work but because of the barrier for safe, affordable day care, they simply cannot do it. We provide $4 billion more in child care in this bill than under current law, and even more money than what the President is suggesting. Under this bill, work will work, and people will be able to succeed.

The other two things I will quickly go through, first is child support enforcement. There is uniform agreement on both sides to improve, toughen child support enforcement, including wage withholding, and is included in here, among other things. This gets back to, again, requiring fathers to take responsibility for their children. Again, setting the bar high, but, my goodness, we should have standards high for fathers when it comes to providing for their children.

Finally, the issue of noncitizens. The Senator from New York said no civilized society would cut off these benefits for noncitizens like we do in this bill. He is absolutely right. Do you know why? Because there is no civilized society that provides the benefits in the first place. We are the only society that gives benefits to people who are in this country who are not citizens of the country. What we are saying is we will provide benefits to refugees, to asylees, but to people who come in under sponsorship agreements, the sponsors, who signs that document will be the one who takes care of them, not the Federal Government.

Mr. DOMENICI. There is time left on both sides; could you tell us how much each side has?

The PRESIDING OFFICER. The side of the Senator from New Mexico has 17 minutes and 17 seconds and the other side has 7 minutes and 18 seconds.

Mr. DOMENICI. I have Senator FRIST here. Does the Senator from Florida want to speak during that time, during that 7 minutes?

Mr. GRAHAM. I have not had an opportunity to talk to the floor manager, Senator EXON, but I will request time to speak. If Senator FRIST is prepared to proceed, that is fine.

Mr. DOMENICI. I yield 6 minutes to Senator FRIST.

Mr. FRIST. Mr. President, it is with much disappointment that I rise today to mark the apparent, the apparent, demise of what was a carefully considered, carefully crafted, bipartisan agreement on Medicaid. Despite the historic agreement among the Nations 50 Governors, we are compelled by the President's veto threat to separate Medicaid reform from welfare reform.

Ultimately, comprehensive welfare reform must include health care and health care reform for the poor. The face of that woman with her child in her arms who is below the poverty level, who wants to go back to work, is just inextricably combined and connected to that welfare system. Our Medicaid plan, which was based on this Governors' bipartisan proposal, would have indeed preserved the safety net for women, children, our senior citizens, and for individuals with disabilities.

Mr. President, I stand here today also, along with my colleagues and before the American people, to assure them that we will continue to work for a strong, for a secure, and for a simplified Medicaid Program. After the election, when all of the partisan passions have subsided, we will find a way to work together and give relief to States burdened to the point today of bankruptcy by out-of-control skyrocketing Medicaid costs. For the sake of our children, for the sake of their families, we must find a way to put policy before politics.

Before coming to the U.S. Senate, I performed transplant surgery, and a third of my transplant patients received Medicaid. That gave me a perspective of those patients on Medicaid also on welfare. As chairman of the Tennessee State Task Force on Medicaid Reform, I grappled with those issues before coming to this body from a State perspective.

Medicaid today takes up nearly 6 percent of the total of all Federal spending. State by State, it is approximately 20 percent of all State spending. Unless we act, we can expect an over 150 percent increase in just 10 years. The increase in Medicaid spending from last year alone is more than we spent on mass transit, criminal investigations, pollution control and abatement, or the National Science Foundation.

Yes, Medicaid is bankrupting our State budgets and will ultimately drive the Federal budget into bankruptcy, unless something is done.

Now, nothing in the budget reconciliation plan reported to the Senate constitutes a cut in Medicaid. President Clinton and Republicans both attempt to reign in the excessive growth in spending and, at the same time, protect eligible populations.

The chart that I have beside me shows just how close we in Congress are with what the President has proposed. This chart depicts overall Medicaid spending growth over a period of time, comparing what has been spent from 1991 to 1996, a total of $463 billion, to what we have proposed, the U.S. Congress, from 1997 to 2002, the Republican budget proposal, to spend $731 billion, which is very close to what the President has proposed to spend from 1997 to the year 2002. The difference between the yellow bar, what the Republican proposal has put forth, and what the President has proposed is less than 2 percent. We are very, very close. But the difference is that the Republican plan was based on the National Governors' bipartisan proposal. It passed their assembly unanimously. It was designed to specifically protect all current law eligibles, and included an umbrella fund for emergencies as well. And to truly preserve this safety net, there is $56 billion more in this bill than was in last year's budget resolution.

The program will continue to grow. Nothing is going to be cut. It is going to continue to grow at a rate of about, on average, 6.2 percent a year, and that is more than twice the rate of inflation. And it will grow a total of 43 percent over the 5-year period from 1996 to the year 2002.

When I came to this body, the U.S. Senate, I came as a physician out of the private sector, as a citizen legislator, unfamiliar with the political machinery that can block this type of positive advance. At that juncture, I hoped to work with my colleagues, Republican and Democrat, to address these issues that will affect our future and the future of our children. We have made progress, and I am glad we have made progress. But I am disappointed that we cannot enact a combined Medicaid Program with welfare, facing the realities that, again, Medicaid is inextricably woven to our welfare program. That is something that is close to my heart. But we shall return next year to

move forward on this very important issue of preserving Medicaid and improving Medicaid for the future generations.

Thank you, Mr. President.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. The Senator from Nebraska has yielded to me the remainder of time under his control.

The PRESIDING OFFICER. Seven minutes remain.

Mr. GRAHAM. Mr. President, I wish to speak to one section of this bill to which I will intend to offer an amendment, and that is the section that deals with the rights of legal aliens who are in the United States.

As my colleagues will recall, this is not a new issue. In fact, we have spent weeks on the Senate floor debating the question of what should be the eligibility of legal aliens for a variety of Federal benefits. This Senate, by an overwhelming vote, passed on May 2 an immigration control bill, which laid out with great specifics what would be the rights of legal aliens—Mr. President, I underscore the word ''legal''—to various Federal benefit programs. That legislation passed after extensive hearings and markups in the Judiciary Committee and exhaustive floor debate that lasted well over a week. Similar actions were taken in the House of Representatives, and now this legislation is before a conference committee.

While all of that has occurred, we now receive this welfare bill, which has a redundant, conflicting, and, I think, draconian set of provisions relative to the rights of the very same people who were the subject of our debate just a few weeks ago—legal aliens in the United States.

Mr. President, I am going to propose that we should strike this section from the bill and leave the question of what should be the eligibility rights of legal aliens to the process of resolution in the conference committee and our final action on the results of that conference committee. There are extreme differences between the provisions in the immigration bill that the Senate passed in May and what we are now being asked to consider in July. Let me just mention two of those principal differences.

The essential concept of eligibility in the immigration bill was the concept of ''deeming.'' Deeming is the responsibility of the sponsor who has made it possible for the legal alien who comes into the United States to have the sponsor's income added or deemed to be part of the income of the legal alien, in determining whether the legal alien is eligible for Federal needs-based programs.

This bill uses a different concept, and that is a concept of a prohibition of legal aliens for a variety of Federal benefit programs.

I might say, Mr. President, that much of the debate on the question of rights of legal aliens is a result of the report that was originally sanctioned by this Congress called ''U.S. Immigration Policy: Restoring Credibility,'' often referred to as the ''Barbara Jordan report,'' after our esteemed recently-passed colleague. In the report—the Jordan report—it states, ''The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants into our communities.'' It points out that it is appropriate to look to the sponsor to be the primary caregiver for those they have sponsored into the United States. They endorse the concept of deeming. But they say that under circumstances where a sponsor is not available, the sponsor has died, the sponsor has suffered illness, or some other incapacitating condition that made them unable to meet their obligations, that immigrants should continue to be eligible. ''A policy that categorically denied legal immigrants access to such safety nets, based solely on alienage, would lead to a gross inequality between very similar individuals and undermine our immigration goals to reunite families and quickly integrate immigrants into American society.''

So that is one fundamental difference. This is a difference, Mr. President, which will have real impact on the lives of real residents of our country.

I ask unanimous consent to have printed in the RECORD the circumstances of Polyna Novak, a legal immigrant who has come to the United States as a refugee from persecution in the Soviet Union and how the difference in the immigration bill's use of deeming and this bill's use of an absolute bar would have an impact on her life.

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

Polyna Novak is a legal immigrant who came to the United States as a refugee from Russia 16 years ago (1980). She currently lives by herself in an apartment in Marina del ray, California. Her daughter Dina lives nearby and is her mother's full time care giver.

Polyna is 74 years old, has Alzheimer's disease and also has great difficulty walking. She speaks and reads basic English. She receives SSI and Medicaid.

In November, she tried to become a naturalized citizen under the 1993 rules exempting persons with cognitive disability from some of the testing requirements. The INS examiner refused to administer the oath, however, because of her cognitive impairment, claiming that she could not understand what she was doing.

Mrs. Novak is in a catch-22 situation-too disabled to naturalize, under this Welfare bill, she will lose her only source of Income, her SSI benefits. There is no deeming, it's simply an unfeeling, outright ban, with no consideration for tragic individual cases such as this one.

Mr. GRAHAM. Mr. President, in my State of Florida, we are now receiving thousands of refugees and people seeking asylum from countries such as Cuba, generally under agreements that have been reached between the United States Federal Government and foreign governments, and now the Federal Government is going to take the position that it washes its hands of the financial responsibilities that flow from that.

The second big difference is the impact on State and local governments. The bill that we passed would have had a cost transferred to State and local governments of approximately $5.6 billion over the next 7 years. This bill, if you would believe it, would have a cost transfer to State and local governments of up to $23 billion over the next 7 years.

I suggest, Mr. President, in respect to the work that this Senate has already done on the immigration bill and the efforts that are currently being made in conference to reconcile the House and the Senate versions, that it is inappropriate for us at this hour under these constrained parliamentary procedures to take up a provision that would fundamentally change the decisions that we have already made, increase the cost to State and local governments by potentially three times or more than in the legislation that we have already passed, and place literally hundreds of communities and tens of thousands of people in serious jeopardy by our ill-considered actions.

So at an appropriate time, Mr. President, I will ask, as will colleagues, including Senators MURRAY, SIMON, and FEINSTEIN, that those provisions that relate to the eligibility of legal aliens be deleted from this bill and rely upon the immigration bill to come to an appropriate policy resolution.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's Los Angeles Times on this subject, and other materials that relate to legal aliens.

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

[From the Los Angeles Times, July 18, 1996]

PASSING THE BUCK ON WELFARE

Tucked into the Republicans' welfare reform package in Congress is a wrongheaded proposal to cut benefits and social services to most immigrants who are legally in the United States but who have not yet become citizens. Under the proposal, Washington, which is seeking ways to finance federal welfare reform, would shift billions of dollars in costs to states and counties. The provision should be rejected.

Sen. Bob Graham, a Florida Democrat, plans to offer an amendment to the bill to strike out restrictions on public benefits to legal immigrants. A host of eligibility issues ranging from student aid to Medicaid for legal immigrants already is part of a separate immigration bill now in conference committee. There is no logic in including those matters in a welfare bill. The two issues should be handled separately.

The welfare bill now proposes to help finance the costs of reform by cutting $23 billion over six years in benefits to legal immigrants, including children and the elderly. This would be an unfair and punitive move against legal immigrants who have played by the rules.

The bill would make most legal immigrants now in the country ineligible for Supplemental Security Income (SSI) and food

stamps. Future legal immigrants (except for refugees and asylum seekers) would be inteligible for most other federal means-tested benefits (including AFDC and non-emergency Medicaid services) during their first five years in the country.

The cutbacks would disproportionately hit California, Florida, New York and Texas, the states with the biggest immigrant populations. California alone could lose $10 billion, or about 40% of the proposed $23 billion in benefit reductions. Those ineligible for such benefits would have to turn elsewhere for aid. In Los Angeles County, for example, if all affected SSI recipients sought general assistance relief instead it would cost the county $236 million annually. The cost shifting could have potentially disastrous results for the already fiscally strapped county.

The immigration bill now under consideration already includes $5.6 billion in savings from tightening eligibility requirements for legal immigrants on a variety of federal programs, including Medicaid. The attempt to use welfare reform to slip through further curbs on public assistance to legal immigrants should be called what it is—a deplorable money grab by Washington that can only hurt California.

JUNE 24, 1996.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: As health care providers caring for millions of Americans in rural and urban areas, we are writing to express our concerns about provisions in the welfare reform legislation the Senate Finance Committee plans to mark up this week. The provisions at issue would completely bar legal immigrants from receiving any Medicaid coverage for five years, and would effectively deny Medicaid coverage to most legal immigrants for an additional five years.

These provisions will force hundreds of thousands of legal immigrants off of Medicaid, creating a new population of uninsured low income individuals at a time when the number of uninsured Americans is approaching 40 million. Furthermore, the loss of Medicaid coverage means that the amount of preventive care provided to legal immigrants will be drastically reduced, thereby exposing entire communities to communicable diseases while increasing the overall cost of providing necessary care. We urge the Committee to drop these provisions when it marks up the welfare legislation.

In particular, the bill would bar legal immigrants from eligibility for Medicaid (and other assistance programs) for five years. After five years, the legislation would require that the income and resources of a legal immigrant's sponsor and the sponsor's spouse be ''deemed'' to be the income of the legal immigrant when determining the immigrant's eligibility for Medicaid.

If a low income legal immigrant is barred from receiving, or deemed out of the Medicaid program, he or she may have no other means to pay for health care. Most low income immigrants cannot afford private health insurance. Many sponsors may be unable or unwilling to help finance the health care costs of the immigrants they sponsor. Yet, because of the five-year ban and the deeming requirements, legal immigrants will be ineligible for Medicaid, although they will still need care. This is a cost shift from the federal government to state and local entities and providers of care. And this cost shift will disproportionately fall on providers in states with large numbers of legal immigrants—states such as California, Texas, Florida, New York, New Jersey, Massachusetts, and Illinois.

We understand provisions dealing with benefits in the welfare bill are based upon the recommendations of the United States Commission on Immigration Reform, a bipartisan commission appointed by Congress in 1990 to study and make recommendations on national immigration policy. But the Commission opposes any broad, categorical denial of public benefits to legal immigrants such as the pending welfare bill's five-year ban to Medicaid eligibility. In its recommendations to Congress, it firmly states that ''the Commission rejects proposals to categorically deny eligibility for public benefits on the basis of alienage.'' It expressly stated that ''special consideration should be given to the issue of medical care.'' Specifically, the Commission's recommendation was very clear:

''The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants in our communities . . . circumstances may arise after an immigrant's entry that create a pressing need for public help—unexpected illness, injuries sustained due to a serious accident. . . . Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who, we hope, will become full members of our polity.''

We recognize the importance of regulating legal and illegal immigration into the United States. But it must be accomplished through means that will not pull the health care safety net from under legal immigrants, create a public health threat, or impair the ability of health care providers to provide essential services to their communities. Therefore, we urge the Finance Committee to honor the Commission's recommendations and exempt Medicaid from the five year eligibility bar and deeming requirements.

Sincerely,

American Hospital Association, American Osteopathic Healthcare Association, American Rehabilitation Association, Association of American Medical Colleges, California Association of Public Hospitals and Health Systems, California Healthcare Association, Catholic Health Association of the U.S., Federation of American Health Systems, Greater New York Hospital Association, InterHealth, National Association of Children's Hospitals, National Association of Public Hospitals and Health Systems, Premier, Inc., Private Essential Access Community Hospitals, Texas Association of Public and Non-Profit Hospitals, Texas Hospital Association, VHA Inc.

Mr. DOMENICI. Mr. President, how much time do we have?

The PRESIDING OFFICER. Ten minutes.

Mr. DOMENICI. Mr. President, I yield 6 minutes of that to the Senator from Missouri. Might I yield myself 1 minute before I yield to him?

Mr. President, I thank Senator FRIST for his comments on the floor, and I add one thought to it. Frankly, I, too, have a real concern about not doing anything this year about Medicaid. But I think the die is cast. However, it seems to me that the next episode that is going to push us to do something significant is not something that leadership should feel very proud of because I think we are going to be pushed by States that cannot afford to pay for the programs.

We have all been talking about what is happening to the beneficiaries; how we are going to modify the program, make it more efficient, and what about the delivery system? But there has been very little talk about the fact that many States cannot afford the Medicaid Program.

I note in my own State that there was a major story. People are confused when you talk about Medicaid not having enough money because they almost always believe that is us, the Fed's. But in my State the story was our State has not appropriated enough money for its share. We happen to be one of those States where only 25 percent is our burden; 75 is the Federal burden. We cannot even afford to pay for the program in its current form, and we are concerned about whether the Federal Government ought to reform it so that it becomes more efficient. We are the ones getting accused, with reference to fixing that, of being neglectful of some parts of our population.

The truth of the matter is education at home is suffering. Pretty soon they cannot pay for education because the States do not have enough money if they have to pay for Medicaid and programs of that sort.

So I think the Senator's suggestion that perhaps it would have been good if we would have challenged the President and others and proceeded with that Medicaid provision was a good one. Our job will get done soon, I am sure, thanks to people like the occupant of the chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. I thank the Chair. I commend the Senators from Mexico and Tennessee each for mentioning this important component of reform which is literally pressing and demands that the system will require it. We must undertake those reforms immediately.

I am struck by the fact that our debate is not a debate about restructuring a government program. Our debate is about rescuing our culture from a tragedy, a tragedy the dimensions of which have been eloquently outlined and defined by speaker after speaker on this floor. The Senator from New York eloquently and tragically defined the problem. He said that 75 percent of some of the births in some cities in this country are births to incomplete families.

The welfare system, which has been designed or hoped for as a way of helping people, has become a way of ensnaring people. A net can be something that saves you from a fall. It can be something in which you are caught. I believe we have a system where we have seen that the welfare system is one where people are caught. It is not where people are saved.

When he rather dramatically ended his speaking earlier, the Senator from New York talked about the children. What about the children? I think we

have to ask the question. What about the children? What about the one-third of all children in this country who are born to incomplete families without fathers in the home? What happens to those children?

I was reminded about one child whose story I read. Her name was Ariel Hill. She was one of five children of a welfare family that lived in an apartment beyond description in Chicago public housing. The parents were 22-year-old, drug-using high school dropouts. They did not have jobs. The mother had her first child as a teenager, obviously. She was one of five children. The father grew up on welfare. The source of the income to the family was the $900 per month in public aid checks.

What tragically impressed me was after she died at the hands of her mother, the investigators came in to look around the apartment to see what they could find. They went into the apartment and found a paper listing the welfare dollars that each child had brought into the family.

We are literally living with a system which has taught people to value children for the kind of incomes those children could attract to the family through the welfare system.

This is not something that recommends our future. It is not something upon which we should build. It is something which we must change.

The Senator from Pennsylvania made it very clear and eloquently argued that we may not know everything about what we want to do and we maybe cannot be assured that it will work completely. But we do know one thing with a certainty. That is that the current system of welfare is a tragedy. It has entrapped individuals. It has seen the skyrocketing rate of individuals born into homes without families. It has found more and more people in circumstances of dependence.

The War on Poverty, started years ago, addressed the situation where fewer children were in poverty then than are in poverty now. It seems to me that we must take action to change the status quo. We are dealing with a tragedy. If every time we say, ''Well, we cannot reform welfare, we are not sure that what will happen will be a perfect solution,'' we are allowing the potential for perfection to paralyze us. And to say that we will not act at all, it is pretty clear to me with individuals who have begun to make careers—and not only careers for one individual but careers for individuals generation after generation in families—of a system which has ensnared them and not saved them, that we have the wrong kind of net here and that we have to restructure it. We have to provide some of the very tough motivations for people who lead this system to be involved in the ladder of opportunity rather than the net of ensnarement.

I believe that is what welfare has to be. It has to be a transitional system.

So I think it is time for us to limit the amount of time that people can be on welfare. It is time for us to provide disincentives to bear children out of wedlock. It is time for us to provide powerful incentives for people to go to work. It is time for us to say that, if you are on welfare, you should be off drugs. It is time for us to say that, if you are on welfare, your children should be in school. It is time for us to say that, if you are on welfare, your children should have the immunizations that are available to them free of charge. You have to be responsible for what you are doing. We are not going to continue to support you in a way in which you abdicate, you simply run from, you hide from, your responsibility as a citizen.

As we look at where we are, we see a system the carnage of which is written in the lives of children. It is written in the lives of adults who have been ensnared by a net which was designed to arrest their fall.

But instead of being a net of saving, it tends to be a net of trapping, a net of ensnarement, and it is time for us to make this system one of transition. It is time for welfare to be a ladder of opportunity, and I believe the measure that is before us today gives us the opportunity to make that the truth for the American people. They are asking us to reform the welfare system. It is time to get about the business and get it done.

I thank the Chair.

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

All time has expired.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The majority leader is recognized.

POINT OF ORDER

Mr. LOTT. Mr. President, the net effect of provisions reported by the Finance Committee is that the committee fails to achieve its reconciliation instruction for the year 2002. The Medicaid supplemental umbrella fund increases outlays in the year 2002. Pursuant to section 313(b)(1)(B) of the Budget Act, I raise a point of order against Section 1511 of the Social Security Act as added by section 2923 of the reconciliation bill from page 772, line 13, through page 785, line 22.

The PRESIDING OFFICER. The point of order is well taken, and the provisions are stricken from the bill.

AMENDMENT NO. 4894

Mr. LOTT. Mr. President, I move to strike all of subtitle B, Restructuring Medicaid, from title II of the reconciliation bill from page 663, line 9, through page 1027, line 20.

The PRESIDING OFFICER. The clerk will report.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I believe there are Democratic Senators who would like to speak on this measure. I do not know their names.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 4894.

The amendment is as follows:

On page 663, strike line 9, through page 1027, line 20.

Mr. LOTT. Parliamentary inquiry, Mr. President. I believe that this would be debatable for up to 1 hour?

The PRESIDING OFFICER. The debate will be 2 hours.

Mr. LOTT. Two hours equally divided. So if the distinguished Senator from New York has Senators who wish to speak, they would have that opportunity.

I would like to be recognized just briefly, Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LOTT. Mr. President, I personally feel very strongly that we should act on the need to improve and reform Medicaid.

I had hoped we could get that done this year. I think that we could have a better program, and I think that we could control the rate of growth in such a way that it would help us move toward fiscal responsibility and a balanced budget, but a number of considerations have come into play.

The Senate and the House majority are very much committed to genuine reform of welfare, requiring work, also giving flexibility to States as to how this program is administered, also trying to move toward a situation where welfare is not a way of life but there is an opportunity for people in this country to get off welfare, get the necessary training and education that will allow them to get into a full-time job.

Unfortunately, in view of the opposition and threat of a veto from the President if we had these two combined, we felt it was the best thing to do at this time to move forward with welfare. We are committed to getting that done. We are committed to getting it through the Senate today or tomorrow and then going to conference as soon as possible and completing action on this very important legislation before we go out for the August recess.

There are a lot of factors that have come into play here, and I know we will hear more about it from the distinguished chairman of the Budget Committee and the chairman of the Finance Committee, but I just wanted to make those brief remarks. I think all things considered, this is the right thing to do at this time, and I hope the Senate will act quickly on it and move on to further consideration of the welfare reform package.

I yield the floor.

Mr. DOMENICI. Mr. President, before the majority leader leaves, we have

heard from the Democratic side that they want a vote on this. I wonder, while the leader is still here, if we could get the yeas and nays.

Mr. MOYNIHAN. If the Senator will give me just 3 minutes.

Mr. DOMENICI. He will come back with an answer.

I yield the floor. I thank the leader.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH], is recognized.

Mr. ROTH. I yield myself such time as I might take.

Mr. President, I rise in support of the leader's motion to separate Medicaid from this welfare reform legislation. Leo Tolstoy once said that ''Life and the ideal are hard to reconcile. To try to make them follow the same path is a life's work.''

I have to say that this observation has taken on new meaning for me as we have worked diligently to craft welfare reform in a way that is workable and meaningful.

In the case of welfare reform, the ideal, of course, is a proposal that breaks the back of dependency, a proposal that reverses the perverse incentives in the current program, and empowers men, women and families to find security through work. The ideal program returns authority to state and local governments—allowing them to unleash their creativity, to be innovative, effective and, of course, compassionate. This is where the people live; it is where their needs are best met; it is where they are seen as individuals rather than as statistics.

Likewise, Mr. President, the ideal welfare reform program contains real and necessary reforms to Medicaid. In the past, President Clinton has expressed why Medicaid reform is necessary for real welfare reform. The Nation's Governors, liberal and conservative, have been eloquent and persuasive as to why: Medicaid is quickly overtaking education to be the number one expense in State budgets. Medicaid as it is currently administered leads families to impoverishment, as they find it necessary to qualify in an ''all-or-nothing'' way. Federal Medicaid spending will be over $827 billion in the next 5 years, Mr. President, challenging our Treasury, our taxpayer resources, as well as America's economic well-being.

The ideal would be to have Medicaid reform attached to welfare reform. I have made no secret of this. In trying to keep Medicaid a part of this proposal, we have compromised time and again to give the President a bill he could sign. In fact, the President himself proposed to cut Medicaid by $59 billion. In our proposal to reform Medicaid, we came within 2 percent of this number—2 percent—the difference of about two dimes a day per beneficiary. And in our compromise we continued to increase spending in the Medicaid Program—increase it faster than Social Security. But, unfortunately, despite all this, President Clinton maintains that Medicaid reform is a ''poison pill.'' Many of the President's allies in Congress support him. In their arguments, they suggested that they could support welfare reform, and the President would sign welfare reform, if the two were decoupled.

We have separated, or are in the process of separating Medicaid reform from this legislation. Welfare reform is so important to the American people that they are willing to accept compromise. Like Tolstoy, they understand that ''life and the ideal are hard to reconcile.'' While it may take a life's work to achieve the ideal, it will certainly take the best efforts of this Senate to eventually return to Medicaid reform when the time comes. We cannot leave undone something so important and declare complete victory.

Medicaid, in my opinion, must be addressed, if not now, later. Anyone who looks at the spending trends, anyone who looks at how this one program is threatening the States, anyone who sees how it leads families to choices, behaviors that are counterproductive to their well-being and long-term success can understand that Medicaid must be changed. It must be improved. It must be administered in a way that allows States to be more flexible, more creative, and more effective in helping families.

For the time, we must move forward. This is what the American people want. We must pass this welfare reform legislation, a bill that takes a very important first step toward meeting the needs of those most vulnerable among us, a bill that returns common sense to the welfare system, a bill that gives greater flexibility to the Federal and State governments to help people help themselves. The time is right for this legislation. At another time, we will revisit Medicaid, but for the moment we must move on.

Mr. President, it is no secret that I firmly believe that it is vitally important that both welfare and Medicaid reform should go together. I believe there are compelling reasons for Medicaid reform. The Governors, Democratic and Republican alike, have been strong advocates of including Medicaid with welfare reform. President Clinton himself for more than 3 years has talking about Medicaid's role in removing the incentives to families to stay in poverty.

More than 3 years ago, President Clinton told the Nation's Governors that, ''* * * many people stay on welfare not because of the checks * * * they do it solely because they do not want to put their children at risk of losing health care or because they do not have the money to pay for child care * * *. This is precisely the purpose of the legislation we introduced in May, S. 1795. That is why we have worked for months with the Nation's Governors to keep welfare and Medicaid reform together. Let me spell out some of the reasons why they belong together.

It is important for the American people to understand that the difference between our proposal and the President's plan for Medicaid is not about spending money.

There is now little difference between this plan and the President's own plan in terms of Federal spending levels on Medicaid.

Secretary Shalala appeared before the Finance Committee last month and knowledged the President proposed to cut Medicaid by $59 billion.

Under our plan, the Federal commitment to Medicaid remains intact. Even while slowing the rate of growth Medicaid spending would still rise faster than Social Security under our plan.

The Federal Government will spend an estimated $827.1 billion between 1996 and 2002 on Medicaid, an average annual increase of approximately 6 percent.

We have met the President half-way in terms of Medicaid savings.

The difference between us is less than 2 percent of the total Federal cost of Medicaid.

That is difference of about two dimes a day per beneficiary.

The American people should fully understand that the critical difference between President Clinton and this legislation is not about the level of spending. The difference between us is who controls the spending. The fundamental issue is whether or not the Governors and State legislators and judges can do a better job in running the $2.4 trillion welfare system than the bureaucracy in Washington.

The essence of the administration's opposition to Medicaid reform is that the States cannot be trusted. The Clinton plan is built on the premise that Washington must control the decision-making.

It is unfortunate that the potential achievements which would have been brought from including Medicaid in welfare reform are not better known. Too many people listened to unfounded accusations that the Governors and State legislatures cannot wait to abandon the children in their State. That is pure nonsense. If a family stays on welfare, that family will get both a welfare check and Medicaid. Under this reform proposal, the States have greater incentives to expand Medicaid coverage and help prevent families from being forced onto the welfare rolls in the first place. Reform is a critical component of getting those now on welfare off of cash assistance.

The Governors also understand that under current law, Medicaid is an all or nothing proposition. The current system contains built-in incentives for families to impoverish themselves in order to qualify for Medicaid.

The Governors also understand that under today's all or nothing scheme, a lot of low-income working families get nothing. As if to add insult to injury, many low-income families are paying for the benefits a welfare family is getting while their own children go without coverage.

Medicaid is an important program for our elderly citizens in terms of long-term care coverage. But the current system is far from perfect in serving our senior citizens.

The current system forces elderly citizens into poverty even before any benefits can be provided.

Our senior citizens often do not receive the most appropriate services because the current system, run under rules dictated by the Federal Government, is not flexible enough. What is good for the bureaucracy is not necessarily good for the individual. Our legislation would have given the States greater flexibility to redesign benefits so that our senior citizens could be better saved.

But instead of reform, the Clinton administration chose to scare the elderly and hide behind children. The very idea that the current system must remain in place in order to protect our vulnerable citizens from their Governors and State legislators is not only insulting. It is wrong.

More than half of the money being spent on Medicaid is there solely because the States have chosen to provide optional benefits and extend optional coverage to a greater number of people.

The administration scared people with a convoluted argument that our legislation ''lacks a Federal guarantee'' as if only the Federal Government is entirely responsible for anything good in the Medicaid program. This argument is completely hollow. As Secretary Shalala acknowledged to the Finance Committee earlier this month, the States could take nearly $70 billion today, more than half the spending in the program, out of the current Medicaid system without needing her approval.

We did not create the linkage between welfare and Medicaid.

That was done more than 30 years ago when Medicaid was created.

Our legislation guarantees coverage and benefits for poor children, children in foster care, pregnant women, senior citizens, persons with disabilities, and families on welfare.

If anything, our legislation goes beyond the Governors' resolution in terms of setting guarantees. In committee, we extended those Medicaid guarantees even further to phase in coverage of children ages 13 to 18.

We also extended coverage to families leaving welfare. The modification also requires States to provide health coverage under the Medicaid Program for 1 year to families leaving welfare to go into the work force.

This goal of Medicaid reform also goes directly to issue of a balanced budget, another major issue of concern to the American people. Simply put, the Federal budget cannot be balanced without Medicaid reform. It is the third largest domestic program in the Federal budget. It costs more than AFDC, food stamps, and SSI combined.

Medicaid reform is also critical to balancing State budgets and priorities. One out of every $5 spent by the States goes to Medicaid. The National Association of State Budget Officers reports that Medicaid surpassed higher education as the second largest program in 1990.

If nothing changes, Medicaid spending may soon overtake elementary and secondary education spending as well.

To those taxpayers who are wondering why there is not more money for schools, to repair roads, and build bridges, a large part of the answer is the uncontrolled spending of Medicaid.

Our Medicaid legislation would have returned power and flexibility to the States, while retaining guarantee of a safety net for the most vulnerable populations. It would have helped replace a failed welfare system in which dependence is measured in generations and illegitimacy is the norm, with a system that encourages work and helps keep families together.

But in the past few weeks, it has become clear that the President cannot stand the heat of a compromise on Medicaid.

For the record, let me point out that President Clinton vetoed a welfare reform last January, H.R. 4, which did not include Medicaid.

In doing so, he also vetoed a bill which provided more support, including child care, for welfare families than his own legislation does.

H.R. 4 did not include Medicaid. But it did include the sweeping child support enforcement reform for which millions of American families are waiting. This legislation, again included in S. 1795, goes light years beyond anything the President could ever accomplish solely through administrative actions.

In the meantime, thousands of children have remained in poverty or under the threat of poverty for at least another 6 months because they have not received the cash assistance and medical insurance of their absent parent as a result of President Clinton's vetoes.

My Democratic colleagues on the Finance Committee vowed that unless we agreed to drop Medicaid, welfare reform would be lost. To his great credit, the Republican nominee for President, our former colleague and majority leader, Bob Dole, also encouraged us to not allow this dissent to keep us from achieving welfare reform.

Senator Dole understands that the children and families in poverty should not be forced to wait any longer for welfare reform.

In that spirit, we have again agreed to compromise. I support the leader's motion to strike Medicaid.

Having now removed this stumbling block, it is my hope that the administration will not erect new barriers to welfare reform at the 11th hour. The children and families who need this legislation should not have to wait any longer.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, there will be no objection on this side of the aisle to the proposal to strike that will now be made. But may I point out that after a not inconsiderable debate, the Committee on Finance, following the lead of its distinguished chairman, voted 17 to 3 not to strike this measure. But other considerations have appeared.

Mr. ROTH. If the distinguished Senator will yield, I would just point out that that vote reflects the ideal.

Mr. MOYNIHAN. The ideal—we are doing nothing but realities today. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I understand we could adopt this right now.

Mr. MOYNIHAN. Yes.

Mr. DOMENICI. I think we have to do a couple of things in order to do that. I understand there is no objection to adopting this by voice vote?

Mr. MOYNIHAN. None.

Mr. DOMENICI. Is that correct?

Mr. MOYNIHAN. If people want to speak, they better show up. There is no Senator on this floor wishing to speak on this matter. I have not been informed of any. I have been told that there might be, but there comes a time when that will no longer do.

Mr. DOMENICI. I think we can accommodate them in case they drop along and want to talk. If you will give me just 1 minute —I understand we would have to yield back time—let me make this unanimous consent request first.

Mr. MOYNIHAN. Certainly.

UNANIMOUS CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent the pending Lott amendment be deemed agreed to, the motion to reconsider be laid upon the table, the time between now and 2 p.m. be equally divided, and that at 2 p.m. the Democratic leader be recognized to offer an amendment.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have no objection, at least to this amendment. But does the distinguished chairman of the Budget Committee not want to proceed to the matter of striking the Medicaid provision?

Mr. DOMENICI. That is what this does: ''The pending Lott amendment be deemed agreed to.''

Mr. MOYNIHAN. The Lott amendment was not to the Byrd but to the strike?

Mr. DOMENICI. The Lott amendment is to strike Medicaid.

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. Mr. President, I think, lest I reveal further ignorance in regard to this measure, I had best be silent.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Have you ruled?

The PRESIDING OFFICER. Is there objection? The Senator from Delaware.

Mr. ROTH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 4894) was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time? The time is under control of the Senator from Delaware or the Senator from New York.

Mr. MOYNIHAN. Mr. President, we have approximately 45 minutes. I would like to divide that to 27½ minutes to the Senator from Louisiana, or anyone he should recognize.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, I yield myself 10 minutes.

Mr. DOMENICI. Mr. President, I wonder if I might at this point—how much time would Senator GRASSLEY like?

Mr. GRASSLEY. I would like to have 10 minutes.

Mr. DOMENICI. I yield 10 minutes to Senator GRASSLEY on our side. I assume we should return to your side since we had just spoken. He will be recognized after you have completed yours.

I ask unanimous consent that 10 minutes of our time be reserved for Senator GRASSLEY and he follow the first Democratic speaker.

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

The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, let me start off by saying I support the effort of the Senator from New Mexico and chairman of the Finance Committee to separate this welfare reform legislation from the Medicaid reform effort that has been worked on by the Members of this body. I say that for just very pragmatic reasons. We need to reform Medicaid. We need to reform welfare. But if we have an agreement on one, do not mess it up with another item we do not have an agreement on.

This body is not in agreement on what to do with regard to Medicaid. I think we are close to reaching an agreement on how to reform the welfare programs in this country, so let us proceed together, hopefully, to try to come up with a welfare reform bill that makes sense, that both sides of the aisle can support, and, hopefully, one that the President will be able to sign.

So, I support the effort to separate the two, and, of course, now that is exactly what has occurred. We are now going to be dealing with welfare reform this afternoon and hopefully finish it up in a timely fashion.

I think the people of this country—I know the people of Louisiana—certainly know welfare in this country today does not serve well the people who are on it, nor does it serve very well the people who are paying for it. It is clear the American people, particularly those outside of Washington, are saying to the Congress that we want realistic welfare. We want a welfare reform bill that emphasizes work, a real welfare reform bill that is more about getting a job and less about just getting a check. They want a welfare reform bill that is fair, that emphasizes work, that has time limits, but a welfare reform bill that is also good for children.

As President Clinton has always said, he wants to reform welfare as we know it. He wants to be tough on work but good for kids. I have said you can say the same thing and come to the same conclusion saying that welfare reform is really about putting work first, but it is also about making sure we do not put children last. I think, in a bipartisan fashion, we should be able to come together and reach those separate but, I think, mutually agreeable goals.

While Congress has not been able for over a year now to come to an agreement on welfare reform, the administration has really not waited for us. If you look at what the administration has done, working with the States, you will see they have really left the Congress behind, because we have not been able to agree. President Clinton and his administration team has really been working with the States. They have now approved 67 welfare reform plans in 40 different States. Welfare reform is occurring, and it is occurring without Congress.

It is time that Congress get on the wagon, get on the ball and write a national program so we do not have to have 67 separate welfare reform programs in 40 different States, many with different types of standards and different emphases on what should be done. We should come together and write a national welfare reform bill.

It is important the Federal Government be involved. In my own State of Louisiana, the State puts up 28 percent of the money, approximately. The Federal Government puts up 78 percent. Should not the Federal Government be involved in welfare reform? If we are raising 78 percent of the money that is going to the people of my State, of course, we should be. It is not a question of who does it, it is a question of making sure everybody does it. It is not a question of whether it is run in Washington or whether it is run by the States, it should be run in partnership between the States and the Federal Government, giving the States the maximum amount of flexibility, but also having some national standards because national funds are being contributed to the welfare reform program in all of the various States.

So, Mr. President, I think we ought to all agree reform is needed. We ought to agree we can come up with something the President can sign. We, on this side, will be offering what we now call a ''Work First'' welfare reform bill. It meets the principles of what people in this country want.

No. 1, they want it to have time limits. Welfare should not be forever. It should be about getting a job. It should have time limits that are real and realistic. The amendment that we will be offering says that at most, people will be able to be on welfare for a total of 5 years in their lifetime. Then we give the States authority to make it less if they think it is right for their State. We give the State the flexibility to do that.

Our bill requires work. It is an absolute unconditional requirement that people on welfare move into the work force. There is no more unconditional assistance. The goal of welfare reform, under our proposal, would be to get people into the private sector and get them a real job. Instead of just getting a check for not working, get them a job and then the check will be for working.

Our bill says the States should have the maximum amount of flexibility. What is good in my State of Louisiana may not work in New York or in any other State in the country, and vice versa. So our legislation gives the States maximum amount of flexibility. What does that mean? It means the States set the benefit level for the people in that State. They will decide how to get people off welfare into a job. It is a State decision. The State will set the sanctions, or the penalties, if you will, for those who refuse to go to work. We give the States the flexibility that they need.

I think that, however, in many instances, our bills are very similar. The Senate Finance Committee, under the leadership of Senator ROTH, has moved in a major way toward a middle ground, a middle proposal. He is to be congratulated for that. It is an indication of good faith on his part in working with some of us on our side of the aisle to produce a better bill.

What we have to do is to make sure that our goal is to put work first but without putting children last. That is a very important standard for us to meet. We should be as tough as we possibly can be on parents, because they have a responsibility and are old enough to understand what that responsibility should be. But there are a lot of innocent children involved who did not ask to be born and are here because of perhaps, in some cases, the fault of their parents, but they are here not because they want to be here necessarily. They are innocent victims of welfare problems in this country. Therefore, it is very important that we make sure that we protect children while we are as tough as we possibly can be and should be with regard to parents.

I also point out that our legislation is going to make sure parents who are on welfare or AFDC assistance are eligible for health care in this country. I cannot imagine anybody standing up and saying, ''I'm tough on families, but I want to knock them off health care.'' The bill this Congress passed before, by an 87 to 12 margin, guaranteed AFDC recipients would continue to receive Medicaid. This bill does not do that. It is a major change. It says if you knock

them off AFDC assistance there is no guarantee they will get health care. I think that is wrong. We are going to have a bipartisan amendment to correct that. This body should adopt that.

I also want to point out that in trying to make sure we protect children, we ought to take into consideration what happens if we are being tough on parents and we say that you are off after 2 years, no more assistance, you should be working, what are we going to tell a 2-year-old child of that parent? Are we going to tell them they are not going to have any more help? Are we going to tell the 2-year-old they should go out and find a job?

These are the innocent victims who I think we should work together to try and help. Be as tough as we can on parents, but let's make sure that the innocent child, in many cases almost a baby, is protected.

I have an amendment that I will be offering to the bill that says we should have vouchers for children. After the family has been take off of AFDC assistance, do not just throw the child out into the street. Our amendment is going to provide for noncash vouchers for innocent children of families who have had welfare terminated.

I heard the distinguished Senator from New York talking about providing diapers for children. If anybody ever had small children, diapers for children happen to be a pretty important thing in raising a child in a healthy environment. Yes, they could use the noncash assistance for diapers, but they could also use it for clothes, they could use it for school supplies, they could use it for medicine, they could use it for food so that a 2-year-old baby does not go hungry because they have a parent who is not responsible.

Again, the emphasis should be as being as tough as we possibly can be on the parent, but let's not in this body in this prosperous country say we are not going to take care of the innocent child. So our vouchers for children will say just that.

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

Mr. BREAUX. How much time remains?

The PRESIDING OFFICER. The Senator's time has expired. There remains 17 minutes 23 seconds.

Mr. BREAUX. I yield myself an additional 5 minutes.

Mr. President, the point of the vouchers for children is to say to States, ''Look, if you want to have a 5-year cutoff of an AFDC recipient, you can do that now and you ought to have authority to provide vouchers for kids after that 5-year period, if you cut off a family or a recipient sooner than 5 years, say maybe 2 years.''

In my State, we will do exactly that, which has been approved, a 2-year time limit. But when a State does that, we have a responsibility to say that you should be required to provide at least noncash vouchers out of the money you are getting for the innocent children.

We are giving the State the absolute maximum amount of flexibility on designing that program. The States will be able to decide just about everything with regard to how that voucher is going to be handled and how it is going to be awarded.

My own State has the highest percentage of children in poverty in the Nation. Mr. President, 34.5 percent of all the children in my State are in poverty. I think we on the Federal level have an obligation to say that they should be taken care of after the parent is told that there will no longer be any cash assistance to that parent.

We are not talking about any additional spending by the State or any additional money by the State, we are talking about the money the State is going to get under this new block grant. The Federal money and State money can be combined to provide these vouchers for children, which I think are very, very important. We are talking about giving the State the absolute maximum degree of flexibility on designing how this program would work. The State would assess the needs of the child. They would set how much that child will be able to get and in what form it would be able to be given. They would set the amount. They would set the type of assistance, but I just do not think that we, as a Nation, can walk away from children who are innocent victims of circumstances that they have absolutely no control over.

The Food Stamp Program is going to be addressed. We need to make sure, from a Federal level, that it is a responsibility, as it always has been, to design a Food Stamp Program that provides certain guarantees in terms of economic downturns by the various States.

I think it is incredibly important that the Chafee-Breaux amendment, dealing with the Medicaid guarantee, will be addressed in a positive fashion. If we can do something positively on the vouchers for children, I think we can come together on a true, real welfare reform bill that this President will be happy to sign.

We have to decide whether we want a political issue or whether we want a real bill. There are some Democrats in Congress who say, ''We do not want any bill; we'll do anything we can to stop it, because it is not to our liking 100 percent.''

I think there are some on the Republican side who also want to send the bill to the President as bad as they can make it to make sure he vetoes it and then blame him for vetoing it. There is a growing number in the Senate that wants to work together and come up with something that is doable.

So I summarize my points as let us be as tough as we can on the parents, let us have time limits, and let us have work requirements, and let us give a maximum degree of flexibility to the States to do what they want, but at the same time let us make sure we protect the children who are the innocent victims in this entire exercise.

PRIVILEGE OF THE FLOOR

Mr. BREAUX. Mr. President, I ask unanimous consent that Kristen Testa on my staff, a fellow in my office, be granted floor privileges for the duration of the debate on this bill.

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

Mr. BREAUX. I reserve the balance of my time.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Iowa has 10 minutes.

Mr. GRASSLEY. Mr. President, as a member of the Senate Finance Committee that has worked so hard to put these bills on the floor of the Senate, I am very proud, for a third time, to be part of an effort, another effort, I might say, to pass comprehensive welfare reform.

We have passed welfare reform on two separate occasions. The President has vetoed the bill on both of those occasions. So we obviously wonder whether or not he wants an issue or whether he wants welfare reform. Does he want a bill or an issue? He said in the election of 1992 that he wanted to end welfare as we know it.

For sure, the bills that we passed previously ended welfare as we know it. One bill, part of the 1995 Balanced Budget Act, the first Balanced Budget Act Congress would pass in a generation, did welfare reform, saving $58 billion, compared to the $53 billion that this bill saves.

So maybe the President vetoed that because there was something else in that very big Balanced Budget Act that he did not like. Then we took the welfare reform language out of that, and on December 18 passed that, and in early January he vetoed it. So we wonder just exactly what kind of welfare reform the President wants that would satisfy his and our desire to end welfare as we know it.

Until just last weekend, it looked like he would veto the bill that we are talking about today. In his Saturday radio address, however, he said that the Republican Congress was finally—remember that—finally sending him a welfare bill he could sign. That sounds pretty certain, right? But it is not so certain, because he has said similar things in the past concerning the Senate-passed bill and the Governors' proposals. We do not get a definitive answer—even on this bill—do not get a definitive answer of whether he would sign it even after he talked so positively on the radio Saturday. So only time will tell if he will actually sign this bill.

The President seems to be able to have it two ways. Through the TV media and the radio media, he sends a very clear message to the public that he is promoting welfare reform and he is ready to sign something. But then, when you actually try to pin his people down, whether he will sign a certain bill, we do not get the answer. So, to the mass of the public, they hear that we have a President leading on welfare

reform. But the truth is that in the Halls of Congress, there is a dragging of feet of whether or not his people will say, yes, he will sign it.

We passed a previous welfare reform bill by a high bipartisan margin of 87 to 12. Like that, this bill that we have before us now creates a block grant to the States to draft their own welfare reform proposals. This eliminates the need to come, hat in hand, on bended knee to the Federal Government under current waiver provisions.

The President has been touted as signing 67—I do not dispute that—for 40 different States. But still you find an environment today where States have to come on hands and knees to beg for permission to make some change in their welfare system so they can put people to work and save the taxpayers money.

So what is different about this approach is that it is finally welfare reform and not just waiver reform. People that do not want to give up the power of Washington to determine everything, their proposals tend to be more waiver reform, not welfare reform. Welfare reform, in the strictest sense of the word, trusts States.

Wisconsin is an example. The President, wanting to beat Senator Dole to the punch when he knew Senator Dole was going to espouse Wisconsin-type welfare reform, the President said that what Wisconsin is doing is what we should be doing. And under existing law, Wisconsin comes, hat in hand, to the Federal Government begging for a waiver. Now, 60 days later they still do not have their waiver. Yet, the President said, flatly, that we ought to be doing what Wisconsin is doing. Within a few minutes after that comment that day he was asked, would he sign it, if Congress passed what Wisconsin did, and he would not say that he would. We still do not know. For sure, if he likes the Wisconsin approach, why has he not granted Wisconsin's waiver?

The importance of this change from waivers to welfare reform or mere waiver reform, which would be nothing compared to welfare reform, is we give power to the States for a very good reason. We passed so-called welfare reform in 1988. It passed this body 96 to 1. It was supposed to save the taxpayers money. It was supposed to move people from welfare to work. What do we see 8 years later? Three million-plus more people on welfare, we have not saved the taxpayers money, and we are not moving people from welfare to work.

In the meantime, we have seen States, like Wisconsin, that even the President said is doing something right—Michigan, Iowa, and a lot of other States, we have actually seen them, regardless of the fact that they have had to come to Washington to get permission to do what they wanted to do—we are seeing States succeeding where Washington has failed. That is why we have great confidence in what we do, of suggesting welfare reform, welfare to be turned over to the States to administer.

My own State of Iowa overwhelmingly passed legislation in April 1993 to change welfare in our State. In order to implement that plan, the State had to seek 18 initial Federal waivers, and more since. Although the State wanted to implement a statewide plan, they were required to have a control group of between 5 and 10 percent who would remain under the old AFDC policies in order to obtain even this initial waiver.

In October 1993, the policies that affected work incentives and family stability were implemented. At that time, there were over 36,000 families receiving assistance in my State with an average monthly benefit of over $373. I just received the latest figures from my State. That caseload of 36,000 is down 12.6 percent to just under 32,000. The average monthly benefit is down 11.7 percent to $330.

In January 1994, the State implemented its personal responsibility contracts, in which each family on welfare commits to pursue independence, and the State commits to provide certain supports to move that family from welfare to work. Before the State implemented welfare reform, only 18 percent of the welfare families in my State on cash assistance had some earned income.

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

Mr. GRASSLEY. Mr. President, I have permission from Senator DOMENICI, the floor manager of the bill, to yield myself more time. I yield myself 10 more minutes.

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

Mr. GRASSLEY. Now, under this new plan people are working. The most recent numbers show that the 18-percent figure has gone to over 33 percent of all cash-assisted families in Iowa now having earned income, the highest percentage of any State in the Nation. Now, some have attributed this dramatic increase to a strong economy and low unemployment rate in my State. However, in this control group that we had to have to satisfy the Washington bureaucrats at HHS, only 19 percent of the people in the old program have earned income. That is only 1 percentage point above what it was for a long period of time before reform in Iowa. So it shows that it takes policies and it takes reform, not just a strong economy, to bring about changes of behavior. My State's success demonstrates that giving States freedom and discretion to create their own programs will be best for the constituents we serve. This bill does that. I firmly believe that State leaders are as compassionate and as concerned for those in need as we are here at the Federal level.

By passing welfare reform that gives more authority to the States, we are putting the best interests of our constituents first. Not only that, but by enacting good welfare policy we are also saving the taxpayers some of their hard-earned money. In this package, we save $53 billion over the next 6 years. Much of this savings comes from making noncitizens ineligible for most Federal assistance programs. Even with these savings, spending on major means-tested programs will actually grow 4.3 percent from $99.3 billion in fiscal year 1996 to $127 billion in the year 2002. This is a measured approach to reforming our welfare system. I am pleased to support it.

There is a concern that a reduction in funds will hurt low—income families. Once again, Iowa serves as an example of what can happen when States are given more freedom to create their own programs. When my State implemented welfare reform in October 1993, the monthly payout for the State was $13.6 million. In June of this year, the monthly payout was down to $10.5 million, a reduction of almost 23 percent. Because of these savings, the State has been able to put more money into job training and into child care for both those on public assistance and those who are low-income working Iowans. This is as it should be.

My State and other States are demonstrating their commitment to serve the needs of their respective constituents. Producing savings to better serve Iowans is simply a benefit of good policy changes.

It is incumbent upon this Congress to try again, then, as we are, to pass welfare reform that fulfills our promise. In this act we are fulfilling our commitment to change welfare as we know it. We are fulfilling our commitment to require work for welfare. We are fulfilling our commitment to have time-limited assistance.

We do not know what the President will do. But just because the President has trouble keeping his promise does not mean we should have trouble keeping our promise, as Members of the U.S. Senate, to deliver on our promise of ending welfare as we know it. We are fulfilling our commitments. He will have to reconsider his commitment.

I am also supportive, as we have just done, of the striking of the Medicaid provisions. I do not like to do that. Striking Medicaid from this bill, no doubt, means any Medicaid reform is dead for this Congress. That is too bad because Medicaid definitely needs reform. Medicaid is spending too much money. The rate of increase it is spending under current law is too rapid to sustain. It is also too encumbered with Federal rules and requirements.

I remind my colleagues that just 12 months ago Senator PACKWOOD, as then chairman of the Senate Finance Committee, was on the floor. He held up a stack of documents just from the State of Oregon—new regulations that had been issued just within the previous 6 months, new regulations for the State Medicaid Program. That is how complicated and irresponsibly administered this program is. Too much control in Washington, not enough faith.

Mr. DOMENICI. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. DOMENICI. Senator, I want to yield to Senator GREGG when you are finished. Can I do that now?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. I ask the remainder of time on our side, once Senator GRASSLEY is finished, be yielded to Senator GREGG. Then we will have completed time on this side.

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

The Senator from Iowa is recognized.

Mr. GRASSLEY. So this Medicaid proposal we had before the Senate would have ended some of that complicated bureaucratic overregulation that has come from the last 30 years under the existing program.

There is nothing new with this proposal. We have been back and forth over this ground. This bill would have changed a lot of that. What disappoint me most, in the Senate Finance Committee's deliberation on Medicaid, we tried in every way possible to satisfy the Democratic members of our committee. Senator ROTH accepted over 50 amendments, many of them retaining Federal protections that the other side wanted, even some Republicans wanted. It seems to me Senator ROTH went a long way toward addressing the major concerns that the minority had and maybe even the President had on the Medicaid portions of the bill.

Despite this, not a single Finance Committee Democrat voted for the bill.

I understand that some of the Republican Governors are not happy with the changes the Finance Committee made to the bill. When we started down this road of Medicaid reform, the idea was that the States would be able to live with less Federal assistance if they had sufficient discretion to organize their programs as they see fit. The bill filed by the Finance Committee does not provide the discretion which most of the Governors were saying earlier this year that they wanted.

Perhaps, for that reason, some of the Governors are willing to see Medicaid and welfare separated. I don't know.

In any case, even with the Democratic amendments accepted by the Finance Committee, the Governors would have had substantially greater discretion than they have now over important aspects of their savings if this legislation were enacted. And we would have moved a step closer to a balanced budget by getting greater control over the Medicaid spending which has been growing in recent years at an unsustainable rate.

But the minority in the Finance Committee voted against the bill. And the President has said again that he would veto it.

So, our leadership has yielded to the inevitable. If there is a silver lining here, it is that we will have a chance to get real welfare reform, assuming that the President is at last willing to sign a welfare reform bill.

The PRESIDING OFFICER. Senator GREGG has 4 minutes and 32 seconds, the remaining time.

Mr. GREGG. I thank the Senator from New Mexico for his courtesy in yielding me this time. I wish to rise to echo much of what has been said here but also hopefully to expand upon it in an effective way. The issue which is being brought forth here is the fundamental issue that we have to address as a Governor. It is the issue of how to control our entitlement accounts.

I serve on the Appropriations Committee. I have the pleasure to chair the Commerce, State, and Justice Subcommittee. I am constantly petitioned by individuals coming to me who represent very legitimate organizations, asking that they receive funding at last year's level of expenditure, or maybe even a slight increase, maybe an inflationary increase in their accounts. I have to say to them, ''I am sorry, we are going to have to reduce this account,'' or in some cases we have to eliminate spending in that account because we do not have the money available.

Why do we not have the money available? Primarily because of the fact we have not been able to control entitlement spending here in our body. Therefore, all the effort to control spending in this body falls on the discretionary side. Entitlement spending, as my colleagues know, is made up of five major items: Social Security, Medicare, Medicaid, AFDC, and earned-income tax credit. There are also the farm programs and a variety of other mandatory programs. In fact, I think there are 400 of them.

This Congress, in the balanced budget bill which we sent to the President, addressed the primary drivers of our spending problem on the entitlement side. We addressed Medicaid, we addressed Medicare, we addressed welfare, we addressed AFDC, we addressed the farm program. We did not take up the Social Security issue because that had been moved off the table. Regrettably, the balanced budget proposal which was passed by this Congress was vetoed by the President.

So we have now proceeded to take up these items one at a time. There was a legitimate effort and a very good effort made in the farm area. It did not go as far as I would like on issues like sugar and peanuts, but it did make significant strides.

However, there remains the core issues of the health care accounts, Social Security, and welfare. So today we take up one more leg of the school of entitlement spending which must be addressed and shored up, if it is to be stable, and that is the welfare issue.

I regret, however—and I want to talk about this—that we have not addressed, also, the Medicaid accounts. It is very hard, logically, to separate these two because Medicaid is the health care benefit for people who are essentially on welfare. To separate them is to do something which, from a matter of substantive policy, makes little sense. It may make sense politically, because the administration and the other side of the aisle refuse to address Medicaid. More important, it makes no sense from a standpoint of how it affects our day-to-day life in this Congress in the area of controlling the Federal budget, because Medicaid is a much more significant problem than welfare in the area of spending. In fact, Medicaid spending, over the last 5 years, was $464 billion. But if we do nothing about it over the next 5 years, it will be projected to be $802 billion. That is a 73—percent increase in spending on those accounts.

Now, at that rate of increase, we would soon see—it is projected—that by the year 2010, all the revenues of the Federal Government would be absorbed in order to pay for the costs of the entitlement programs: Medicaid, Medicare, Social Security, welfare benefits, and interest on the Federal debt. We would have no money available to do discretionary activities, such as defense spending, roads, environment, or education.

So this Congress needs to address all those different entitlement accounts. Yet, it has decided not to address the Medicaid accounts—not because this side is not willing; this side is willing to do that. We proposed a bill which addressed it that was vetoed by the President. We reported out of the committee another bill which would have addressed it. The other side of the aisle is not amenable to this.

Therefore, our failure to address the Medicaid account is, in my opinion, a fundamental failure to do the job that is required of us as Members of this Congress, because it is a failure to address what is one of the core issues that is driving the deficit of this country and driving the fact that this Nation is headed toward fiscal bankruptcy in the next century, unless we take control back of these entitlement accounts.

I, therefore, am one who feels that we should have joined the efforts. We should have brought welfare and Medicaid to the floor together, and we should pass them together. But the decision has been made to pursue this welfare reform package.

I simply want to say that, even though it does not include Medicaid as a package, it is a step in the right direction. Although it still has more strings attached than there need to be, it is a package which returns to the States pretty much authority over the management of the welfare accounts in this country. That is the essence of our effort, to take a program that has been an entitlement, directed at the Federal level, and turn it back to the States as a discretionary program, and basically allow the States to manage it in a way that is much more efficient and effective.

In New Hampshire, the dollars that come back to the States without strings will be spent much more effectively than those that come back with strings. It will be able to take care of more people for fewer dollars than is

presently occurring under the system as it functions today.

I, therefore, strongly support the welfare part of this reconciliation bill. I regret that we are not taking up what I consider to be one of the other core elements that is driving our fiscal problems in this country—the Medicaid issue. I hope that as we move into this election cycle, however, we will not ignore those issues that are critical in getting this fiscal house in order, such as Medicaid, Medicare, and the Social Security issue, as we move forward.

The PRESIDING OFFICER. The Senator's time has expired. The minority leader or his designee has 7 minutes, 30 seconds.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield myself the remainder of the time.

Mr. President, I support the motion to strike the Medicaid provisions of the pending bill, thereby providing for a realistic change of historic welfare reform becoming law this year.

This is something I have supported for some time. I joined with Senator BOND in 1994 to introduce the first bipartisan welfare reform plan that required responsibility from day one. Last year, I worked with Republican and Democratic colleagues to craft a bipartisan compromise that passed the Senate by a vote of 87–12. This year, I have been pushing to free welfare reform from controversial proposals to cut nursing home and other health care in Medicaid.

In May, I offered an amendment to the budget resolution calling for the separation of welfare from Medicaid. Although my effort at that time was defeated, I am pleased that it looks like that change is agreed to here today, and we do have them separately.

Mr. President, there is no doubt that the current welfare system is broken and in desperate need of reform. It is failing the people on it and the taxpayers who provide the money to finance it. We need to change it, and we should do it, as we did last year, with bipartisan cooperation.

No one has a corner on good ideas, and by putting partisan politics aside and working together, we can forge a bill that makes common sense. For the past few years, I have talked, from time to time, about the need to enact bipartisan welfare reform, which demands responsibility from day one, requires work, and releases welfare families from the cycle of dependency.

The Iowa Family Investment Program, I believe, provides us with an effective model for achieving these goals. Since Iowa began implementing welfare reforms in October 1993, the number of people working has almost doubled, the welfare caseload has declined, and welfare costs are down. I call that a triple play. In fact, I am proud of the fact that our State of Iowa, right now, has a higher percentage of people on welfare who work than any State in the Nation. I believe that is because of the historic welfare reform that we passed in 1993.

Mr. President, there are other good reasons to look at the Iowa experience as we craft legislation. I commend the Iowa experience to my colleagues. In 1993, Iowa enacted sweeping changes to the welfare system, and did so with very strong bipartisan support. In fact, the Iowa plan received only one dissenting vote from the 150-member Democratically controlled general assembly, and it was signed into law by our Republican Governor. So it shows that it is possible to work together on welfare reform, and the State of Iowa is better because of it.

In 1994, I sought to take a page from the Iowa playbook and went to work with my Republican colleague from Missouri, Senator BOND, to develop bipartisan welfare reform legislation modeled on innovations occurring in our respective States. The result was the first bipartisan welfare reform legislation in that session of Congress. The bill was reintroduced last year.

The centerpiece of the Iowa program is the family investment agreement.

In order to receive aid, all welfare recipients are required to sign a binding contract which outlines the steps that each individual family will take to move off of welfare and a date when welfare benefits will end.

Last September, I offered, and the Senate adopted, an amendment to include such a requirement in our bipartisan bill that passed by a vote of 87 to 12. Unfortunately this provision was dropped in the conference with the House.

Later today, I will again, hopefully with bipartisan support, once again try to include a provision which requires individuals to sign a personal responsibility contract as a condition of receiving benefit. I can tell you these contracts are working in Iowa. In fact, I frequently visit with welfare recipients and caseworkers to ask about the contracts. An overwhelming majority say it is positive and very helpful in charting the course for a family to move off of welfare and to keep on track.

While there are many positive features in this bill that we have before us, from requiring work to increased child care funding to child support enforcement improvements, I have concerns about some provisions, and I hope we can work together to improve them. I will not go into all of them. But I want to say that some of the cuts in nutrition really do not have anything to do with welfare reform, and I think are more designed to reach arbitrary budget savings. We cannot back off of our commitment to child nutrition. It will cost us more money in the long run.

I also have concerns about assuring that we maintain basic health and safety standards for child care. I think the work first substitute is far superior to the committee reported bill. It addresses my concerns, and it also includes a strong contract requirement as well as making our Iowa program a model that other States might adopt. It also maintains our commitment to child nutrition and preserving important protections for children.

Senator DASCHLE will be offering this substitute shortly. As one of his cosponsors, I believe it deserves the support of all Senators. It is tough on work while protecting kids. And that is common sense.

Mr. President, if there is one lesson to be learned from the past year and a half it is this: Confrontation and partisanship is a prescription for failure. The only way we can truly accomplish welfare reform this year is to stop the political games and join forces across the aisle to craft a bipartisan welfare reform which accomplishes the goals that the American people support—a welfare system that puts people to work, and gets them off public assistance quickly, fairly, and permanently.

The adoption of this amendment to take up stand-alone welfare reform moves in that direction of bipartisanship, and I hope that as we proceed on this bill we will continue to work in this spirit—a spirit of bipartisanship—to craft and pass a bill so we can finally achieve needed reform in the area of welfare.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The minority leader, Senator DASCHLE, is recognized.

Mr. DASCHLE. Madam President, thank you.

AMENDMENT NO. 4897

Mr. DASCHLE. Madam President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE), for himself, Mr. BREAUX, Ms. MIKULSKI, Mr. FORD, Mr. ROCKEFELLER, Mr. REID, and Mr. KERREY, proposes an amendment numbered 4897.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DASCHLE. Madam President, let me begin by commending the distinguished Senator from Iowa for his excellent statement just now. He has indicated, in much the same way that I intend to give, the reasons for supporting the work first bill, and his concerns about the pending bill as it has been reported out of the Senate Finance Committee.

There are many Members in our caucus that I would like to single out publicly, and applaud for their remarkable effort and the tremendous work that they have dedicated to this whole issue

and to the determination they have shown to pass a meaningful welfare reform bill this year.

Let me begin with the distinguished Senator from Maryland, BARBARA MIKULSKI, and the distinguished Senator as well from Louisiana, JOHN BREAUX, who were extraordinarily helpful to the leadership all the way through our deliberations and have provided remarkable leadership in their own right. I thank them for that. I appreciate very much their assistance in so many ways. The Senator from Connecticut, CHRIS DODD, and the Senator from North Dakota, BYRON DORGAN, and so many of our colleagues who are listed today as cosponsors have also been extremely helpful.

While we have all put an effort into the issue of welfare reform, I should say that no one in our caucus, I daresay in the Senate, has been more vocal and more of a student of this issue than the senior Senator from New York, Senator MOYNIHAN. He is not on the floor at this moment. But I also want to commend him for the real leadership and the willingness that he has demonstrated throughout to hold this body to a set of principles, and in a sense to be the conscience of the Senate when it comes to welfare. He is indeed the conscience of the Senate when it comes to this issue, and no one has dedicated more years—in fact, I would say more decades—to the issue of welfare and the ways in which to address many of the social ills of our country in an effective way as he has.

Madam President, I have two charts here that I just want to address very briefly. I have listened with some interest to the comments made by colleagues on both sides of the aisle. While, obviously, there are issues that divide us, there are many things that unite us. One of the things that unites us I think is an awareness of the degree to which current welfare recipients face barriers of all kinds as they attempt to confront the real changes that they face in their own lives.

The effort to understand those barriers at the beginning through a better realization of how we address those barriers in an effective way through public policy are all listed on this chart. This chart outlines the barriers identified in a study released last year by the Child Care Trends organization. I think it is very constructive to note that of all the barriers that exist today, the biggest barrier of all is child care. The realization that people are not willing to leave their child home alone, that young children demand and, indeed, deserve to be cared for and protected, and that there has to be some confidence that children will find a way with which to be fed and cared for in a meaningful way. But child care without exception is by far the largest barrier that we face in encouraging and finding ways in which to bring about more work for welfare recipients today.

The second is personal—personal problems; struggle, most likely related to job skills; problems that they have had going all the way back to perhaps even their failures in education. But the realization that unless they develop better job skills and better personal skills in order to be more competitive is something that over one-fourth of all recipients say is the problem that leads them to welfare dependency.

Obviously, there are other issues. I will not go into all of them. Some people simply cannot find work. I know of a lot of South Dakotans who live on Indian reservations where unemployment is 80 percent, and there, frankly, is no job on a reservation in large measure that will bring people to a better opportunity for work than the one they have.

Pregnancy is a problem; inability to work because of disabilities; and, obviously, there is a motivation question in some cases.

So, if we are going to devise a bill that will deal with the barriers, we have to devise a bill that deals with all of the different circumstances that welfare recipients find themselves in. We have to ensure that there is motivation to give them some sense that they do not have the luxury of being unmotivated; that we have to deal with child care; we have to deal with job skills; we have to find ways with which to ensure that, if work is not there, we will find work for them.

So we want to do as many things as possible to ensure that welfare recipients no longer face the barriers that they are facing. That really is what unites Republicans and Democrats, and brings us to the effort that is underway in both the House and the Senate this afternoon.

Madam President, there are a number of areas—and a number of our colleagues have already addressed them—that have been improved in the pending legislation. There are significant improvements, and we have counted perhaps as many as two dozen improvements in the current bill over what was originally proposed last year. There certainly has been significant progress.

I heard the distinguished chairman of the Finance Committee address many of the improvements that are made in this legislation. We still believe, however, with all of the improvements, there are some very serious deficiencies we have to address. And in an effort to lay down the marker, to find a way with which to make a comparison between the pending legislation and what ideally Democrats would like to see as a meaningful comprehensive welfare reform approach, we are now offering what we call the work first II plan. We have also made improvements. We have also addressed deficiencies that have been raised over the last 12 months. We have also tried to find ways with which to come to the middle, and, even though we thought we were in the middle from the very beginning, maybe a better phrase would be to compromise with our Republican colleagues in a way that addresses their concerns and brings to a higher level of priority some of the concerns that have been raised by critics of welfare reform in the past.

So we today propose the work first plan which provides for conditional assistance of limited duration, which provides work first for all able-bodied recipients, which turns welfare offices into employment offices, and which guarantees child care assistance.

If I could say what our goal ought to be, regardless of what approach we might take, I hope we would all agree on three important goals: first and foremost, providing the assurance that people will have the ability to get a good job, first by the acquisition of skills, and, second, by the acquisition of whatever necessary means it may require to ensure that they have access to good jobs. Turning welfare offices into employment offices ought to be what welfare is all about.

Secondly, we want to ensure that we are protecting children, that we are not going to punish them, that we will not hold vulnerable individuals in a way that would jeopardize their future, that would condemn them to the same cycle of dependency that their parents and grandparents and great grandparents have experienced.

So protecting children ought to be our second goal—fortifying them, strengthening them, empowering them to do things that they may not otherwise be able to do on their own.

Third, we believe there are ways in which to save Federal tax dollars. We believe we can provide a welfare system that is more efficient, that saves resources in ways that can be better spent, first, in welfare but also in the vast array of other responsibilities we have at the Federal level.

So in a sense, Madam President, that is exactly what the work first bill does. It provides work; it provides job skills to get work; it protects children; and it saves money. In fact, it saves about $51 billion, according to the Congressional Budget Office. The CBO scores our plan as real reform. The CBO says that we have sufficient resources to put welfare recipients to work, one of the goals.

In addition, we provide sufficient resources to pay for child care to assist states in meeting the work rates, to pay for the other major responsibilities that we see shared at both the State and the Federal level.

Unlike our plan, the CBO does not say the same about the Republican plan. CBO says that States will just take the penalties that are incorporated in the Republican plan; that they will not put people to work; that they will not meet the work rates; that they will not fundamentally change the current system. The Congressional Budget Office says that about the Republican plan, about the Finance Committee passed plan, not about our plan.

Under our plan, the work first plan of 1996, we do some of the same things that the Republican plan does. We provide conditional assistance of limited

duration. We require that there be work for all able-bodied welfare recipients. We turn welfare offices, in other words, into employment offices. And we guarantee child care assistance.

Those are the fundamental principles of the work first plan. Our plan answers three key questions: Does it require welfare recipients to look for a job? The answer is yes, unequivocally. Second, does it require welfare recipients to work? The answer is yes, unequivocally. Finally, does it help welfare recipients retain a job? Again, the answer is yes, unequivocally.

Under our plan, there is no more unconditional assistance. From the very first day parents are going to be required to sign a contract. It is a blueprint for employment. They must sign it to receive any assistance whatsoever. Under the Republican plan, there is no contract at all.

For the first 2 months, our plan calls for extensive job search. We get the most job-ready into the work force that we can, that is, the more people that come into the welfare offices looking for help, the whole design is to find them help not with a welfare check but with a job, with assistance to get that job. If within 3 months a parent is not working or is not in job training or education, that parent must perform community service. They do not have the option. They are required to perform community service within a 3-month period of time.

Within 3 months, our plan, in other words, has a work requirement. It may surprise some that there is no work requirement of that kind in the Republican plan. There is no similar provision. We see a lot of tough talk but no actual work requirement for 2 years under the Republican plan.

So there you have one of the very significant differences between the work first plan, which is work in 3 months, and the Republican plan which is only work after 24 months or 2 years. That is 2 years of unconditional assistance under the Republican plan as it is currently written.

Our plan is tough on parents, Madam President, but not on children. And that in our view is the second big difference between ours and theirs. Our plan protects children. Child care for parents who are required to work and parents transitioning from welfare to work is something we want to do in every possible instance. We want to provide vouchers for children whose families have reached the time limit.

We recognize that in some cases you are going to bump up to the time limit and then it begs the question, what happens to the kids? Are the kids also going to be penalized through no fault of their own? And if they are penalized, are they then relegated once more to this neverending cycle of dependency and poverty with no hope of bringing themselves out?

Health care coverage for children whose families have reached the time limit is something that we think is vital if we are going to provide meaningful, comprehensive assistance that deals with the challenges we talked about earlier.

It seems to us that Republicans may not want to do this. They end up aiming at the mother but in some cases hitting the child. They do not allow their block grant funds to be used to help children whose families have reached the 5-year time limit. They do not guarantee child care. They do not guarantee health care. Their idea of a safety net is a sieve. There are so many holes in that safety net there is no possibility that people who are trying to work their way through the system can protect their kids and ensure that they have the competence to go out and get a good job.

The work first plan targets the specific barriers, in other words, Madam President, that we feel must be addressed if we are going to be successful in passing a meaningful comprehensive, successful welfare reform plan this year. In child care, we provide $8 billion in new resources. That is $16 billion total because that is what we are told will be required if, indeed, we want to provide the services to those directly affected. Unlike the Republican plan, the Congressional Budget Office says we sufficiently fund child care to make the work rates and assist those transitioning from welfare to work. The Republican plan cannot make that claim. They recognize, if CBO is to be the guide, that they fall short in providing the necessary resources to ensure that the child care services are going to be provided.

Our plan also targets aid to the working poor so they will not have to turn to welfare or return to welfare at some later date.

The second barrier that I addressed just a moment ago is personal reasons. Many welfare recipients cite personal reasons for not working, like the lack of transportation or no job skills. The money to tear down these barriers is something that has to be provided in a welfare reform plan—money for transportation, resources for job training, resources it takes to create their own plans to put people to work. In other words, to be honest and to recognize that unless we have the ability to deal directly with those reasons that welfare recipients give for their inability to get a job—their inability to get to a job, their inability to qualify for a job, their inability to demonstrate that they have the personal skills to hold a job—we are not going to change this welfare dependency regardless of all of our good intentions.

So, we address those. We address those personal reasons that welfare recipients have given time and time again. For those who are unmotivated, our answer is very simple. We say the time limit is going to be there and you are going to have to accept it. You have a timeframe within which you must get a job. You have a timeframe within which you must realize the benefits are going to stop.

Unless you are unwilling to work with us, you can expect we will work with you to address your motivation and problems of the past. We can help you get job skills. We can help you get child care. But you have to reciprocate. You have to find ways in which you can prove to us you are motivated and you want to get that job as badly as we want to get you one. So dealing with the unmotivated is something we feel has to be addressed.

We also address the barriers the Republican plan does not. The Congressional Budget Office says the Republican plan will not meet the work rates that we all are stipulating or stating as our objective in dealing with welfare reform. The Congressional Budget Office says the Republican plan falls far short on child care.

Clearly the Republican plan needs to be improved in a number of areas, and that is our whole purpose: To lay down in a comprehensive way, in one bill, all of the areas that we believe would allow us, as Democrats and Republicans, adequately to address the deficiencies and work together to solve them.

There is a lot of common ground, as I said just a moment ago, on welfare reform. We all want to reform welfare. We all want to end welfare the way we knew it. We all want able-bodied welfare recipients to work. There ought to be no unconditional assistance. We largely agree with that. But not welfare reform on the backs of children. That may be an area where there is some disagreement. There are over 8 million children today who receive welfare. It is the children that we feel the need to protect, infants and toddlers who do not know what welfare is ought not to be penalized. They ought to be held harmless in this effort to try to help their families and their parents.

So, Madam President, this is an opportunity. It is an opportunity to come to the middle. It is an opportunity to address what we consider to be a bill that yet, in spite of its improvements, still has some serious deficiencies that need to be addressed if, indeed, we are going to pass this legislation and have it signed into law.

The President has made it very clear he will not be hesitant to veto a bad bill. On the other hand, he has also made it clear that he would like very much to work with Republicans and Democrats to sign a good bill. We have an opportunity this afternoon, tonight, and tomorrow, to make this bill a good one. Passage of this amendment would do just that.

So we hope Republicans will join Democrats in supporting the work first amendment: To save the $51 billion we know we can save if we do it right and still protect the children, to fundamentally change the welfare system as we know it and to recognize we simply cannot do it on the backs of children.

A tremendous amount of effort has gone into this whole project. I am, indeed, very grateful to my colleagues

for their help and all the leadership they have demonstrated in bringing us to this point. I urge its adoption. I urge bipartisan support.

I will be delighted to yield to one of the coauthors of the legislation, the Senator from Maryland.

Mr. DOMENICI. Will the Senator yield for a question? Will the Senator yield for a question? Just a brief one?

Ms. MIKULSKI. Of course.

Mr. DOMENICI. We do not have the amendment. We understand it is 800 pages long and we have not seen it. Does anybody know where we could get a copy of it?

Mr. DASCHLE. We will get you a copy.

Mr. DOMENICI. You will get us a copy? Thank you very much. Thank you, Senator.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Madam President, I am proud to join the Democratic leader and Senator BREAUX in offering this substitute amendment, the Work First Act of 1996. As one of the coauthors of this amendment, working with Senator DASCHLE and Senator BREAUX, I want to say it does reform welfare. It embodies the principles of turning the welfare system into an employment system, of being firm on work, and of providing a safety net for children. It recognizes that child care is the linchpin between welfare and work. And it puts men back into the picture.

We do it very straightforwardly. We do it by replacing AFDC with temporary employment assistance, which is time-limited and conditional. We require all parents on welfare to sign a parent empowerment contract, which is their plan for moving from welfare to work, and which also emphasizes their role and responsibility in child rearing. We advocate not only moving people to work, but we do it by providing the tools to move people to work, through child care assistance, transitional Medicaid coverage, and other work-related services. We also require a safety net for children with child care funding, a guarantee of health care, and noncash aid where it is needed to meet the specific needs of each child. In the event the parents do not meet their responsibilities, we are not going to punish the child for the failings of the mother. We also eliminate the cruel and punitive rule called the ''man in the house'' rule and allow States to offer job placement services to fathers. The Work First Act is a plan that is tough on work but not tough on kids.

It is important to note the bill before us today is much improved over the Republican plan which the Senate considered last year. Many of the provisions included in the Democratic work first bill from last year have been incorporated into this version.

I am particularly pleased that earlier Republican efforts to block grant child protection programs—to take the child protection programs and turn them into a block grant—have been abandoned. This is an issue of special importance to me. I worked as a child abuse and child neglect worker, and I know how crucial those programs are. It was absolutely crucial this bill maintain those protections. I thank Senator CHAFEE and all those on the other side of the aisle who worked on that. I want to acknowledge the Senator from Maine for her particular role in that advocacy.

I believe the changes that have been made to last year's Republican bill has brought us a long way. The pending bill is no longer the punitive one that was brought to the floor last year.

But I do believe improvement needs to be made. That is why we are offering the work first amendment. This amendment is the result of ongoing efforts to find the sensible center. We listened to the concerns raised about the work first bill in last year's debate. So we tightened up our plan, and we save more money. We save some $51 billion. We also heard the voices of the Governors, and in response made sure our plan provided greater flexibility for the States to design their own programs. I believe our plan is a stronger plan as a result.

In drafting our amendment, we emphasize two clear priorities. First, we wanted to emphasize work as the goal of any welfare program. Second, we wanted to protect children and provide a safety net for them.

First and foremost, our plan is about the empowerment of people, not the enlargement of bureaucracy. Empowering people has become almost a cliche. What does empowerment mean? Empower means that you give people tools to get ready for a job, to obtain a job, and to keep a job. We think you have to be in job training and we emphasize the job training must immediately lead to work.

I do believe the best social program is a job; one that moves a person from welfare to work, and to a better life for themselves and their families. That is what we hope to do.

Work is the cornerstone of our plan. The first step for any welfare recipient will be to sign an empowerment contract, which is a contract outlining a plan to get into the work force. Our plan ensures that people live up to their contract by requiring recipients to engage in an intensive job search, ending assistance to those who refuse to accept a legitimate job offer, and providing a 5-year time limit for benefits.

We give the States the resources and the flexibility to help people meet the terms of their empowerment contract, whether it is job search assistance, on the job training, placement vouchers or even wage subsidies.

This emphasis on work changes the whole culture of welfare by saying welfare should not be a way of life but a way to a better life. We want to turn welfare offices into employment offices, by changing the focus to looking for work rather than looking for benefits.

But while we are making work the top priority, we also look out for the children with a safety net that provides child care, health care and protections from child abuse. We recognize that lack of child care is the biggest obstacle to work; to both getting a job and keeping one. So our bill provides $16 billion in child care funds for those required to work, for those transitioning to work, and for the working poor so they don't slide into welfare.

We also make sure that every child has access to health care; that they get their immunizations; that they get their early detection and screening so that their parents are not only workforce ready, but the children are learning ready when they go to school and stay in school.

We maintain that Federal commitment to fight child abuse by requiring States to meet Federal standards in child welfare and foster care programs. We also reauthorize the Child Abuse Prevention and Treatment Act.

Child abuse and neglect is growing like an epidemic. Just like we need to end welfare abuse, we need to end the abuse of children. With child protection systems overwhelmed, and half the States under court order because of the way they handle child protection, we must do all we can to make sure no one gets away with abusing or neglecting a child.

Madam President, we also provide a safety net for children. I believe that most welfare recipients will move to work and take advantage of the opportunities in this bill. But if they do not, we are not going to punish the child. We are not going to aim at a parent and hit the child. So we require the States to assess the needs of children in families who have reached the time limit, and to provide noncash aid, for example, vouchers to a third party, to meet the basic subsistence needs of children. States will have the flexibility to design this program, but we believe the Federal requirement is needed to make sure that children do not pay the price when parents are unable to move from welfare to work.

Because we value family, marriage, and work, we know the strongest family is one with two parents, with the father in the home. So the work first amendment brings men back into the family by ending rules which create a marriage penalty if poor people get married and stay married.

Our bill is also tough on child support. It requires Federal and State governments to work together to enforce child support orders, streamlines the process to collect child support checks, and calls on States to implement tough procedures to make sure that parents do live up to their responsibilities. We, the Democrats, believe that if you are a deadbeat parent, you should not have a driver's license or a professional license, and so we call on States to implement procedures on that.

Madam President, I hope we adopt this work first amendment. It is an amendment which pulls together the best ideas of both parties. It ends the cycle of poverty and the culture of poverty.

It is a plan that saves lives, saves taxpayers dollars, creates opportunities for work and protects the children.

I urge the adoption of the amendment, and I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. DOMENICI. How much time does the Senator need?

Mr. D'AMATO. Fifteen minutes.

Mr. DOMENICI. Madam President, I yield 15 minutes of our hour to the Senator from New York.

Mr. D'AMATO. Madam President, I rise in strong support of the welfare bill that is before us. Let's put it simply: Our current welfare system is broken. It is broken. We have recognized that. This Chamber passed a welfare reform bill 87 to 12. I want to raise the question, did my colleagues who overwhelmingly support this bill vote for that because it was a bill that was going to punish people or did they recognize that the system is broken and is in need of repair—87 to 12?

Let me say something. The welfare system was never intended to become a way of life. It was meant as a temporary haven for rough times to assist people, and after 30 years, it has expended $5 trillion, and the welfare system still does not work. It entraps people, and the results have been a horror.

The fact of the matter is that we have to do better than sloganeering. We have to do better than saying ''ending welfare as we know it'' is a priority. The President has said that. But we need action, we need real action, and the one thing we do not need to do is to empower the bureaucracy here in Washington, because some of my colleagues are advocating that we give and make the czarina of HHS, the czarina who will have absolute authority as it relates to the administration of welfare programs in our States.

All of a sudden, we have adopted an attitude that somehow the Governors of our States, Democrats and Republicans, and the legislatures of our States are inhuman, that they do not have the capacity to do what is right, that they would threaten our children, threaten our seniors, threaten the elderly.

Madam President, that is not correct; that is not true. But I will tell you what I do believe. I believe that most of the Governors and most of the State legislatures are saying, ''Set us free. Let us help our people help themselves. Help us help encourage a work ethic.''

The fact of the matter is, this bill is very similar to last year's bill which passed overwhelmingly. There are some myths that say we will hurt children. That happens not to be the case. I am going to touch on some of these things, but let me say something. No less than a great President known for his compassion for immigrants, for poor people, for working people, for the downtrodden than Franklin Delano Roosevelt said it best when he talked about welfare. He said:

> If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit, and this dependence on welfare undermines their humanity, makes them wards of the state and takes away their chance at America.

Franklin Delano Roosevelt. I do not believe any of us can say it better. I am not going to attempt to say it better. I refer to a great American, a great President, the man who had every bit as much compassion for those in need as anybody who warned us and gave us the admonition of watching about entrapping people and killing their spirit, the American spirit.

Madam President, the current system has created a culture of dependence that has doomed an entire generation of children, and it has consigned them to poverty. Some people do not like to lose control. They are more worried about their power and their control in terms of what has taken place. They seem to be blind to that. Somehow we are going to make it worse. How can we make it worse?

Look at the statistics. Look at the out-of-wedlock births that continue to rise. Look at the cycle of dependency. The current system provides a basis for, if not encouragement of, irresponsible behavior, particularly in the area of out-of-wedlock births.

This is a strong bill. Is it a perfect bill? Of course not, but it is an attempt to strike a balance between giving power to the States and to local communities to set expectations for work and responsibility, limiting benefits as it relates to time and maintaining a safety net for children and hardship cases. This bill maintains that safety net.

Let's take a look at the record. A great Governor in our State, Al Smith, said that sometimes people do not like to look at the record because it can prove to be embarrassing. There are facts in these records. If we look over the last 15 years, we will see an increase in welfare spending that is absolutely startling.

Our expenditures have risen from $27 billion in 1980—$27 billion when I came here to the Senate—to $128 billion. Have we improved the lot of those on welfare? I do not think so.

While the bill converts the AFDC Program, the Aid to Families with Dependent Children Program, to a block grant that we have heard so much about—''No, don't give a block grant, you're going to be giving it to the Governors.'' We are not giving it to the Governors. What we are doing is turning over responsibility to those closest to the people who have seen how badly the system has been administered, how flawed it is, how it does not give flexibility to deal with the human needs of our citizens.

While it makes a block grant, it provides $4 billion in extra money, not less. Four billion dollars in extra funds will be available to help welfare clients hold a job, and it provides up to 20 percent of the caseload will be exempt from time limits, so that if there are those people with special needs who cannot hold a job, who cannot work, who are going to have to stay on welfare beyond 2 years or beyond 5 years, it does exactly that, it gives to the States flexibility.

The bill addresses a small but very growing problem of immigrants' use of welfare. I, being the grandson of immigrants, understand the great culture that we have in this country due to our immigration and to our diversity of cultures, and it has contributed to the strength of America. I do not want to stop immigration to this country, but I have to tell you, we have seen lately a situation that has developed where we have 3 percent of the population, and that is what the foreign-born population is; the immigrant population over the age of 65 now constitutes over 30 percent—30 percent—of the elderly receiving SSI benefits. Something is terribly wrong, and we have found, through hearings, what is taking place.

There are those people who are gaming the system. They sign up to bring elderly people in and say they are going to be responsible for them, and they put them right on welfare. That is not right. That is not what this system is about. We did not design the system to say, ''Come here and get welfare benefits, and John Q. Public, hard-working middle-class families, are going to pay for it.''

There is a question of, are we going to hurt the children? Let me tell you something. We guarantee that school lunch programs will be continued for the children of those who are born here and for immigrant children as well. We understand our responsibility. I thank the Agriculture Committee for continuing this important program.

Let me touch on one other area. For years we have had a gaming of the system. We have had what you call welfare shopping where people from one jurisdiction will move in to an adjoining State so that they can get higher benefits. We have seen the statistics. I saw one county, when I offered this provision 4-years ago to stop welfare shopping, to eliminate it, to cut down on it, they had this relatively small county, and more than 600 families moved in, people moved in to Niagara County to get benefits. They were receiving welfare benefits in other States, adjoining States. Since the benefit level in New York was much higher, they found the system, and the word spread. People moved in simply to get on welfare.

That is not what this is about. What does this bill do? It stops welfare shopping. It says, if you move into a jurisdiction and you were previously on welfare, you come into a system and go right to the welfare commissioner to

get your increased maintenance, you will receive payments at the same level for a year that you were receiving from the adjoining State. So that is going to stop that practice.

Again, President Roosevelt talked about the narcotic. It seems to me that this is what has taken place. We have really been saying over generations and generations, it is OK, it is OK; you can game the system.

This bill includes $4 billion in additional child care funding that is not available now. It is not available now. That is a good bill. It makes sense. In fact, this bill has more money for child care, a larger contingency fund, greater financial incentives for States to meet the work requirements, a higher hardship exemption from the 5-year limit, and a better maintenance of effort than the bill that we passed 87–12.

It is a superior bill. It has more safety for children. It provides more revenue, more flexibility for States. To what? To hurt people? No. To move them off the cycle of dependency, to move them into real work.

The bill has a 5-year limit on benefits. It is necessary. It is an adequate length of time for recipients to raise their infants, straighten out their lives, and get a job and make a better life for themselves and their children.

Madam President, we have to be honest with ourselves. May there be some imperfections? Of course. Are we going to say, though, if there is an imperfection that a State will duck out on their legitimate responsibility to feed the poor, to take care of the children, to take care of those who are truly in need? Are we really saying that somehow those of us here in the Senate and in the House of Representatives have a higher standard of helping those who are most in need than our local representatives, than our Democratic legislatures, than our Republican legislatures and our Democratic Governors and our Republican Governors? Is that what we are really saying?

The system has been gamed. The system has grown from $27 billion to over $128 billion in the past 15 years—billions and billions more—no additional freedom, no additional opportunity for those it has entrapped. If one were to look at the statistics, it is staggering. Only 1 out of 20 who have dependent children—only 1 out of 20—go to work. Is that the legacy we are sowing? Is that what Franklin Delano Roosevelt meant when he said, again: If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit. This dependency on welfare undermines their humanity.

Think about that. How prophetic. I think it has undermined their spirit, their humanity. It makes them wards of the state. Who wants to be a ward of the state? Who wants to feel like a second- or third-class citizen? Who wants to feel like they are not carrying their weight? Give our people an opportunity. Free them. Let us create the incentive to move them into work. Do not hold them in bondage. Let us not get involved in the ridiculous politics of one-upmanship.

Let us give to our States and local administrators the ability to help bring about this kind of change. It is going to be tough. It is not going to be easy. It is going to be very tough. Some people may not make it. We may not be totally successful. I daresay, we will not be. But for every individual, for every citizen that we help, who gains that spirit of independence and freedom, freedom to do for themselves, economic freedom, freedom to stand up and say, ''I participate to the best of my ability,'' that is what we have to be seeking.

I think it is about time that all of us, Democrats, Republicans—this bill passed overwhelmingly, 87 to 12. My colleagues on the other side supported it. Was it perfect then? No. Is it perfect now? No. But it is better than doing business as usual. The time for sloganeering has passed, Madam President. Future generations need our help. Some parents may not be happy about what we are going to be doing, but to those who are born and those who are yet to be born, we have an obligation to do what is right and to provide a way and to provide an opportunity for economic freedom.

I urge that we come together and pass this bill. It is a good bill. It is not perfect. It certainly will be helping people—people—in this country and its spirit.

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

Mr. D'AMATO. Certainly.

Mr. DOMENICI. First, before I ask the question, I see my friend, Senator EXON is here, the ranking minority member. A little while ago, I mentioned I have not seen the Senator's Democrat amendment yet and that it was 800 pages, I understood. I ask the Senator, did he have some suggestion with reference to that amendment?

Mr. EXON. Yes, I did. I am not sure how serious it was, but I heard the strenuous objection to the 800 pages in the amendment that is now before us. I suggested maybe if the Republicans would accept it, we would cut it down to 700 pages. The Senator did not immediately agree to that. Will the Senator take it under consideration?

Mr. DOMENICI. I think the Senator has to get down to maybe 300, 400 pages. Then we might be interested.

Mr. EXON. That shows bipartisanship and cooperation is working.

Mr. DOMENICI. Mr. President, I wanted to ask Senator D'AMATO awhile ago—he was talking about noncitizens who are receiving welfare benefits. I want to ask, because I think the American people somehow have missed over the last 15, 20 years, because most of us missed it, we were totally unaware, as I understand it, that many Americans were sending off to foreign countries for their elders under an American policy that is so generous it just makes you understand what a wonderful country we are. Under a policy of family unification, we let a 45-year-old, 48-year-old American send off to a foreign country and bring their 65-year-old mother or father to America.

Mr. D'AMATO. That is correct.

Mr. DOMENICI. Right. That 45, 48-year-old American signs an agreement that that relative will not become a ward of the people of America, because we have had a policy since our Revolutionary days that noncitizens, aliens, illegal aliens and aliens, would not become wards of the state; thus, moving aliens to become citizens and to become productive. That was the reasoning.

Here is what has happened. That 45, 46, 47-year-old American, in good faith, brought that elderly parent over here. But what happened, I say to the Senator, is that in very short order they found that the U.S. Government would do nothing about it if they did not support them. So guess what happened? They did not support them. So guess what happens? Hundreds of thousands are on SSI.

In fact, I want to show the Senator this chart because it is so incredible. It makes our point in the most descriptive way you could. Of the general population, 2.9 percent of that general population are noncitizens over 65.

Mr. DODD. Will my colleague yield on that point?

Mr. DOMENICI. In just a moment. Look at this. And 29 percent of all of those on SSI are noncitizens over 65, 10 times the proportion of the population that they represent—10 times.

Mr. DODD. Will my colleague yield?

Mr. DOMENICI. I was borrowing his time.

Mr. DODD. If the Senator will yield, my colleague from New Mexico raised a good point.

As I understand it, the underlying bill that came out of committee bans this. The substitute that is being offered by the Democratic leader bans this. Our colleague from New Mexico has raised a good point here. As I understand it, both bills plug up this loophole that the chairman of the Budget Committee has so accurately and properly pointed out.

Am I wrong on that?

Mr. D'AMATO. I do not know about the——

Mr. DOMENICI. I have a lot of difficulty finding out what is in your bill. As soon as we get the 800-page bill.

Mr. DODD. I am here to say it is in the bill. We ban it. I presume it is banned in the underlying bill, as well.

Mr. D'AMATO. It is banned in the underlying bill.

Mr. DOMENICI. We agree it is there, and we compliment you for, at least, that page.

Mr. DODD. I just wanted to be clear on that.

Mr. DOMENICI. Just to understand, that is 1 million aliens who are on SSI.

Mr. D'AMATO. Improperly.

Mr. DOMENICI. Frankly, all we are saying is that is not the way we intended it, so fix it, and make sure it does not happen.

Now, we actually know, and I share this with my friend from New York, we actually know that there are games taking place where people are educated about how they can come here under the circumstances I described and how soon they can get on SSI. Now, if you would like for this little dialog to show how many are advantaged now by Medicaid, since Americans wonder about Medicaid, let me give you the number. I do not think you would have known it. Madam President, 2.7 million aliens are on Medicaid.

Mr. D'AMATO. Would my colleague know how many billions of dollars a year that is costing the taxpayers?

Mr. DOMENICI. I cannot remember.

Mr. D'AMATO. If we multiplied 2.7 million times $3,000 per recipient—and that is a modest figure, because as they are more elderly the cost even goes up higher—we would find that is a shocking figure. It seems to me that approaches over $6 billion a year—$6 billion a year. That is a round number.

Mr. DOMENICI. We figured it out. It is $8.1 billion.

Mr. D'AMATO. So I gave you a low figure of $6 billion.

I am happy to yield to my colleague and friend but, again, let me simply say what is taking place is that the noblest of purposes—as a result of the culture that has developed in terms of our present welfare system, it is doing exactly what our great President Franklin Delano Roosevelt said. He said it would act as a narcotic to the spirit of those who received these benefits for a prolonged period of time, undermine their humanity.

There is nothing more noble than taking care of the elderly, taking care of one's parents and grandparents and sending for them. That was why we have this legislation. I think we demonstrate how quickly that becomes undermined when we now have a system that encourages the abuse. I commend my colleagues on the Democratic side for saying, and recognizing, that this is something that has to be dealt with.

Madam President, I strongly urge we get done with the business of rhetoric as it relates to talking about the need for welfare reform and enact this legislation substantially in the form that it is, do the business of the people, and particularly the business of future generations, of giving them an opportunity to really live the American dream, to feel free, to feel that spirit of independence that is a right of every one of our citizens.

I yield the floor.

Mr. EXON. Madam President, may we have the chart back up for a minute. I yield myself such time as I may need. I will be brief and then I will yield to the next speaker on this side.

It is an interesting chart that my friend and colleague brought up. We have been debating this. I simply point out that I think we are debating a smelly dead polecat or a straw man. Both of the bills, the Republican bill and the amendment that we have offered, both address what has been pointed out here as something wrong. Another way of saying that is that there are general agreements on both sides of the aisle that these kind of things must be corrected.

I simply want to point out that we agree with the points made by the chairman, my friend and colleague from New Mexico, and the junior Senator from New York. I simply say of the 800-page bill that we have agreed to cut down, one or two of the pages in that bill that address the very same thing that is adequately addressed in your bill, are two of the pages that we will not drop. I simply say, I think we have enough to debate about. I want to make the point there are lots of similarities between the two bills, and it may take 800 pages to define some of the objections that we have which we will continue to debate and point out.

I come back to the basic point I made in the opening remarks on this side. We are most concerned about children, and while we recognize and agree and salute the opposition for some of the changes they have made, we still think more has to be done with regard to children.

How much time remains on the Daschle amendment?

The PRESIDING OFFICER. The proponents have 31 minutes and 10 seconds.

Mr. EXON. How much time does the Senator from North Dakota need?

Mr. DORGAN. Twelve minutes.

Mr. EXON. I yield 12 minutes to the Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate the cooperation of the Senator from Nebraska.

I rise to support the work first amendment offered by Senator DASCHLE. This issue is not, as is often portrayed, a caricature about Cadillac welfare queens whom we have heard about over a couple of decades of debate about the welfare system. The stereotype we hear about is this clipping of a Cadillac welfare queen, living in some big city, collecting a multitude of checks with which to buy a Cadillac and color television, and living the life of leisure.

That is not what this debate is about. It is about a welfare system, and this is a serious subject, that affects the lives of many, many people. This is the right subject. The welfare system does not work very well in this country. It does not work very well for the taxpayers, because there are able-bodied people who make welfare a way of life and should go to work. It does not work very well for those on welfare because it encourages them to stay there rather than go to work. It does not work well for kids, who are the most important element in this issue.

I have told my colleagues about the young boy I have never forgotten, a young boy named David who came to testify at a committee hearing. He lived in a homeless shelter with his mother in New York, moving back and forth between shelters. He testified before a committee on hunger and said, ''No 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry.'' I have never forgotten this young fellow and what he said.

The debate about this bill is increasingly about children, about those who live in circumstances that are troubled, about those who are born in circumstances of poverty, about those who have suffered setbacks in their lives. Two-thirds of the welfare expenditures in America are for the benefit of kids under 16 years of age. If you listen to some of the debate, you would believe that welfare is essentially, if not entirely, about giving a check to an able-bodied person so she can find a LA-Z-BOY couch or chair and lean back, and watch television, while drinking a quart of beer. That is the caricature drawn of welfare recipients, but that is wrong.

Two-thirds of the welfare dollars are spent for children under 16 years of age. No one here would sensibly say it is time to kick 10-year-olds out and have them go to work, get a good job, and take care of themselves. Children in this country, born in circumstances of poverty, did not ask for that, and we owe it to them to care about their lives.

I mentioned that welfare is the right subject, because the current welfare system does not work very well. The fact is, there are many similarities between what the Republicans and Democrats in the Congress believe on welfare reform. We tend to emphasize the differences, but we have much in common.

There is an avalanche of teen pregnancies in this country, and too many of them end up on welfare and are unprepared to take care of children. We need a national crusade to try to reduce the number of teenage pregnancies in this country. That is one way to address the welfare issue. We do that in the amendment that is before the body now.

There is an army of deadbeat dads in America, men who have babies and leave, saying, ''Yes, it is my baby, but not my responsibility, and I do not intend to pay a cent for that child.'' Guess who pays for that child? The American taxpayer. This bill says: Deadbeat dads, avoiding your responsibility is over. If you have children, you have a responsibility to help pay for the care of those children. And you have a responsibility to the American taxpayer.

Tens of billions of dollars in child support payments that are owed by deadbeat dads who have left and said, ''The kids I fathered are none of my business.'' This bill says: I am sorry, but you are wrong, and we are going to make sure that in the future you take responsibility for those children.

Yes, there are able-bodied people in this country who believe that welfare

can be a way of life. This bill says, you are wrong. This bill says that we intend to turn welfare offices into employment offices. We intend to say to welfare people—those who are able-bodied—If you are able-bodied and need a helping hand, if you are down and out, down on your luck, if you have just had a fire and lost everything in your trailer home, lost your job, suffered health consequences, or you have suffered a multitude of problems, we want to reach out and give you a helping hand. We want to help you back up, to help you get back on your feet, and to give you a chance.

That is what our welfare system ought to be. But it ought to also say that you have a responsibility as well. Yes, we will help you get back on your feet, but you have to be involved in helping yourself, and you have certain responsibilities. If all of the American taxpayers are going to help you, you have a responsibility to help yourself. That is also what this legislation does.

Work is the focus of this bill for those who are able-bodied. This is a tough bill, but a fair bill. It reforms the welfare system in the right way. It says that if you take responsibility for yourself, the Government will provide you with a temporary helping hand. It says we will provide you with the tools to get back into the work force and when you get there, we expect you to stay there. This amendment requires the able-bodied to sign a contract agreeing to go to work. It also says that if you fail to live up to the terms of that contract, your benefits will be terminated immediately.

The plan is flexible. It gives State and local governments the ability to be creative in developing their plans. But this plan especially recognizes that child care and job training are the linchpins to solving the welfare problem for those who are able-bodied.

I have told my colleagues of getting up in 6 in the morning and going to a homeless shelter in this town, Washington, DC, and talking to a young woman who had several children, and then driving back to the Capitol Building about 8 in the morning and thinking to myself, if I had been that young woman, what would I have done? Would I be able to climb out of the circumstances she found herself in, with a husband who left her, a need to care for several children, no job, no skills, but certainly not a desire to remain in that circumstance? This is not someone who said to me over pancakes at the shelter, ''I really want to stay on welfare.'' With tears in her eyes, she said, ''I want to go to work. I want to get a place to live. I want to provide for my kids. I want to get skills so I can get a good job.'' I was trying to think on the way back to the Capitol, I wonder how I could deal with that if I were her. Well, if you save for the first and last month's rent to get an apartment, they will cut you back on the AFDC payments. So you cannot save in order to get into an apartment. So no housing, no home. You will remain homeless. If you go get a minimum wage job frying hamburgers, as she did, what happens? You lose your children's Medicaid benefits. No health care for your children. If you try to go find some job training, where do you put your kids? Is anybody going to pay child care? No. So they are trapped. This young lady was trapped and she did not want more help. She did not want more welfare. She wanted to find a way out of that trap—to find a job, help provide for her kids, to give her hope and an opportunity for the future. That is what this debate is about.

This debate says it is unfair to the American taxpayers to pay for those who are able-bodied and stay at home. But it also recognizes that most people finding themselves on welfare want a way out, a way up, a way to improve their lives. This legislation offers that helping hand by saying that you have a responsibility, even as we help you. If you fail to meet that responsibility, we will not help. The amendment says, with respect to the issue of teen pregnancies, there will be no more independent households for teen mothers on welfare. None. Stay at home and stay in school. You must live with an adult family member or in a supervised setting where you can learn the skills to become a responsible parent. If you do not, there will be no benefits.

Some will say that is tough, and it is tough. But it is what we must do to reform this welfare plan. I have talked about the many challenges we face in Congress today. I summarized it by talking about kids, jobs, and values. That summarizes most of the challenges we face in Congress—dealing with kids, jobs, and values. The welfare debate touches all of those areas. It is, most importantly, an issue of what do we do about kids born in circumstances of poverty, born into a life that they did not choose. They did not ask to be born in poverty. What do we say to them? Do we say, ''You have value, merit, and we intend to help you, and we care about your lives''?

Welfare reform is about jobs, moving people from circumstances of welfare to employment, and to the ability to take care of themselves. Values? Yes, it is also about values. Do we value work over welfare? If so, let us apply those judgments in welfare reform, on the minimum wage and in other areas. Let us say to the folks at the bottom of the economic ladder in America that we are going to help you climb up the ladder and help you reach your full potential.

In my final remaining moments, let me tell my colleagues, I think for the second time, about Caroline, because she is an object lesson, it seems to me, of what we are discussing today.

Caroline was a wonderful Norwegian woman, who married a man named Otto in Oslo, Norway, came to this country and settled in St. Paul, MN. Otto tragically died. When Otto died, Caroline had six children. She took the six children and moved to the prairies of North Dakota and settled in a tent in Indian Creek Township, I believe, in Hettinger County, ND. They lived in a tent. Then this strong Norwegian woman built a home, raised a family, started a homestead and became a North Dakota farmer.

I can only guess what kind of strength and courage it took for this Norwegian woman, losing her husband, to move to the prairies of North Dakota and pitch a tent and raise her family and start her farm. But she did it. And she had a son, and her son had a daughter, and her daughter had me. That is how I came to live in Hettinger County, ND.

I told that story one day on a radio show when I was asked about my heritage. And somebody called in and said, ''Isn't it lucky that we did not have a welfare program at the turn of the century, because Caroline never would have left St. Paul; she would have stayed there and stayed on welfare.'' I said, ''Well, who do you think gave Caroline the land when she homesteaded 160 acres in Hettinger County, ND? The Federal Government.''

The Homestead Act said what we are trying to say in this welfare bill. We want to help those who are willing to help themselves. It was good policy then. It is good policy now.

I hope that in the name of Caroline—and in the name of children across this country—and in the name of common sense we will pass a welfare reform bill that is a bipartisan effort to understand that this Senate needs to do what is right to address one of the vexing problems of the day.

Mr. President, thank you for your indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska.

Mr. EXON. Mr. President, the Senator from Connecticut is patiently waiting. About how much time does the Senator need?

Mr. DODD. I do not know. I see my colleagues from Pennsylvania and New Mexico. I can wait.

Mr. DOMENICI. How much time would the Senator like?

Mr. SANTORUM. Five minutes.

Mr. DOMENICI. I yield 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for up to 10 minutes.

Mr. SANTORUM. I thank the Senator from New Mexico.

Mr. President, I want to respond to the speeches about the Work First Act.

This is, from what I can tell, an 800-page amendment that has been submitted without giving anyone on the other side a preview of that amendment, or any kind of opportunity to review an 800-page document. We were handed a background brief which is on one side of the paper. I think it is five or six pages of one-sided paper with fairly big type. It is not much information. There are, in fact, a lot of questions about the exemptions that are provided for to

the rules that sound very good but like previous bills that I have seen come from the Democratic leader, while the appearance, the facade, looks nice, there are a lot of holes in the floor for the people to drop through and stay in the current system, and, in fact, in the end the current system is alive and well after we have gone through great effort to pass something.

This bill does, from what I have seen—at least what they admit to in this background brief; I think ''brief'' is probably the applicable word here—there are essentially no time limits left. Under the Republican bill, under the bill that passed the U.S. Senate last year 87 to 12, there is a time limit on welfare. After 5 years, you are off AFDC; you had your time to, in a sense, get an education, get training, do job search, work, get that experience, and after 5 years the social contract was, in a sense, at an end.

That is important for the reason that we have to—just like all programs where you are dealing with people who are troubled and need to turn their lives around, it is important to set a time limit, some sort of goal, and some sort of time where people have to hit the wall. We provide in this bill, and we provide in the bill that we passed last year, a hardship exemption for those who were having a tough time still and realize, ''Hey, look, you are trying. You are still working.'' We allow a percentage of up to 20 percent of the people in the system to continue to receive benefits. Will they do that in this bill, in the Democratic substitute? In addition, people who hit the 5-year limit—everybody continues to receive vouchers which is, in a sense, a cash payment. They say, ''Well, it is vouchers for the children.''

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I can tell you while there are vouchers for the children, the parents get the vouchers. The parents spend the money for the children.

I am happy to yield.

Mr. BREAUX. I thank the Senator for yielding because the Senator is making an incorrect statement. Under the amendment that I am going to offer, which I happen to have written, it is very clear that the vouchers do not go to the parent or to the children. They go to a third party. They go to the people who provide the services. They cannot be given to the parent by law. They do not go to the parent. They do not go to the child. They go to the person who provides the benefit, the clothing, or the food, or perhaps a 2-year-old child whose parent has been cut off of welfare.

I ask the question of the Senator. What would he say to a small child whose parent has been cut off of any assistance and that kid could not have the food? What does he say to that kid?

Mr. SANTORUM. I would say one thing. No. 1, under the Republican bill that family still is eligible for food stamps. That family is still eligible for food stamps; still eligible for other medical benefits and other kinds of welfare services. What they are not eligible for—and what your vouchers are replacing—is cash.

So what you are doing is taking a cash program and turning it into a services program that does not have to be used for food, and can be used—again, I have to apologize. There is not much detail in this thing. So I am groping a little bit for my own information. I appreciate the Senator's responding and filling it in. But what you are filling in for—you already have people qualifying for food stamps, you already have people who are continuing to qualify for Medicaid, you already have people who continue, if they are eligible today, to qualify for housing. None of that changes. What we eliminate is cash, and what you replace it with is pseudocash, which is in a sense the same thing.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. The Senator talks about food stamps. For the first time, you are taking the Food Stamp Program and, through block grants, States do not have to use their money for food stamps if they do not want to.

Mr. SANTORUM. We did in the bill, as we did in the bill that passed 87 to 12 on this floor, allow States the option to take a block grant for food stamps, the option which was again approved by 87 votes on this floor.

Mr. BREAUX. The question is: Is it not possible that the States do not have to provide food stamps for the child you are talking about if they do not want to?

Mr. SANTORUM. If they take the option for the block grant, they can design this program, which has to be approved by the Secretary, of course. I am sure there are going to be some limitations on that.

Mr. BREAUX. You are mandating.

Mr. SANTORUM. No. There is mandate. But I would suspect, knowing the Governors I have talked to on this issue, if they are going to come to the point where they are going to end cash assistance, they are not going to take food stamp benefits away. In fact, the Congressional Budget Office, when they scored our bill, in fact, provided for an increase in food stamp expenditures because of the reduction in the AFDC payment. Therefore, you have less income in the family and, therefore, they are eligible for more food stamps. So food stamps have actually a counterbalancing influence on the reduction of cash. That is provided for in our bill.

But I think the point is here what you are doing is continuing the entitlement which is continued in this bill, No. 1.

No. 2, what you are doing is allowing families to legitimately make an economic decision which they make today, which is not to work, to stay on welfare, and to be able to survive doing so.

What we want to do, except for those cases that are hardship, except for those cases where people are really trying in high-unemployment areas, have problems one way or another with their family and holding down a job—we are not talking about people who are disabled. People who are disabled are not even in the program. We are taking about able-bodied people who are capable of working. We are saying to 20 percent of those people, we are going to allow you to stay after 5 years because we know there might be situations where it is tough. But the rest of you, yes, we will have an expectation that after 5 years you can get a job. You should be able to hold that job.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. Is that the Senator's premise of what he is trying to accomplish? Let me read a very short description of what a voucher program does, and tell me why he disagrees with it. It says a voucher provided to a family under this law shall be based on the State's assessment of the need of the child of the family. That shall be determined from the day of the subsistence need of the child; that it is effectively designed to appropriately pay third parties for shelter, goods, and services received by the child; and, third, finally, it is payable directly to such third parties.

If a State decides to have a 24-month termination of a parent because they do not follow the rules, what is wrong with this provision taking care of the needs of the child designed by the State to take care of the needs determined by the State to be payable to a third party on the subsistence needs of the child? If they talk about food stamps, it would not qualify under this.

We are talking about assistance needs of the child. Food stamps would include food.

Mr. SANTORUM. Sure. I can respond. Again, it is very hard to respond because you may be looking at the bill. I just got it.

Mr. BREAUX. We got it this morning.

Mr. SANTORUM. That bill came through the Finance Committee. You are on that committee. You saw it when it came through that committee. You had the markup when this came through the committee. You have the markup document before you, No. 1. No. 2, let me just say that what you say here again in your description is to provide non cash aid; maintain a minimal safety net for the children.

Who determines that in your bill?

Mr. BREAUX. The State.

Mr. SANTORUM. The State determines the minimal safety and the Federal Government has no oversight?

Mr. BREAUX. Let me read it again. A voucher provided to a family under this law shall be made on the State's assessment of the need of the child—not the Federal Government, not Washington, but the States.

Mr. SANTORUM. This is an optional voucher program.

Mr. BREAUX. It is a voucher of 5 years, optional on behalf of the State. The cutoff in less than 5 years is mandatory on the part of the child.

Mr. SANTORUM. If it is less than 5 years, and the people are not working, this is a difficult——

Mr. BREAUX. Not the parent. The parent gets zero under my amendment. We are talking about a child maybe 2 years old that cannot work.

Mr. SANTORUM. Or a child 16 years hold who can work.

Mr. BREAUX. Or a child 3 years old who cannot work.

Mr. SANTORUM. Or a child 17 years old who can. We can go back and forth. But the fact is we are talking about all children; that is, under 18. The point I am trying to make is, the question I am trying to have answered here is, if it is under five years, you mandate that the State provide a voucher to someone who is unwilling to work.

Mr. BREAUX. If it is less than 5 years and the parent is cut off, the child, as determined by the State, has to receive a voucher to provide the subsistence needs of that particular child.

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

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. In part of this dialog some 4 minutes ago, the question came up on block grants for food stamps. I might say the Republican bill before us here says the State has the option, but I would suggest that you read further, because it says that 85 percent of that money, if they choose to block it, must be used for nutrition. I believe that is correct in terms of the underlying bill.

I am going to yield now. We should be moving to the other side. Might I ask Senator EXON, does the Senator know how many more speakers there are on the Democratic substitute?

Mr. EXON. There is the Senator from Connecticut and there is myself and the Senator from Louisiana, so that is three.

Mr. DOMENICI. And how much time is remaining?

The PRESIDING OFFICER. The Senator from Nebraska controls 17 minutes, 21 seconds; the Senator from New Mexico controls 27 minutes.

Mr. DOMENICI. I yield the floor.

Mr. EXON. Mr. President, the Senator from Connecticut would be next. How much time does the Senator from Connecticut need?

Mr. DODD. I see one of the authors, my colleague from Louisiana, so I will try about 7 minutes or so.

Mr. EXON. I have some time that I can yield off the bill.

Mr. DODD. I thank my colleague. Ten minutes, if I can.

Mr. EXON. Ten minutes. I yield 10 minutes off the bill to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for up to 10 minutes.

Mr. DODD. I thank the Chair. I thank my colleague from Nebraska.

Let me begin by thanking the Democratic leader, Senator DASCHLE, along with our colleague, Senator BREAUX, of Louisiana, and Senator MIKULSKI, of Maryland, who are the principal authors of this alternative. I commend them for it.

I draw my colleagues' attention to the exchange between our colleagues from Pennsylvania and Louisiana that comes to one of the critical elements as far as I am concerned. It is the critical distinction between what is being offered by the majority and what we are offering in the alternative. That is, Mr. President, the children.

I do not think there is any debate among us here about trying to get the adults from welfare to work. There are 2 million people out of roughly 275 million that we are going to put to work.

Let me begin by framing this in mathematical terms so people can get a conception in their minds of what we are talking about. We are a nation of some 270 million people, thereabouts. What we are talking about is Federal welfare, aid to families with dependent children. There are 13 million people in the United States on AFDC, aid to families with dependent children, out of a nation of 270 million. Of that 13 million, Mr. President, 4.1 million are adults and 8.8 million of that 13 million are children under the age of 18. And 78 percent, almost 80 percent of that 8.8 million are under the age of 12; roughly 50 percent of that 8.8 million are under the age of 6.

I do not think the debate here is about whether or not we can take 2 million of the 4 million adults out of a nation of 270 million and put them to work. That we all agree on. What this side of the aisle has so much trouble with and why there is such a fundamental disagreement here relates to the 8.8 million children—80 percent of whom are under the age of 12. People who are 16 or 17, I presume they are almost adults; they can work. But I do not know of anyone, Mr. President, regardless of ideology or political persuasion, who is going to look into the eyes of a child and say, ''I am sorry. Because your parent did not get a job, because the recession happened, because there were not enough jobs, you are out of it. We cannot help you any longer.''

I do not understand that sort of approach. It would break a tradition in this country, regardless of party and political persuasion, that has existed for more than a half a century. We have said, when it comes to America's kids, the circumstance they are born into is none of their doing. It is none of their doing. And yet if a 6-year-old child is starving, is hungry, we ought to find subsistence help. That is what my colleague from Louisiana was just talking about, some form of subsistence assistance for them.

Mr. President, I am going to focus these brief remarks on the children. I do not make any argument about whether we want to make it 2 years or 5 years to get people off of welfare to work. I'm talking about roughly 2 million or 4 million of 270 million. I figure we ought to be able to figure out how to do that.

I am really concerned about these infants and children. We see under the proposal offered by the majority that we do not have health and safety standards for child care if the parents go to work. These children under the age of 12 who are going to need a child care setting. Yet the bill eliminates today's health and safety standards for child care settings.

We have standards for automobiles that must be met, emission controls that must be met. We have standards for pets in this country that must be met. For the life of me, I do not understand why we will not have health and safety standards for America's children in a child care setting. What is so radical or outrageous about saying that on basic health and safety, children who are put into a child care setting ought to have that minimum guarantee.

I will offer an amendment, assuming—I hope it is not the case—that the Democratic alternative is rejected, to try to correct that situation on health and safety standards. I am hopeful my colleagues will support it.

Senator HATCH and I, 6 years ago, wrote the child care legislation and included health and safety standards, and we have worked with it pretty well over the last 6 years. It is not in this bill. I would urge that we put it back in. The Democratic alternative does that. We have in our bill a minimum requirement that would require quality of child care.

If we are saying to these parents, which we should, we want you to get to work, and we want you to be self-sufficient. Then we have to say that when these children are being cared for, there is going—Mr. President, I am having a hard time even hearing my own self speaking.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will come to order.

The Senator from Connecticut.

Mr. DODD. I thank the Chair.

So, Mr. President, the health and safety standards, the quality of our child care settings, again, this ought not be a question of partisan disagreement here. As I said, if we are going to have quality controls on automobiles and pets, then we ought to do it for child care settings. If you try to place your pet in some place over the weekend when you go on your vacation, there are standards for where your pet is kept. And yet this bill says that the standards where you place your child 8 hours a day as you go to work are not required.

I do not know why this ought to be the subject of partisan disagreement, and yet it is. And so when you talk about welfare reform, it is critically important that health and safety standards and quality be included. We will offer alternatives in that regard.

I also want to emphasize the point that the Senator from Louisiana just made to our colleague from Pennsylvania about a voucher system at the end of 5 years or 2 years. In my view, you can put any level you want on it. My concern is, what happens to the kids at that point? What happens to those children at the end of 2 years? For some of the adults, let us assume they will be going off to work. But let us assume for a second they cannot. What happens to those kids? You cut off the parents. OK, I do not like that, and I think you have a problem with that. But for the life of me, why would you say to the child, you lose.

The voucher system here provides the safety net. And, of course, under the bill offered by the majority, in fact, it is mandatory—mandatory—there be no voucher system. It specifically prohibits it. It does not even give the State the option. It mandates that no voucher exist at all.

I do not understand that. I do not understand that at all.

Mr. SANTORUM addressed the Chair.

Mr. DODD. Let me, if I can, finish my remarks, because time is brief here, and then I will be glad at the end, if I do have an extra minute, to yield to my colleague.

The proposal offered by the distinguished Senator from South Dakota and the Senator from Louisiana offers a safety net for children that I urge my colleagues to look at. The voucher system that allows for that safety net for children.

The same on the food stamp issue that has been raised earlier. Again, by block granting it, you run the risk in certain States, because the political will is not there—and my colleagues know as well as I do that can happen—then the food stamp issue is also lost.

I hope that is not the case. I heard my colleague from Pennsylvania earlier say he did not think that would happen. I hope he is right. But I do not know why we cannot require some safety net so all of us on a national level know these children are not going to be adversely affected.

One of the other provisions that has not been the subject of much debate is the penalties imposed by the majority's proposal. We are told by the Congressional Budget Office that many States will not be able to meet the criteria laid out in the legislation, the standards here, and that in fact they will be imposing penalties of 5 percent of the assistance they will be receiving under this bill in the first year. Then it is cumulative. Whatever that number is, the penalty the first year, if there is a penalty the second it is 5 percent on that number. The point is, as has been pointed out by some of our Governors, this is an unfunded mandate, because that falls on the States, on local taxpayers. One estimate from one Governor is it may be as much as $12 billion in an unfunded mandate on the States as a result of the penalties being imposed if States do not get the numbers of people to work in the timeframe they are required to under our legislation.

Again, I assume most of the States will try to get it done, but I think all of us know what happens when a recession or other economic difficulties hit. For one reason or another, the States would not meet those standards and the penalty is imposed. Then it gets cumulative thereafter. We collect that back. So that is, in effect, a tax, an unfunded mandate on the States. And I am looking specifically at our colleague in the chair because he authored very effectively, at the very outset of this Congress, a very successful piece of legislation on unfunded mandates. I urge him to look at this, because Governor Carper of Delaware and others at the Governors Conference raised this issue included in the majority bill, and I do not think any of us would like to see an unfunded mandate imposed as a result of this legislation despite our activities earlier in this Congress.

I end where I began here. My concern is about these children, these kids.

I ask unanimous consent I be able to proceed for 1 additional minute.

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

Mr. DODD. My concern is children. Again, on the health and safety standards, on the quality, on the vouchers and food, it seems to me we ought to try to correct these mistakes. Again, remember, we are talking about putting 2 million adults out of 4 million adults on welfare to work over the next 5 years, out of a Nation of 270 million people. Of the 8.8 million children on welfare, 80 percent are under the age of 12, 50 percent under the age of 6—of the 8.8 million. We ought to be able to say to those infants and those children that there is a safety net here. We are going to try to see to it that your parents go to work, but for whatever reason if they are unable to do it, no matter what we do to them, you are not going to be adversely affected by this. That ought not to be that hard to do. I do not understand why we cannot find common ground on that issue as we try to achieve the goal of putting people, adults on welfare, to work without jeopardizing the children. That is the simple question.

Can we not write a bill, can we not come together and write a bill that puts people from welfare to work and does not adversely affect infants, infants in this country who I think will be hurt as a result of the legislation, if adopted unamended, as the majority has presented it?

Mr. President, I see my colleague from Pennsylvania standing. I will be glad to ask for an additional minute if he wanted to ask me a question, or maybe my colleague from New Mexico would.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. The Senator from New Mexico has 27 minutes, the Senator from Nebraska, 17 minutes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I do have a question of the Senator. Let me state something first. I stated before in my opening comments that the Senator from Connecticut and the Senator from New York said and repeated that what they care about is the children. I suggest the current system reflects that all the care that has been expressed for children, here, has not panned out into a reality that children are cared for. That is the real issue.

We can all care about children. The question is, are children cared for and by whom? What we are trying to do here, in this bill, is to make sure, not that we feel good about caring for children—I am sure the Senator from Connecticut knows that everybody in this Chamber cares for children; that is not the issue, to measure our care—it is to measure whether children are cared for and by whom.

What we do here in our bill is to try to rebuild a culture that has been systematically destroyed by the welfare system to make sure that there are families to care for children; that there are communities where children are safe again. As long as you continue the welfare entitlement, the dependency structure of unlimited welfare, you will not get care for children. You will not get caring neighborhoods. You will not get caring communities. You will not have stable families. It is a reality. You are looking at it today. That is why we are here.

Mr. DODD. If my colleague will yield?

Mr. SANTORUM. I just ask this question of my friend from Connecticut. Does your bill create a day care entitlement?

Mr. DODD. No.

Mr. SANTORUM. You say in your bill that ''all children will receive day care.''

Mr. DODD. No, we block grant——

Mr. SANTORUM. You say all children will receive day care. I will read from it. ''To help recipients get and keep a job, child care will be made available to all those required to work.'' That sounds like a quasi-entitlement.

Mr. DODD. If the parents go to work, we are trying to provide a setting for those children in that situation. Rather than have them go onto the streets, there is some child care setting for them.

Mr. SANTORUM. As the Senator from Connecticut knows, under the Republican bill before you, we spent $4 billion—''b'' billion—$4 billion more on child care than under current law and almost $2 billion more than what the President believes he needs for day care. So we spend a lot more money. The question——

Mr. DODD. The Senator did not hear me suggest I was going to offer an

amendment to add additional funds for child care. I said health and safety standards. And I appreciate the fact we are going to be able to get more on child care. I say to my colleague, it will probably be inadequate. If, in fact, we get everybody to work, the money there will not provide for the child care needs for those families. I do not think anybody will tell you that it would be adequate. But I appreciate the fact there is more money and I appreciate the fact the Senator from Delaware, who is the chairman, is responsible for that.

Mr. SANTORUM. I ask for 1 additional minute.

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

Mr. SANTORUM. The second question is on the vouchers issue, and the Senator from Louisiana, while he responded to a question was not responding to my question. He was responding to the provision in his amendment, not the provision in the amendment before us.

You suggest the Republican bill forbids vouchers after 5 years.

Mr. DODD. Right.

Mr. SANTORUM. I am sure the Senator from Connecticut knows that what it forbids is Federal dollars to be used for vouchers after 5 years. States can give vouchers using their own dollars for an unlimited period of time. Obviously, if they do not, if they use their money—there is a discrete amount of money here. What we are saying is you have to focus that money on the 5 years. If you want to extend beyond the 5 years, then use your own dollars.

Conversely, what you would say is, look, you can use our dollars after 5 years, which means you would necessarily have to take it out of the first 5 years. We do not think that money should come out of the first 5 years. We think there should be an intensive effort in 5 years, committing every Federal resource possible to that 5-year transition period, to get those people to work and not hold out money, Federal dollars, for a continuation of welfare into the future. That is the philosophical difference.

Mr. DODD. Let me respond, if I may, to my colleague. Two points. One, on child care, there is a cap on entitlements on the child care issue. I ask for 30 seconds.

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

Mr. DODD. It is a capped entitlement on child care, so it will not be increased.

Mr. SANTORUM. It is a new entitlement?

Mr. DODD. Let me respond. You asked the question. Let me respond.

In regard to the issue of the vouchers, obviously the States and localities can do what they want. But we are talking about our Federal involvement here. We prohibit the use of the Federal funds, of our money, Federal money, if you will, to go for the voucher system. I just suggest that, if we are going to put people to work as we should, and if for some reason States are unable to meet those standards, then those children, whatever else you want to do with the adults, ought to have a safety net. The voucher ought to be a system they can use to provide for that safety net. We say that States ought to be able to provide that. The bill by the majority prohibits it. Obviously, we cannot stop a State from doing what it wants, but why would we prohibit them from using these moneys?

Mr. SANTORUM. I ask for 1 additional minute to respond.

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

Mr. SANTORUM. I would respond by saying, as the Senator from Connecticut knows, we are talking about originally 25 percent of the AFDC population, able-bodied AFDC population——

Mr. DODD. Four million.

Mr. SANTORUM. Yes—going into this system, increasing up to 70 percent over the next 5 years. Within that category, 20 percent are exempted for hardship. That means they can go beyond the 5 years and still receive Federal dollars after 5 years. We are talking about a limited number of people who are able-bodied, who have had 5 years, who are not designated by the State as hardship. That is not a high hurdle to get over.

Mr. DODD. I do not have any disagreement on that. On the adult side I have no disagreement. My focus is on the 8.8 million kids, 80 percent under the age of 12. That is the focus of my concern. My fear is the children are not being adequately protected at all.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. How much time does the Senator from Nebraska have left on the amendment?

The PRESIDING OFFICER. The Senator from Nebraska has 16 minutes, 15 seconds.

Mr. EXON. On the Daschle amendment.

The PRESIDING OFFICER. That is correct.

Mr. EXON. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for up to 10 minutes.

Mr. BREAUX. I thank the Chair.

Mr. President, I think a lot of this is getting far more complicated than it deserves. It is a serious issue, but it is not that complicated. I think the work first amendment that has been offered by the distinguished Democratic leader, Senator DASCHLE, is a very good compromise. It is fair, it emphasizes work, and it sets time limits for people on welfare. It also, I think, however, is good for children. It is tough on work, but it is good for kids.

Welfare reform must be about getting a check by working as opposed to getting a check by not working. We all agree with that. Democrats have said very strongly that we believe that there should be time limits; that people should be required to work; that an unmarried mother should be required to live with an adult, in an adult family, with her own family, if that is possible, but with adult supervision; that we should have a time limit on how long someone can be on welfare. It cannot be forever.

Our amendment says there is a lifetime limit of 5 years, and a State has the option under our bill to set shorter limits if they want. My own State of Louisiana has been approved to set time limits for welfare as low as 24 months, 2 years.

But what I am talking about when we are talking about these vouchers for kids is that all of us believe that while we are being so tough on a parent, that we should not be tough on an innocent child and an innocent victim who did not ask to be brought into this world. What good do we do by telling a 2-year-old that we are going to throw him or her out without any help or assistance?

The voucher proposal which I have as an amendment to be offered later on simply says that if a State determines to terminate a person on welfare assistance in a period shorter than 5 years, that that State must use the Federal and State money that they have to help pay for essential needs of a child.

My amendment says that the State shall do an assessment of that child. They still determine the need of that child. The child may need diapers, the child may need medicine, the child may be older and need book supplies, good gosh, to go to school, which we all should support, or may need food because they are hungry and the Food Stamp Program is not adequate.

The State makes the determination of the need of that child, and then after they have made the determination, they determine vouchers for that child's benefits. The parent does not get it. Everybody wants to penalize the parent. The voucher does not go to the parent under my amendment. The voucher would go to the third party who is going to provide the essential needs for the child. Maybe it is a food supply organization, maybe it is a school, maybe it is a drugstore for medicine for the child. They would get the voucher under the State program, and they would take care of the needs of that child as determined by the State.

Is it too much for us in Congress to say to a State that we are giving most of the money to that you have to use those moneys to take care of children who are innocent victims while we are being so tough on the parent?

I support time limits of parents. I support making them go to work. I support making them be responsible and live with an adult if they are going

to receive AFDC assistance. My gosh, can't we be, in this great country of ours, with the economic benefits that we all participate in, strong enough also to say we are going to somehow protect the needs of innocent children?

We are close on this. It should not be a big disagreement. After 5 years, we say we allow the State to do it, but the Republican proposal forbids it. Why, if the State wants to do it, can they not use the block grant money they get to do this? If the State sees a child that they think is in need, why should we not at least allow the State, under this wonderful block grant concept, to provide vouchers for children after 5 years if the State wants to do it with the block grant money that they get? Yet, the Republican bill forbids it.

I think that is too extreme. Let the State make the decision. If the State wants to forbid it, all right, let them do it. But if the State wants to do it with the block grant money they are getting, allow them to do it. Then, if it is less than 5 years, if they want to cut off the assistance to a parent in 2 years or 3 years or 4 years, we think that the moneys that Washington and the States are providing together should at least be used to take care of the child while we are being tough on the parent.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. All this should be about putting work first but not children last.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. Yes, I yield.

Mr. GREGG. Is it my understanding that in your proposal, the States are mandated to use the vouchers during the 5 years, permitted to use vouchers after 5 years.

Mr. BREAUX. I will answer the Senator, who has a distinguished career as Governor back in his State, it says that a State, based on their determination of the need, if the child does not need it under the State determination, the State does not have to do it, if it is a 2-year time limit, 3 years or 4. But if the State, in their determination, sees a child who has a need that is not being met, then the State must have a voucher. If the State finds that child is being taken care of with other programs or through a parent, aunt, uncle or grandfather, there is no need there. The State makes the determination.

Mr. GREGG. If I may continue this question, basically what you are saying, then, is the State is required to use the voucher for a child up to the 5 years.

Mr. BREAUX. That is incorrect.

Mr. GREGG. The State identifies the need.

Mr. BREAUX. The question the Senator is posing is an incorrect statement in the sense it does not require the State to give a voucher to a child whose parent has been cut off from welfare for less than 5 years. It would only require it if the State first makes a determination that the child has a need. The State makes that determination.

Mr. GREGG. That differs from the pending legislation. The pending legislation leaves it up to the State to make that decision during the 5-year period; is that correct?

Mr. BREAUX. I think the Senator is correct.

Mr. GREGG. And then you are saying that after the 5-year period, the States would be given the flexibility to continue the voucher, but even if there was a need at that time, it would be identified by the State, it would not be required.

Mr. BREAUX. That is correct.

Mr. GREGG. So, essentially, you are putting the State in this position—as the bill is presently structured, you are taking that language and moving it into the post-5-year period, and then for the pre-5-year period, you are requiring that the payments be made for need—

Mr. BREAUX. As I understand the Senator's question—let me try and restate it as simply as I possibly can.

Under the Breaux voucher amendment that will be offered, for a family that is cut off from welfare after being there for 5 years, it would allow the State to use their block grant funds to provide vouchers to a child if the State determines that there is a need for assistance for that child.

If the State has a shorter period than 5 years—2 years, 3 years, 4 years, what have you—based on the State's assessment of the need of that child, the State decides there is a needy child here, then the State is required to use block grant funds to help that child. They determine how much; they determine where to spend it. It does not go to the parent. It does not go to the child. It goes to a third-party provider.

Mr. GREGG. Which I guess leads to the point I wanted to ask about, which is that if you are essentially using the logic of this bill for the post-5-year period, why not use it for the pre-5-year period also?

Or to state it another way, you said in your statement that it made no sense to you that people wanted to give flexibility to the States; they would not allow the States that flexibility after a 5-year period to spend the voucher. Doesn't that same logic apply to the pre-5-year period?

In other words, shouldn't the State flexibility remain for the pre-5-year period as well as for the post-5-year period? Why should the Federal Government come in and direct the States to do it?

Mr. BREAUX. I will respond to the Senator in this way.

I would like to, but politically I do not think it is possible to do it, to say that when you have a block grant fund going to the State, and the State has made a determination that there is a needy child out there, the State be required to use those funds to take care of the needs of the child at any point, 5 years, 2 years, or 3 years, either one. I just do not think that is politically possible to do.

Mr. GREGG. Well, I appreciate the Senator's courtesy of yielding to me for these questions. If the logic of the Senator's position is correct—and I think there is a lot of attractiveness to the Senator's logic in the post-5-year-period—if this bill, as it is presently structured, basically takes that logic and applies it to the pre-5-year period, would not the Senator's amendment be a lot stronger and consistent, if the Senator would essentially use his language for the post-5-year period, but not change the language for the pre-5-year period to create a mandate on the States which is going to put the States in a position of basically being instructed as to how to govern the welfare system in that 5-year period?

Mr. BREAUX. I respond by saying I offered that in the Senate Finance Committee. I think it may have lost on a tie vote. I tried it once. I think I will try to get something that will pass the Senate and narrow it down to one. The bottom line is very simple.

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

Mr. BREAUX. Mr. President, I ask for 2 additional minutes.

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

Mr. BREAUX. I thank Senator EXON for yielding the time.

What I am trying to accomplish—and I do not think anybody on the Senator's side is being cruel with children or anything. I think that there is a great deal of sympathy on both sides. I say to the Senator, what I am trying to do is say to the States that are getting Federal money with their State money, if the State looks at their population and the State sees children who are being put in need because we have cut off their parent, that we should use funds to take care of the needs of those children.

The State determines what the need is. The State determines how to help that child. The State determines whether to help that child or not. They can make a decision this child does not need help. But if the State makes a decision that there is a child in need, and he has been put in need because the parent has been cut off of welfare assistance, that we should have a requirement that they use Federal and State funds to take care of that need.

How much they do is left up to the State. How they do it is left up to the State. But, by gosh, we have an obligation here to say that we are not going to let children go hungry or uncared for. I think the Senator's side should agree with that. I think that many do.

Mr. GREGG. If the Senator would yield for an additional comment.

Mr. BREAUX. Yes.

Mr. GREGG. I simply state that the question and the point I make is that the Senator's amendment is, on its face, inconsistent because in the first 5 years it puts mandates on the States, the second 5 years it gives the States flexibility. I think the flexibility part is very refreshing.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time remains on the Democratic side and how much on our side?

The PRESIDING OFFICER. The Senator from Nebraska controls 4 minutes 50 seconds. The Senator from New Mexico controls 20 minutes 14 seconds.

Mr. DOMENICI. I want to say to the Senators on our side, the chairman of the Finance Committee, Senator ROTH, wants to speak for a few moments, and I want to speak for a couple. Then we want to yield back our time and have a vote. Obviously, the Senator has a few minutes left, Senator EXON.

Before I proceed to ask Senator ROTH if he would like to speak, may I clarify for those who are going to vote shortly.

I say to the Senator from Louisiana, his discussion was about an amendment the Senator proposes to offer; is that correct?

Mr. BREAUX. I respond to the Senator by saying that we have been talking about a little of everything here, but most of the comments have been about the Breaux voucher amendment.

Mr. DOMENICI. The Breaux voucher amendment will not be before us when we vote here in about 10 or 15 minutes. The Senator intends to offer it later on, as I understand it.

Mr. BREAUX. I also answer to the Senator, for clarification, the work first also has a voucher plan for children in it.

Mr. LEVIN. Mr. President, the Nation's current welfare system does not serve the Nation well. It has failed the children it is intended to protect and it has failed the American taxpayer. I am hopeful that the debate in the Senate will ultimately result in a constructive bipartisan effort which will finally end the current system and achieve meaningful reform.

Meaningful reform will assure that children are protected, that able-bodied people work and that child support enforcement laws are effective in getting absent parents to support their children.

One challenge is to seek genuine reform of welfare without abandoning the goal of helping children. The Daschle work-first bill fundamentally changes the current welfare system by replacing unconditional, unlimited aid with conditional benefits for a limited time.

Under the work-first bill, in order to receive assistance, all recipients must sign a contract. This contract will contain an individual plan designed to move the parent promptly into the work force. Those who refuse to sign a contract won't get assistance and tough sanctions apply to those not complying with the contract they sign.

The underlying legislation requires people to work within no more than 2 years. Why wait that long? Why wait 2 years? Unless someone is in school or job training, why wait longer than 3 months to require that a person who is able bodied either have a private job or be performing community service.

I have long believed that work requirements should be applied promptly. The Daschle amendment contains language which I will offer as an amendment to the underlying bill, if the Daschle substitute fails which requires that recipients be in training or in school or working in a private sector job within 3 months, or if one cannot be found, in community service employment. Within 3 months, not 2 years. The requirement would be phased in to allow States the chance to adjust administratively and would allow for a State to opt out.

Last year, the Senate-passed welfare reform bill contained this provision, added as an amendment which I offered with Senator Dole.

Experience has shown we must be more aggressive in requiring recipients to work. But, as we require recipients to work, we must remember another important part of the challenge facing us: that fully two-thirds of welfare recipients nationwide are children. Almost 10 million American children—nearly 400,000 in Michigan alone—receive benefits. We must not punish the kids.

I am hopeful that the 104th Congress is on the road to finding a way to get people off welfare and into jobs, in the private sector, if possible, but in community service, if necessary; make sure that absent parents take the responsibility for the support of their children; and do these things without penalizing children—that way, I believe, is the work first plan offered by Senator DASCHLE.

I congratulate Senator DASCHLE, Senator MIKULSKI, Senator BREAUX, and the many others of my colleagues who have worked on the Daschle work first bill.

The work first bill is tough on getting people into jobs, but it provides the necessary incentives and resources to the States not only to require people to work, but to help people find jobs, and keep them.

Mr. President, I have focused on getting to people to work. However, there are other elements of positive welfare reform that I support. The number of children born to unwed teenage parents has continued to rise at unacceptable rates. We all recognize the need to do something about this and to remove any incentives created by the welfare system for teenagers to have children. I support teen pregnancy prevention programs with considerable flexibility for the States in implementation.

We know, however, that the problem of teen pregnancy and unwed teenage parents will not be completely or easily eliminated. I strongly support provisions which require teen parents to continue their education or job training and to live either at home, with an adult family member, or in an adult-supervised group home in order to qualify for benefits.

Another key element of any successful welfare reform plan will be assuring that parents take responsibility for their children. We must toughen and improve interstate enforcement of child support. I support provisions to require cooperation in establishing the paternity of a child as a condition of eligibility for benefits, and a range of measures such as driver's license and passport restrictions, use of Federal income tax refunds, and an enhanced data base capability for locating parents who do not meet their child support obligations.

The Daschle amendment which is before us addresses these and other problems. It ends the failed welfare system and replaces it with a program to move people into jobs, to guarantee child care assistance, to assure that parents take responsibility for the children they bring into the world, and does so without penalizing the children.

Mr. President, the bill before us is an improvement over the bill which the President vetoed last year, which was inadequate in many ways, including its failure to protect children. However, the bill can still be improved. In my judgement, the Daschle amendment does a better job by putting people to work more quickly and by doing a better job of protecting innocent children. I intend to vote for Senator DASCHLE's work first welfare reform plan. I urge my colleagues on both sides of the aisle to lay partisanship loyalties aside and to join in an effort to finally end the current system and achieve meaningful reform.

Mr. DOMENICI. I yield 5 minutes to the chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware is recognized for up to 5 minutes.

Mr. ROTH. Mr. President, the American people should heed the old advertising slogan ''accept no imitations.'' The work first amendment is a well-named imitation of welfare reform. But real reform must have some very basic provisions. It must have real and workable time limits. It must bring closure to entitlement programs. It must not engender dependency and allow multigenerational abuse of the system. Real reform must require able-bodied individuals to work. It must offer flexibility and authority to State governments to be innovative and effective in meeting the needs of their people.

While work first has the benefit of good advertising, it is an imitation. Work first has no real time limits. Work first has no real requirements for people to work. Work first lacks the specific, concrete requirements needed for reform. Rather, work first appears to be more of the same. It does not extend real authority to the States. It offers waivers. It grandfathers existing waivers and intends to expedite the process.

The Governors have had their fill of waivers. To them, work first is business as usual with Washington bureaucrats dispensing authority one drop, one waiver at a time. But waivers, Mr.

President, are not welfare reform. And for requiring individuals to work, work first offers something called parent empowerment contracts. These sound great. And I have much interest in that concept. But we do not know much about them other than intensive job search is required. This is all we know, and that they are designed to move the parent into the work force as soon as possible.

For real reform, Mr. President, this rhetoric is simply too vague. I might say, that the Governors have real concern about these contracts. They are concerned that they will be provocative of much litigation for those who would seek to impose obligations on the States because of these contracts.

But in any event, real reform must be concrete. As I said, it must have time limits and a bottom line. To create incentives in the hearts and minds of people moving off welfare rolls, they must know that Washington and their State governments are serious. Their behavior must change.

Last year the General Accounting Office reported that between 1989 and 1994 the Federal and State governments have spent more than $8 billion through the job program. The GAO told Congress that we do not know what progress has been made in helping poor families become employed and avoid long-term dependence.

Real reform must change behavior and foster policies that encourage men and women to make correct choices. Work first attempts to attract support by offering false choices in regard to teen parents, child care, and transitional Medicaid benefits. Make no mistake about it, the Republican welfare bill includes all of these items.

Mr. President, I oppose the amendment. It is time for welfare reform. It is time for the real thing. I yield back the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, may I inquire as to whether or not the yeas and nays have been requested on the Daschle work first amendment?

The PRESIDING OFFICER. The yeas and nays have not been requested.

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, I think we are trying to bring this debate to a close. The Senator from Nebraska has been yielding time now for 2 or 3 hours. I wish to address this briefly myself, not hash over other ground. I understand that the Senator from Connecticut may wish some time. Is that correct?

Mr. LIEBERMAN. I thank the Senator from Nebraska. If it is possible to speak for up to 5 minutes, I would be grateful.

Mr. EXON. I will be glad to yield 5 minutes. Then I will take 3 or 4 minutes. I believe that will be the end of the debate on this side. Then maybe we can get some agreement to proceed to a vote.

The PRESIDING OFFICER. The Senator from Nebraska controls 3 minutes 42 seconds.

Mr. EXON. As soon as the manager of the bill finishes his statement, I will yield 5 minutes off of the bill to the Senator from Connecticut. Then I will use the last 3½ minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me just say, the 800-page amendment is subject to a point of order, which I do not want to make. However, if we cannot vote in about 15 minutes—I have a couple of Senators who will not be here for a little while—I will need to make a point of order on this matter.

Could we agree right now on how much time we will use, Senator, and then vote?

Mr. EXON. I have agreed to give 5 minutes to the Senator from Connecticut. I think I have 3½ minutes left on the bill, for a total of 8½ minutes.

Mr. DOMENICI. I will wrap it up with 3 minutes. That makes 11 minutes.

The PRESIDING OFFICER. That is 11½ minutes.

Mr. DOMENICI. I ask unanimous consent that in 11½ minutes there be a vote, and the time be distributed as we have indicated.

Mr. CONRAD. Reserving the right to object, I would like 2½ or 3 minutes, if I might be part of the queue.

Mr. EXON. Mr. President, in order to accommodate everyone, the manager of the bill will agree to put my statement in the RECORD. I yield whatever time I had to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota would have 3½ minutes.

Is there an objection to the unanimous consent request?

Without objection, it is so ordered.

The Senator from Connecticut is recognized for 5 minutes.

Mr. LIEBERMAN. I thank the Chair. I thank my friend from Nebraska for yielding.

I rise to support the work first amendment, which I think is balanced and valuable in the sense of expressing the values of the American people's statement on the problem of welfare. It is genuine reform. It targets and puts the pressure on those who should feel the pressure. That is the parents who are on welfare. It does what I think the American people, in the best expression of our values, want us to do, and that is to protect the children and not punish the children who are the innocent victims of the current status quo.

As I look at the various proposals before the Senate, the underlying bill, the amendment we have put together, it seems to me there is so much in common that we ought to be able in the interest of those on welfare and the interest to the Federal Treasury and the interest of creating a welfare program in this country that truly expresses the values of the American people, to get together and make this happen. I still think there is time to send the President a good bill that he will feel in the fullness of his conscience that he can sign.

Mr. President, if we talk about welfare reform, I think we have to focus at its heart on the question of babies born out of wedlock. Particularly, of teenage pregnancy. Because so many of those on welfare—and the numbers are in the RECORD—are children and mothers of children who were born when the mothers were teenagers and unwed—an extraordinarily damaging epidemic that has swept this country, damaging to the young women whose future is hobbled and severely limited by the fact they have given birth to babies as teenagers, unmarried, and bringing into the world these children who are subjected to some of the worst imaginable conditions, with very little hope, born to a 12, 13, 14, 15, 16-year-old girl without a man in the house and living in poverty—what chance does that child have, on the average to make something of his or her life?

All the proposals here, including the work first proposal, contain a basic principle, which is that unmarried, minor moms are required to live at home or under adult supervision, and must stay in school or training in order to continue to receive welfare benefits. A great idea which I fully support.

Mr. President, I intend to offer two amendments which I think strengthen this battle against teen pregnancy. I saw a study last week that said that we spend $29 billion every year because of babies born to unwed mothers, a startling number. Think what we could do if we could prevent this from happening.

I have two amendments. The first one would require States to dedicate 3 percent of their share of title 20 social service block grants, which is an amount equal to $71.4 million, to programs and services that stress to minors the difficulties of becoming a teenage parent. Hopefully, these programs will infuse our children with a clear understanding of the consequences, let alone the immorality of bearing a child as a teenager who is unmarried.

The second amendment gets at a problem we have recently uncovered in our country, which is that a startling number of the babies born to teenage mothers are fathered by older men. This used to be something when I was growing up that we called statutory rape. It sort of went out of fashion to think of that in the age of widespread consensual sex, and none of the norms that used to exist. Very often in these cases it is not consensual. It is an older man forcing himself on a younger woman with drastic consequences for that woman and the baby.

My second amendment would appropriate $6 million, a small sum, to the Attorney General to direct a national program of training State and local prosecutors to revive and enforce statutory rape laws. It will also—and I think this may be the most significant part, as part of the certification procedure that is in the underlying bill, in which the Governor of a State has to certify that programs in his or her State to qualify for aid under the program—it requires the State to certify that there is within the State a program to reduce the incidence of statutory rape of minors by expanding criminal law enforcement, public education, and counseling services, as well as restructuring teen pregnancy prevention programs to include the education of men.

Mr. President, I hope one or both of these might be accepted as the day goes on, by the majority, because they are not presented in a spirit of partisanship. Obviously, this is a problem that is not partisan and is very human.

I thank the Chair. I thank my friend from Nebraska. I yield the floor.

Mr. EXON. Mr. President, I rise to support the Democratic work first substitute amendment to the budget reconciliation bill. As I observed in my opening statement, there is ample room for improvement in the Republican welfare reform bill. But there is also a great deal of common ground upon which we can build.

There is agreement that the current welfare system serves neither the recipients, nor the taxpayers. The cycle of dependency deepens with each new generation and is most discouraging. We agree that all able-bodied recipients should earn their daily bread. And we concur that assistance should be conditional.

I want to commend by colleagues on the other side for moving off of some strongly held beliefs and seeking the center. I believe that this new version of the Democratic work first welfare reform bill also reflects this same spirit of compromise and bipartisanship.

I argue, however, that the amendment before us today is preferable to the Republican plan. The sponsors of the amendment have spoken with great clarity and vigor about the differences between the two plans. Both give the States greater flexibility to administer welfare. But the Democratic work first plan does not accomplish it at the expense of innocent children who find themselves in the middle of this legislative crossfire.

I would hope that Senators on both sides would hold the line on protecting the safety net for children. The Democratic work first plan does that in three critical areas.

First, it provides for vouchers or noncash aid to children whose parents have exceeded a State's time limit on the welfare rolls. Depriving a child of life's necessities not only saps their strength; it weakens our spirit as a Nation as well.

Second, the Democratic plan provides for flexibility during times of recession. Who is hurt most in these times? The poor. Let's not make a bad situation worse.

And third, the Democratic plan does not provide for an optional block grant of food stamps. We should not be encouraging the States to lower aid even further.

There is great merit in both bills, but the necessary safeguards I have just outlined make this amendment the superior piece of legislation. I urge my colleagues to vote for it.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. THOMPSON). There is 3 minutes, 20 seconds.

Mr. EXON. I yield 3 minutes and 20 seconds to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to thank the able floor leader on the Democratic side on this legislation, Senator EXON, for giving me this time.

Mr. President, as a member of the Finance Committee I have been deeply involved in the formulation of this legislation, including the work first alternative that has been presented by Leader DASCHLE.

Mr. President, Senator LIEBERMAN has made the point well with respect to teen pregnancy. One of the epidemics we are facing in this country is an epidemic of teen pregnancy, children having children. One has to ask what chance does a child have who is born into a circumstance when the mother is 14 years old or 15 years old? We know the chances are limited. We know the results—dramatically increased chance of living in poverty, dramatically increased chance of living a life that is blighted by crime.

Mr. President, we also know what can help prevent that circumstance. We know that requiring the child to live at home and to stay in school is critically important. I remember very well the testimony before the Finance Committee by Sister Mary Rose, who works with Catholic Charities in Covenant House. She has dealt with literally thousands of young women in this circumstance. How do you prevent that young woman from having another child? She has found that if you can bring that young woman into a circumstance where there is warmth, love, discipline, and structure, almost without exception, those young women do not have another child.

Now, this legislation, work first, has $150 million for second-chance homes for those young women who cannot be at home, who face abusive situations at home. Some people can go home and that is appropriate and right, and that is what should happen. But in other circumstances, these girls who have had children really have no place to go. They have been in an abusive setting at home. The last thing to do is to send them back there. Yet, if we can structure a circumstance or an environment in which there is discipline, structure, and warmth, and there is a vision of a better future, these young people can have a chance. Sister Mary Rose told us very clearly that if we can structure a circumstance in which those elements were present, we could avoid the tragedy of increased teen pregnancy.

I hope my colleagues will support the bill before us.

Mr. DOMENICI. Mr. President, I just want to make one observation. The distinguished minority leader said, in explaining this bill, that with reference to the work requirements, he thought it was the equivalent of the Republican bill in that, in 2002, 50 percent of the participants would have to be working. Actually, we have had that analyzed and looked at, and because the bill uses different rules for establishing this percentage, we believe that it is more like 60 percent of what the Republican bill does. So it is in the neighborhood of 25 to 30 percent instead of 50. I believe that is a truism. Just a reading of what goes into the formula would indicate that it is clearly a different formula. Much more is included in their starting point than in ours. So if for no other reason, the amendment before us does not push the States to the same degree in turning this program into a workfare instead of a welfare program.

Whatever time I have remaining, I yield that back. I think we are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

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

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—46

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

NAYS—53

Abraham	Coverdell	Grassley
Ashcroft	Craig	Gregg
Bennett	D'Amato	Hatch
Bond	DeWine	Hatfield
Brown	Domenici	Helms
Burns	Faircloth	Hutchison
Campbell	Frahm	Inhofe
Chafee	Frist	Jeffords
Coats	Gorton	Kassebaum
Cochran	Gramm	Kempthorne
Cohen	Grams	Kyl

Lott	Pressler	Specter
Lugar	Roth	Stevens
Mack	Santorum	Thomas
McCain	Shelby	Thompson
McConnell	Simpson	Thurmond
Murkowski	Smith	Warner
Nickles	Snowe	

NOT VOTING—1

Bradley

So the amendment (No. 4897) was rejected.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CRAIG. Mr. President, I want to take this opportunity to speak today on the important yet controversial topic of welfare reform. As this Congress works through the rigors and challenges of welfare reform, I am reminded of my upbringing in Idaho, where I learned that charity begins in the home.

Having grown up in a rural western State, I can remember the days when the county clerks were the ones who handed out public assistance. Today that task has been assumed by the Federal Government and operated thousands of miles away from the recipient. Obviously, the war on poverty was launched with good intentions, but it has become a miserable failure. Unfortunately, the plight of the poor today is worse than it was before we began our massive assistance programs.

Since 1965, when our current welfare system was started, the American taxpayers have spent trillions of dollars—yes, trillions. The current budget is in the hundreds of billions and its growth continues to spiral upward. Incredibly, with this extraordinary growth in spending, the number of children living in poverty has also risen. We need real reform in the welfare system. Throwing unlimited money at this problem has proven not to be the answer.

Welfare spending was intended to provide a safety net for children, likewise to provide a hand up and out of poverty for those in need. What it has become is a way of life and not short term assistance.

With dramatic reforms and an emphasis on getting people into real permanent work situations, we can provide these children and their parents with a future. All one has to do is to look at the successes States are achieving that are already out there operating under waivers to the current policy. I would argue that these same States have done a much better job at designing programs to meet the needs of their people than has the Federal Government. It is just plain common sense that the State can identify problems quicker and develop solutions faster, as they can see the problems as they really are.

One of the ways these States are achieving successes is through block grants. Governors have supported this. Our Governor in Idaho supports this. We can provide block grants to the States and give them the flexibility to use funds in a variety of ways, including to supplement wages for those recipients who are working.

In closing, I support welfare reform. Everyone here supports welfare reform. We must find ways to overcome bipartisan differences in our efforts toward our single common goal—providing a helping hand up and out of poverty while preserving the dignity of those in need.

Mr. DOMENICI. Mr. President, I believe we are going to yield to Senator SPECTER for a resolution.

EXPRESSING THE SENSE OF THE SENATE REGARDING THE TRAGIC CRASH OF TWA FLIGHT 800

Mr. SPECTER. Mr. President, I have consulted with the distinguished majority leader as to sequencing on a resolution relating to last night's crash of TWA flight 800, and this is a resolution which has, as I understand it, been cleared on both sides of the aisle.

Mr. DOMENICI. Could we have order, Mr. President.

The PRESIDING OFFICER. The Senate will come to order.

Mr. SPECTER. I thank the Chair.

Mr. President, this resolution relates to the disaster last night involving TWA flight 800 where 229 passengers were killed. As I have said, my distinguished colleague from Pennsylvania, Senator SANTORUM, and I have taken the lead on this because at least from preliminary indications, our State, Pennsylvania, has been hit the hardest. We are not yet sure about the passenger list, but from all indications the passenger list contained some 16 members of the Montoursville High School French Club and 5 chaperones.

I talked earlier today with Superintendent David Black and Principal Dan Chandler to get an idea of the impact on the community. They have commented that this group of students was a most extraordinary group, as shown by the fact that it was a specially planned trip to Paris, and these young men and women were among the best and the brightest.

Along with these 16 high school students were 5 chaperones, and I understand a recent report shows that two other Pennsylvanians were on board. Of course, passengers included people from all over the United States and doubtless beyond the United States.

So I offer this resolution expressing the sense of the Senate regarding the tragic crash of TWA flight 800:

Whereas, on July 17, 1996, Trans World Airlines Flight 800 tragically crashed en route from New York to Paris, France, creating a tremendous and tragic loss of life estimated at 229 men, women, and children;

Whereas, according to Daniel L. Chandler, principal of Montoursville, Pennsylvania High School, among those traveling on board this airplane were 16 members of the Montoursville High School French Club, who were among the very best students of the French language at their school, and five adult chaperones, who generously devoted their time to making possible this planned three-week French Club trip to Paris and the French provinces;

Whereas the actual cause of the airplane crash is as of yet unknown;

Whereas the federal government is investigating the cause of this tragedy; Now, therefore, be it

Resolved, That the Senate of the United States—

(1) expresses its condolences to the families, friends, and loved ones of those whose lives were taken away by this tragic occurrence; and

(2) expresses its sincere hope that the cause of this tragedy will be determined through a thorough investigation as soon as possible.

That is the text of the resolution. Beyond that, as has been reported publicly, it is unknown what the cause was. We have requested a briefing for Senators through the Intelligence Committee or Terrorist Subcommittee of Judiciary. We are awaiting final word on that.

Mr. President, I submit this resolution for consideration by the Senate and ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 280) expressing the sense of the Senate regarding the tragic crash of TWA flight 800.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MOSELEY-BRAUN. Mr. President, last night TWA flight 800, on route from New York to Paris and then Rome, crashed into the Atlantic Ocean approximately 10 miles off the coast of Long Island. It does not appear that there were any survivors among the 228 passengers and crewmembers who were aboard.

My heart goes out to the family and friends of the victims of this tragedy. It is always hard to lose a loved one. It is particularly hard to lose a loved one in an unexpected, violent event such as last night's tragedy.

We do not yet know the cause of this terrible crash. We do not know whether it was accidental or intentional.

I do not believe that we should make assumptions at this time as to what happened last night. This is the time to collect the remains of the dead, to mourn their passing, and to begin to investigate the cause of this tragedy.

Rest assured, however, that this is an event that must be fully investigated. If last night's tragedy was intentional, we will find out who was responsible. If it was the result of a mechanical or electrical failure, we will find out the cause.

Every year, Americans take off and land 547 million times; 22 thousand flights take off every day in this country.

I am committed to achieving the highest possible level of safety for our Nation's airways. Yesterday's events point out that we need to redouble our efforts to ensure the safety of our travelers.