



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release

Wednesday, September 10, 2003

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STATEMENT OF SENATOR MAX BAUCUS WELFARE REFORM REAUTHORIZATION MARKUP

The 1996 welfare reform law was a landmark. The old system had failed. We were spending billions, but had little to show for it. So we tried something new. I strongly supported the 1996 bill and, looking back, I'm glad I did. Hundreds of thousands of people have left welfare for work. The cash welfare caseload fell more than 50 percent between 1996 and 2001. Child poverty in this country has fallen at the same time. But, despite our success, there is still more to be done.

First, we've learned that getting a job isn't always a ticket out of poverty. Studies of those who leave welfare for work show that many former recipients find jobs that pay too little, or that they have trouble staying in the workforce because of breakdowns in child care arrangements or the needs of children with chronic health conditions. If we want to make a lasting difference, we need to provide some help with child care, to make sure that it's safe and high-quality.

In addition to supporting work, we have to focus more attention on the number of hardest cases. Let's look at ways to help families that face complicated and difficult challenges. Parents living with children with disabilities, adults with little or no education or work skills, adults who are living with mental conditions or substance abuse programs.

With that as background, let me explain how I see things from here and my thoughts on the Chairman's mark before us. First, I agree with what the president said last February when we started this debate. Like him, I am encouraged by the initial results of welfare reform, but not the content. As he said, we have "ended welfare as we've known it" but not yet reached a "post-poverty America."

I was very disappointed by the legislation the House has produced. It is a heavy-handed mix of prescriptive rules and unfunded mandates and would mean that much less child care help would be available for the working poor. Last year, when I chaired the Committee, we approved a more balanced package. It aimed for the higher goals the president requested but did so in a way that gave States more options for meeting the goals and provided additional resources so they could expand help to the working poor. Unfortunately, the Senate schedule did not permit us to consider that bill last year.

I do plan to offer it as a substitute for the Chairman's mark. And I would note that eleven current members of the Finance Committee supported the bill last year. I would also note that Senator Carper has introduced a bipartisan bill which is a better balanced package of higher goals and appropriate child care funding.

The Chairman has worked hard -- as he often does -- to develop a consensus bill and I am grateful for his work. We have spent considerable time discussing these issues and I appreciate his on-going effort to work together. The bill before us is better than the House measure. For one, it is

less prescriptive than the House bill. It also includes a more robust package of child support reforms to help get more money to custodial parents. It is a good start. I regret I cannot support it. That said, I hope to support it by the end of the process.

My first concern is funding for child care. This bill does not cover the increased costs of implementing the new higher work standards. The effect of this failure would be to reduce the child care funding available to low-income working families. This would be a terrible mistake. It also fails to expand child care help for the working poor. Many of those families who have left welfare for work are struggling to get by in low-paying jobs. Help with paying their child care expenses could mean the difference between working and having to go back on welfare. We can't pull the rug out from under these families now. We need to keep up our side of the welfare reform bargain.

My second concern is about Montana's welfare-to-work strategy. We did our own welfare reform before 1996 and have kept it going under a waiver. The strategy is a little different than the 1996 law allows. But, well, Montana is a little different than the rest of the country. Our strategy has been a success. Our caseload is down by about as much as the rest of the country's and we have recovered an evaluation that describes our program as effective and focused on work. We want to keep to that strategy. The Chairman's Mark does not allow Montana to extend its waiver. This is a problem.

However, I have been talking to the Chairman about other ways to incorporate Montana's strategy into the bill. I appreciate his willingness, for example, to include provisions to help Indian tribes under welfare reform. That's a huge issue in Montana and he has been very understanding. I appreciate that. It makes me optimistic we'll resolve these concerns.

The third issue is the inclusion of a controversial "super-waiver" provision. After much initial confusion, we have now been told the provision in the bill before us will be limited to welfare, Title XX, and child care block grants. The House bill has much broader waiver provision in non-TANF programs, most of which are not in this Committee's jurisdiction. In July, I received a letter strongly opposing this provision from the ranking Democrats on other relevant committees – Senators Kennedy, Sarbanes, Harkin, and Byrd. The letter states that the administration's proposal represents a "frontal assault on the fundamental principle of separation of powers" because of the unprecedented power it would give the executive branch to rewrite federal law.

The original House provision looked a lot like what is now in our bill. Then it was massively expanded. If this provision grows in a similar manner, it is unlikely I will be able to support the bill. It has been my experience that this Administration has over-stepped its current waiver authority in areas such as SCHIP and child support. It makes little sense to give them sweeping new authority until they demonstrate they understand the current rules better.

Now that I've pointed out some problems with the mark, I do want to say that I'm hopeful that when the full Senate considers the bill we'll be able to resolve these concerns. I understand, for example, that Senator Snowe plans to pursue additional child care funding on the floor. I hope I'll be able to work with her to achieve that.

And I know Senator Grassley will keep working to develop a broader base of support for the bill. I appreciate some of the things he has included already. His work on Indian provisions has been impressive. I can't support his bill now but I'm hopeful I'll be able to support the Senate's final product.