



# ★ WASHINGTON WATCH ★

An update on federal action from

## The Center for Public Policy Priorities

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### Adjustments to the Senate Republican Leadership's Welfare Reform Bill a.k.a. Sen. Dole's Bill, the Work Opportunity Act of 1995, S.1120

On August 8th, Senator Bob Dole postponed debate on his welfare reform bill, S.1120, with the intention of working out differences in the legislation. Since that time, there have been a few indications that adjustments will be made to the bill. (See August 7th Washington Watch for a description of the original provisions in S.1120. You will recall that the bill block grants AFDC, fails to guarantee child care, and offers states the option to block grant food stamps, among other provisions.)

- A group of moderate Republican governors agreed to concessions on "maintenance of effort" provisions, under which states would be required to maintain state funding at 75 percent of the FY 1994 state funding level for Aid to Families with Dependent Children cash benefits for two years. *a reduction of \$74 million in state funding below the FY 1995 level. The Center for Public Policy Priorities finds this "maintenance of effort" requirement to be inadequate and believes a state's contributions should continue to be commensurate with its federal funds.*
- S.1120 requires states to meet certain participation rates in their work programs for welfare recipients, but does not require states to guarantee child care to participating families. The Republican governors agreed to a proposal providing relief from work requirements for women with infants under 12 months of age. If states do not choose this optional exclusion, they would be required to provide child care to these recipients. *In our opinion, states should not be relieved of their responsibility to provide child care to parents required to participate in work programs.*
- Senator Dole submitted a list of other modifications to the bill on August 11th. One of the most significant changes is the inclusion of a 5-year ban on providing federally means-tested benefits to any noncitizen who enters the country after the enactment date. *Texas, having a large noncitizen population would be one of the hardest hit states.*

The debate on this bill is scheduled to resume on September 6th, after the current Congressional recess.

### The Latest in the "Formula Fight"

The House welfare reform bill (HR 4) distributes block grants to the states according to current federal funding allocations and offers additional grants to states experiencing population growth. Senate debate highlighted the inequities of solely tying federal funding to a states past effort rather than its current need or population. Senators Kay Bailey Hutchison (R-TX), Bob Graham (D-FL), and Thad Cochran (R-MS) proposed an allocation formula based on the number of poor children in each state. Texas Comptroller John Sharp proposed a similar formula based on population and per capita income.

S.1120 would use a formula that would award additional funding to states with above-average population growth or below-average federal assistance. This formula would apply to the Temporary Assistance for Needy Families block grant which will include the Aid to Families with Dependent Children (AFDC) program, the JOBS training program for AFDC recipients, Emergency Assistance (in Texas, this program includes some child protective services), AFDC Child Care, Transitional Child Care and At-Risk Child Care.

Most states would receive a block grant amount frozen at FY 1994 levels through FY 2000. About 20 states (including Texas) would qualify for a 2.5%

annual adjustment for each year after FY 1996 until FY 2000.

The proposed formula would still fall far short of meeting the needs of poor children and families, particularly in states like Texas that have underfunded welfare programs in the past. Texas

would be frozen into its current inadequate levels of human services programs. The state would fall further behind as inflation lessens the value of federal aid over time and as the need for services like child care and job training continues to grow.

## Congressional Attack on the Nonprofit Sector

### The Istook Gag Order

On August 3rd, the U.S. House of Representatives passed Representative Istooks (R-OK) gag order on nonprofits as part of the Labor HHS Education Appropriations bill. An amendment offered by Rep. Skaggs (D-CO) to delete the gag order failed 187 to 232.

This provision, now entitled TITLE VI -- Political Advocacy, restricts advocacy activities on the part of organizations who receive federal funds. The provision will undermine the ability of nonprofits to use non-governmental financial resources for the purpose of informing and educating the public about the potential impact of proposed government policies, as well as limit their ability to communicate views of ordinary Americans to local, state, and federal public officials.

The Istook provision restricts federal grant recipients from spending more than 5% of privately raised funds on a wide range of advocacy activities. Restricted activities include:

- testifying before and attempting to influence federal, state and local legislative bodies
- engaging in litigation against government entities (including signing friend-of-the-court briefs)
- participating in agency proceedings (federal, state, and local board meetings, hearings, etc.)
- limits association with any entity that uses 15% of its money for advocacy activities. No federal funds can be given to such entities (e.g. membership dues, rent, purchase of goods, etc.). Use of non-federal funds for association with such entities would be counted toward the 5% limit of funds used for advocacy activities.

### Action Needed

In mid-September the Senate is expected to take up consideration of a similar bill. Over the recess, it is important to contact your Senator and express your views on gag legislation. Concerned citizens should also call their Representative to find out how they voted on the Skaggs amendment. Thank them, or hold them accountable for their vote.

### Message

The basic message is that existing lobbying rules and safeguards already work, so there is no problem to fix. Also, we should remind our Congresspersons that tobacco growers and defense contractors are not affected by this gag order even though they receive federal funds. Non-profit organizations should receive the same treatment as they do.

The most effective strategy is to clearly demonstrate how advocacy by nonprofits on the front lines has helped government to improve its programs and improve peoples lives. Specific examples within your community would strengthen your argument. Gather and publicize stories illustrating how ordinary Americans rely on community-based nonprofit organizations not only to provide much-needed services, but also to provide them a voice in policy-making at local, state, and national levels.

A copy of the section of the Labor HHS Education Appropriations bill relating to the gag order can be obtained from the Center. If you would like more information, call Toni Lockett at 512/320-0222.

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