



★ WASHINGTON WATCH ★

An update on federal action from

The Center for Public Policy Priorities

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In the coming weeks Congress will be making final budget and policy decisions on a wide range of programs. We will be sending out more frequent analyses with more details on specific programs. This issue will focus on the House and Senate Welfare Reform bills with updates on EITC and the Istook Amendment. Later we will follow with a focused report on Medicaid and Medicare and a look at the impact of Congressional reforms on child welfare programs and various immigrant related proposals and their disproportionate impact on Texas.

Note: We have added a significant number of you to the Washington Watch in recent weeks. A complete set of previous alerts is available for \$5. Contact Kirk Hampton in our office to order a set.

House and Senate Conferees on Welfare Reform Bill Named

The House conferees for the Welfare Reform bill have been named, they are: **Rep. Bill Archer (R-TX), Rep. Lamar Smith (R-TX) and Rep. Kika de la Garza (D-TX)**, Camp (R-MI), Franks (R-CT), Goodling (R-PA), Hutchinson (R-AR), Johnson (R-CT), McCrery (R-LA), Nussle (R-IA), Roberts (R-KS), Shaw (R-FL) Talent (R-MO), Emerson (R-MO), Clay (D-MO), Conyers, Jr.(D-MI), Ford (D-TN), Gibbons (D-FL), Kennelly (D-CT), Levin (D-MI), Lincoln (D-AK), Miller (D-CA), and Waxman (D-CA).

The Senate conferees for the Welfare Reform bill (H.R. 4) were named on October 17th. For all issues, conferees include: Dole (R-KS), Roth (R-DE), Chafee (R-RI), Grassley (R-IA), Hatch (R-UT), Moynihan (D-NY), Bradley (D-NJ), Pryor (D-AR), and Breaux (D-LA). From the Committee on Labor, the consideration of Title VI and additional items within their jurisdiction, including the child abuse and protection act: Kassebaum (R-KS), Jeffords (R-VT), Coats (R-IN), Gregg (R-NH), Kennedy (D-MA), Dodd (D-CT), and Mikluski (D-MD). From the Committee on Agriculture, for the consideration of items under their jurisdiction: Lugar (R-IN), Dole (R-KS), Helms (R-NC), Leahy (D-VT), and Pryor (D-AR).

Contact information for the Texas members:

Bill Archer - R - House (7) 1236 Longworth HOB Washington, DC 20515	Phone: 202/225-2571 Fax: 202/225-4381
Kika de la Garza - D - Mission (15) 1401 Longworth HOB Washington, DC 20515	Phone: 202/225-2531 Fax: 202/225-2534
Lamar Smith - R - San Antonio (21) 2443 Rayburn HOB Washington DC 20515	Phone: 202/225-4236 Fax: 202/225-8628

Comparison of House and Senate Welfare Reform Bills (H.R. 4 in both Houses)

Following are excerpts from U.S. Department of Health and Human Services and Associated Press comparisons of the House and Senate Welfare Reform bills. A complete copy of either comparison can be obtained from the Center for Public Policy Priorities at the above phone and fax numbers.

HOUSE BILL	SENATE BILL
Block Granting AFDC and Child Care	
Block grants AFDC, Emergency Assistance (EA), and JOBS into a single capped entitlement to states. Also creates a separate discretionary block grant for child care. Ends entitlement to cash assistance.	Block grants AFDC, EA, JOBS, and child care into single capped entitlement to states. The block grant provides a separate allocation for child care and restricts the use of these funds. CCDBG remains intact, as a discretionary program. Ends entitlement to cash assistance.
Child Welfare	
Block grants most federal child welfare programs including Title IV-E foster care and adoption assistance, Title IV-B child welfare services, and several discretionary programs funded under the Child Abuse Prevention and Treatment Act (CAPTA) and other authorities. Eliminates basic federal protections for abused and neglected children.	Maintains current programs assuring federal support for abused and neglected children from low-income families. The Child Abuse Prevention and Treatment Act (CAPTA) is reauthorized. Pre-welfare reform eligibility rules continue to apply.

HOUSE BILL	SENATE BILL
Child Care	
<p>A separate child care block grant encompassing all current child care programs would be authorized at \$2.1 billion annually as discretionary spending for FYs 1996 through 2000.</p>	<p>From FY 1996 through 2000 \$8 billion would be available as a capped entitlement to states for child care assistance: 1) \$5 billion would be set aside within the family assistance block grant; and 2) an additional \$3 billion is tied to a requirement that states maintain spending at 100% of their current year set aside plus the amount of state matching funds for child care programs in FY94. An additional \$1 billion per year is authorized for the states under the existing Child Care and Development Block Grant (CCDBG).</p>
WIC, School Lunch and Nutrition Assistance Programs	
<p>Block grants child nutrition programs operated outside of schools, WIC, and commodity distribution programs. A separate block grant to states for school-based child nutrition programs would also be created. These provisions would result in cuts of \$6.6 billion over five years.</p>	<p>No block grants proposed. Contains program cuts amounting to \$2.6 billion over five years, principally by instituting a two-tiered structure of reimbursement in Family Day Care Homes. Other reimbursements would also be reduced.</p>
Food Stamps	
<p>The House bill would reduce federal funding for Food Stamps by \$20.6 billion over 5 years. It would cap federal program expenditures regardless of growth. The bill would limit maximum benefit increases to 2% per year, regardless of the increase in food costs. It would terminate benefits after 90 days for non-disabled childless individuals between 18 and 50 years old unless they are working at least half-time or in a work program. It would also freeze the standard income deduction and the limit on excess shelter expense deductions at their current levels.</p> <p>Optional food stamp block grant is only available to states that operate a statewide EBT system (states that choose the block grant must spend all funds on food assistance).</p>	<p>The Senate bill would reduce funding in the Food Stamp Program by \$17.5 billion over 5 years. Maximum benefit levels would be reduced to 100% of the Thrifty Food Plan. Able-bodied childless adults between 18 and 50 would be ineligible for food stamps after 6 months, unless they work half-time or participate in a work or training activity. The standard deduction from income would be reduced and frozen through FY 2002.</p> <p>States would have the option to receive food assistance as a capped block grant. (States that choose to implement a block grant would be only required to use 80% of the funds for nutrition assistance; the remaining funds could be used for administrative costs or transferred to work-related programs).</p>
Supplemental Security Income (SSI)	
<p>The easier eligibility procedure for children to qualify for disability benefits, known as the Individual Functional Assessment, is eliminated.</p> <p>The House establishes a block grant to provide medical goods and services to most disabled children, while ending cash payment to all but those children who would otherwise be cared for in an institution.</p> <p>Drug addiction and alcoholism are no longer considered disabilities.</p>	<p>The easier eligibility procedure for children to qualify for disability benefits, known as the Individual Functional Assessment, is eliminated.</p> <p>The Senate continues cash payments to disabled children.</p> <p>Drug addiction and alcoholism are no longer considered disabilities.</p>
Drug Treatment	
<p>\$100 million for each of FYs 1997 through 2000 would be appropriated for providing substance abuse treatment through the Capacity Expansion Program and funding medication development research through the National Institute of Drug Abuse.</p>	<p>\$50 million for each of FYs 1997 and 1998 would be appropriated for state programs for drug addicts and alcoholics through the Substance Abuse Prevention and Treatment Block Grant.</p>
Child Support	
<p>Includes major comprehensive child support enforcement reform including paternity establishment, state central registries of child support orders, and uniform procedures for interstate cases. It would also eliminate the \$50 pass-through of child support to cash assistance recipients.</p>	<p>Same as House bill, except omits "children first" priority when child support arrearages are paid after the family leaves welfare. Noncustodial parents delinquent in paying child support would be ineligible for means-tested federal benefits. Imposes child support obligation on paternal grandparents in cases in which both parents are minors.</p>

HOUSE BILL	SENATE BILL
Non-Citizens	
<p>Legal immigrants would be ineligible for SSI, Medicaid, food stamps, cash welfare, and certain other social benefits, with exceptions for refugees, veterans, those over age 75, and certain person with disabilities.</p>	<p>Future immigrants (arriving after enactment) would be ineligible for 5 years for most needs-based assistance. States could deny aid to most current and future non-citizens. The assets and income of a future immigrant's sponsor are considered available to the immigrant for 10 years when calculating eligibility for benefits. States have the option to deny welfare benefits to non-citizens.</p>
Funding Levels	
<p>The AFDC block grant would be \$15.4 billion for each year from FY 1996 through FY 2000.</p>	<p>The family assistance block grant would be approximately \$16.8 billion for each year from FYs 1996 through 2000. In addition, there are 2 supplemental grants: 1) an additional \$.8 billion over 5 years for additional FY 1995 spending on EA; and 2) \$.9 billion over 4 years would be given to qualifying low benefit, high growth states.</p>
Contingency Fund, Performance Bonus	
<p>Contingency Fund: \$1 billion loan fund for states with high unemployment. Performance Bonus: no provisions.</p>	<p>Contingency Funds: \$1.7 billion loan funds for states, \$1 billion grant fund for states experiencing emergencies. Performance Bonus: \$2 billion for FY 98 through 2000, set aside from the family assistance block grant. Bonus based on job placement until FY 99. For FY 2000, bonus based on select program improvements.</p>
Maintenance of Effort	
<p>No state match or maintenance of effort requirements.</p>	<p>For FYs 1996 through 1999 states would be required to maintain 80% of FY 1994 spending on welfare-related programs. Dollar-for-dollar reduction for failure to meet requirements.</p>
Work Requirements	
<p>The House bill requires 10% of welfare recipients to work in 1996, 27% in 2000, and 50% by 2003. For 2-parent families, the participation rate would be 50% in FY 96 and 97, and 90% in FY 98.</p>	<p>The Senate bill requires 25% participation in FY 96, 50% by 2000; the rate for 2-parent families would increase from 60% in FY 96 to 90% in FY 99. States are prohibited from penalizing recipients with children under 6 for not working if child care is unavailable. At state option, single parents with children under 6 would not be required to work more than 20 hours/week, and states may exempt families with a child under 1 from work requirements.</p>
Time Limits	
<p>Five year, lifetime limit on cash welfare to families. State option for less time. (States can exempt 10% of welfare caseload because of hardship.)</p>	<p>Similar to House bill. (States would be permitted to exempt up to 20% of the caseload from the time limit.)</p>
Teen Parent Provisions	
<p>The House bill ends cash support to unwed mothers under the age of 18. It allows for vouchers for the purchase of certain goods for the child, and the family would be eligible for Medicaid.</p>	<p>Unmarried minor parents would be required to live with an adult or in an adult-supervised setting and participate in educational and training activities.</p>
Family Cap Provisions	
<p>States could not use federal funds to provide cash benefits to children born while parent is receiving assistance. Vouchers could be provided for the purchase of certain goods for the child, and the family would be eligible for Medicaid.</p>	<p>No federal mandate, but state option to deny assistance.</p>

Message to the President

Both the House and Senate welfare reform bills are fundamentally flawed because they would repeal the 60-year old national commitment to aid children and families in times of need. The bills focus on all the wrong issues, would create vast inequities among the states, and propose no real solutions to building economic security and self-sufficiency. Whatever bill emerges from the conference committee should be rejected.

Contact President Clinton and urge him to: **JUST SAY VETO!**

For more information about the Just Say Veto Campaign contact Tim Casey at 212-777-4800, ext. 357

White House Phone: 202-456-1111 -Fax: 202-456-2461 -Email: President@whitehouse.gov

Message to the House and Senate Conferees

In addition to encouraging the President to veto these proposals, the conferees should be contacted about important differences between the two bills. **Your message to the Conferees:**

- Reject the House child protection block grant. This block grant would end the federal guarantee of help for all eligible abused and neglected children through current foster care and adoption assistance programs. With substantially reduced funding, no assurance of an adequate response to increased demands in future years, and no federal accountability and enforceable protections, this block grant would place children who cannot live safely with their parents in grave jeopardy.
- Reject the optional food stamp block grant and spending cap. Any optional block grant, as well as the food stamp spending cap contained in the House bill, undermines the ability of the food stamp program to respond to increases in need resulting from recession or other factors. However, within the context, the House version of the optional block grant — without the overall spending cap — is preferable.
- Support the Senate child nutrition provisions. The Senate preserves the school lunch, school breakfast, WIC, and summer and child care feeding programs, although overall funding for them is cut by \$2.6 billion over five years. The House folds these programs into two block grants and cuts overall funding by \$6.6 billion over five years. The House block grant and larger cuts greatly increase the danger that millions of children will be left hungry and malnourished.
- Support the Senate maintenance of effort provisions. Without the Senate maintenance of effort provision, states will be free to walk away from their responsibilities to help poor children and families and to slash overall funding for welfare programs by nearly half.
- Support the Senate child care provisions which provide greater funds and preserve quality. The Senate bill contains: a separate capped entitlement program for child care with \$3 billion more than the House bill allots to child care; some exemptions from work requirements for mothers with children under age six; quality assurances; and, a requirement that providers must meet minimal health and safety standards. While the Senate bill still falls short of needed child care funding, the House child care provisions are far worse: they do not include a capped entitlement, cut child care funding deeply, and contain none of the important measures to preserve quality.
- Support the Senate SSI provisions for children with serious disabilities. Both the House and Senate bills would eliminate all assistance for 157,000 children with disabilities currently receiving Supplemental Security Income (SSI) by FY 97. The House version, however, also would eliminate cash benefits for another 67,000 children with serious disabilities in FY 97. The Senate version preserves the ability of families to decide what is best for their children, while the House approach sets up new bureaucratic mechanisms in which state agencies must step in to make these decisions.

Critical EITC Vote in the Senate Approaches

The House Ways and Means Committee and Senate Finance Committee have completed proposals to slash the Earned Income Tax Credit. The changes are included in the Omnibus Budget Reconciliation bill, which is currently scheduled to be debated next Tuesday (10/24). The Senate bill would cut the EITC by \$41.5 billion over seven years, while the House would reduce the tax credit by \$23 billion. Both versions would phase out the EITC more sharply for families with incomes over \$11,500, count Social Security and child support payments as income, and eliminate the credit for childless workers and undocumented workers. The Senate bill would also

cancel the scheduled increase of payments to families with two or more children. The Treasury Department estimates that the Senate version would increase taxes paid by 1.67 million working Texas families by an average of \$365 by the year 2002. Families with two or more children would be most affected; 742,000 such families in Texas would see an average tax increase of \$500 in 2002. Another 437,000 Texas workers without children would no longer be eligible for the tax credit under the Senate Finance proposal. For more information, contact Dick Lavine at CPPP.

Istook Update

What is the Istook/Silence America Amendment?

The Istook Amendment, also known as the Silence America Amendment, would impose restrictions on how every nonprofit organization that receives a federal grant could use its **non-federal funds**. The law would punish any organization that spent more than 5% of its budget, excluding federal grants, on "advocacy." Restricted activities include:

- testifying before and attempting to influence federal, state, and local legislative bodies --(talking in front of city council, county commissioners or giving testimony during a state or federal 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.)
- 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.

Where is the Istook Amendment in the Legislative Process?

The Istook Amendment is currently in the following committees:

- **The Treasury/Postal Service and General Government Appropriations Conference Committee.**

The fight to include the Istook Amendment in the Treasury conference bill has completely stalled the conference committee. Representative Istook (R-OK), who sits on the conference committee, is attempting to garner enough support from fellow conferees to have the provision included in the conference bill. In addition to Istook's actions, a large group of House Republicans have signed a letter to House Speaker Newt Gingrich stating they will not vote for the bill unless the Istook amendment is attached. Gingrich has agreed to hold the bill until a compromise on the amendment can be reached. He was

recently quoted as saying, "I'm behind this 100 percent." Senators Jeffords (R-VT) and Hatfield (R-OR) are two key conference members who oppose the amendment and have so far refused to compromise with Istook in conference.

Several new versions of the Istook legislation have been floated in order to "fix" problems with it and win the support of key Senators. So far, none of these plans have won much support.

• Labor, Health and Human Services Appropriation Bill:

This bill has been voted out of the House with the Istook amendment intact and is waiting to go to conference. The Senate did not include the amendment in its version of the bill and has yet to vote the bill out of the Senate. However, a Senator may offer the Istook proposal as an amendment when the bill goes to the floor for a vote. If the amendment is not attached to the Senate's bill, it will be considered during the conference committee.

Action Needed:

The Istook amendment may be decided within the next 3 to 4 weeks. We need to continue to contact our Senators and Congressmen. The Independent Sector has launched a new **TOLL-FREE** telephone number that you can call to give a message to your Congressmen and Senators regarding your position on Istook. That number is **1-800-336-0047**. If possible, write or call the following Senators and Representatives and give them your support for opposing the Istook amendment.

Senators: Jeffords (R-VT), Hatfield (R-OR), Simpson (R-WY), and Spector (R-PA)

Sens. Lieberman (D-CT) and Levin (D-MI), have promised to lead the opposition to a possible floor amendment.

Congressmen: Skaggs (D-CO)

Educate others in your community who might be affected by the passage of this amendment and inform your local media about the impact the amendment would have on health and social services in your community. For more information contact Toni Luckett at CPPP.

Istook Meeting in Austin, Independent Sector Representative to Speak

The People First! Coalition will be hosting a meeting on the Istook Amendment in Austin on October 31, 1995, from 1:00 PM to 4:00 PM at the AFL-CIO Office Building at 1106 Lavaca, Suite 200. David Arons of Independent Sector—a national nonprofit coalition of corporate, foundation and voluntary organizations—will come to answer questions about the Istook Amendment and its effect on nonprofit organizations in Texas. Contact Toni Luckett at CPPP for more information.

You are encouraged to copy and distribute this edition of

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