٠.,

Democratic members of the Committee support improving welfare reform to help more needy Americans escape poverty and to help their children have brighter futures. However, the Democratic members of the Committee are disappointed by the bill presented to the Committee. Despite the efforts of the Chairman to be collaborative, the bill inadequately funds child care, limits the ability of States to design effective welfare-to-work programs, and includes a potentially dangerous "super-waiver" provision likely to cede important Congressional authority to the Executive Branch.

When this bill is considered by the full Senate, Democratic members of the Committee will seek to improve it and are hopeful of being able to support it if improvements are made. A significant concern is support for child care. While the bill increases child care funding by \$1 billion the Congressional Budget Office estimates it will cost States more than \$1 billion to implement the new work standards required by the bill. As a result, the bill is likely to result in fewer low-income working families receiving child care assistance in the United States. This is because States would be forced to shift funds currently used to assist low-income working families at risk of needing welfare and those who have left the rolls, to aiding only welfare recipients in meeting the work requirements. Already, according to the General Accounting Office, half of States are reporting that families eligible for child care assistance are not receiving it. This result is contrary to the spirit and substance of the 1996 welfare reform law which provided substantial child care assistance to low-income working families who do not currently receive welfare. This could cause significant hardship, particularly for those families who followed the rules and left welfare for work are still struggling to achieve self-sufficiency-without child care aid they are at risk of returning to welfare. The 108th Congress should not turn its back on those families.

The bill before the Committee also does not provide enough flexibility for States in operating TANF programs. It mandates higher hour standards for State programs without any assurance that such mandates will promote private sector employment. In fact, the Committee heard testimony suggesting these new mandates could promote "workfare" at the expense of private sector jobs. The hourly mandates are particularly troubling in light of its child care deficiencies. In addition, the bill does not provide as much flexibility as the substitute we offered in permitting States to incorporate longer-term training, education, and rehabilitative services in their welfare reform strategies. And it also fails to provide States the option of restoring eligibility for benefits for legal immigrants, including health care services for legal immigrant children.

Finally, the bill before the Committee includes a 10 state "superwaiver" demonstration. The scope of this provision was not made (88) clear in the initial Chairman's Mark. While the final provision is scaled back, it remains an ill-considered attempt to cede Congressional authority to the Executive branch.

The Democratic Members of the Committee will work to address these objections when the full Senate considers the bill. A society can be judged on how it assists those in need, and welfare reform is an important test of that principle. The Democratic Members of the Committee believe we can do better.

> MAX BAUCUS. JOHN BREAUX. BLANCHE L. LINCOLN. JOHN F. KERRY. JAY ROCKEFELLER. JEFF BINGAMAN. TOM DASCHLE. KENT CONRAD. JAMES JEFFORDS. BOB GRAHAM.