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## Why Can't GOP Stand, Deliver Against Clinton?

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One of the few real legislative accomplishments of the last Republican Congress was welfare reform. The new law substituted wishful thinking about job training and public-service employment—both elements of the failed Clinton plan—for a hard-nosed emphasis on getting recipients into jobs, any jobs, and in requiring those who do not find jobs to work in return for their welfare benefits that would be time-limited.

But now, through a series of seemingly unrelated but adroit maneuvers, the president and his congressional allies are on the verge of reshaping the welfare law in the image of his original bill—and the congressional Republican majority seems helpless to stop them.

The new welfare law created a capped block grant that encouraged states to reduce welfare rolls; mandated that, by the year 2002, 50 percent of families either must be engaged in work activities (for at least 30 hours a week) or have left the rolls; placed a five-year limit on family benefits (for all but 20 percent of the state's caseload); and provided \$600 million a year in new funding for child care. However, the law provided no new money for job training.

Thus, the Republican-sponsored law rejected past approaches that tried to make work more attractive than welfare—by attempting to raise earnings through job training and wage subsidies. Instead, the law sought to make welfare less attractive than work—by placing work obligations on recipients. New applicants would be required to look for a job, and those already on the rolls would be required to work in return for time-limited benefits (work-for-welfare).

The idea, supported by various research studies, is simple enough: If welfare recipients have to choose between working for their benefits or getting a real job, many will choose the latter. Research also suggests that a work requirement plus time limits would change other aspects of behavior as well: Some single mothers would get married or move in with family or friends. And such new rules could deter unwed mothers on welfare from having more children and their younger sisters and friends from having a first baby when they see that a life on welfare no longer is possible.

The welfare law is immensely popular with the American public. According to a Feb. 7, 1997,

Los Angeles Times poll, 75 percent of the public say they “favor” the new law. Moreover, the early evidence is that the law may be working. Nationwide, the number of families on welfare has declined 21 percent since March 1994. The decline began before passage of the welfare-reform bill and has been abetted by a strong economy that has created many entry-level jobs.

Still, the emphasis on mandatory work in the Republican welfare law and in the earlier waivers granted by the Clinton administration is widely credited with helping reduce welfare rolls. And one only has to visit inner-city neighborhoods to hear recipients and young people not yet on welfare talking about the need to find work.

Some people fear that work-for-welfare strategies are unfair or punitive. But various studies have shown that they can lower caseloads without causing undue harm to recipients. An evaluation of Iowa’s welfare-reform program, for example, found that even families that had their entire Aid to Families With Dependent Children grant terminated for not complying with the program’s requirements experienced a \$13 average increase in total monthly income (including earnings, cash assistance and food stamps). Although about half of the families lost some income, the evaluators observed “little systematic evidence of extreme deprivation during the period of no cash benefits.”

This apparent success of welfare reform is what makes Republican powerlessness in the face of Clinton’s recent efforts to water down the work provisions of the welfare law so astonishing.

First, the president gained Republican support for his \$3 billion “Welfare-to-Work Grants” program—in return for his support for additional middle-class tax cuts, it is whispered. The grants would be targeted to long-term recipients in high-poverty urban communities and could be used for private-sector wage subsidies, on-the-job training, job-placement services, job vouchers and job-retention services.

Unfortunately, despite the program’s ambitious title, most of the services that would be funded under it have been tried many times before without real success, and there is no reason to think that they will work now. In fact, no serious student of welfare reform has come forward to defend the president’s plan—which is an unabashed attempt to placate his liberal critics (especially in the big cities and among African-American leaders) who complained mightily about his having signed the welfare bill in the first place.

In defending the Republican support for the president’s program, one Republican staffer said, “What’s the harm? It’s only money.” Besides being offensive to taxpayers, the statement seriously underestimates the opportunity costs of adopting the wrong approach at this key juncture. This \$3 billion will draw needed attention, energies and funds away from the crucial effort to make workfare programs succeed. Instead of being used for doomed job-training programs, this \$3 billion could have been used to more than double the funds available for child-care programs—the highest-cost element of mandatory work programs. But, the current bill actually prohibits using the funds for child care.

Second, the Clinton administration is making it progressively more difficult for states to mount

aggressive work-for-welfare programs—and, again, the GOP response seems halfhearted.

In May, the Department of Labor ruled that welfare recipients in most mandatory work positions are “employees”—making applicable the Fair Labor Standards Act, or FLSA, as well as a host of other employee protections—including unemployment insurance, the Americans with Disabilities Act and other antidiscrimination laws as well as the Occupational Safety and Health Act.

Applying the FLSA means that workfare positions must pay the minimum wage. This limits the number of hours that recipients can be required to work to the result of dividing the total value of cash and food-stamp benefits provided to the family by the minimum wage. If this administrative ruling is not reversed, many states will be unable to meet the welfare law’s participation mandates in the coming years without raising benefit levels. Some states might do so, but the more likely result is that they will “throw recipients off welfare,” as one lobbyist put it, or ask Congress to water down the welfare law’s work requirements—as already has started in this year’s amendments. For example, they would allow education and training activities to satisfy more hours of welfare “work” requirements.

What’s more, the Clinton Treasury Department reportedly is close to ruling that workfare participants and their employers must pay FICA taxes—and that recipients have the right to the earned-income tax credit—up to about \$3,600 per year for a family with two children.

House Republicans initially had proposed to deal with the Department of Labor’s decision about the minimum wage by allowing Medicaid, child care and housing benefits to be counted in the formula for determining how many hours a recipient must work. But they eventually caved in to Democratic opposition and dropped this key proviso from the mammoth budget-reconciliation bill. Instead, they added a modest provision declaring that such workfare positions are not to be considered employment, thus precluding the application of other worker rights but not the minimum-wage rule. This exemption, however, only applies to workfare placements with public or nonprofit employers, and not to those with private, for-profit ones. Even businesses providing government services are not exempted.

More telling, neither provision is in the Senate budget bill. Although Republicans hope to get the conference committee to accede to the House provision on employee status, it would be subject to the Byrd rule, meaning that any individual senator could object to the provision because it is “extraneous” to the budgetary process. In any event, support for even this partial fix is only lukewarm in the Senate, and the president has indicated his opposition, so it may not become law.

Worse, both the House and Senate have added a series of employee-right provisions that only will discourage the hiring of welfare workers in real, as opposed to make-work, jobs. The Senate, for example, added “nondisplacement” protections to the Welfare-to-Work program that prohibit the hiring of welfare recipients “in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals.” The Senate bill also provides for grievance procedures, investigations of allegations and remedies. Although the protections technically only apply to the new \$3 billion program, states tend to commingle funds and most

observers assume that the protections will apply across the board. In any event, the parallel House bill applies these protections to all workfare programs.

Clinton's actions are good politics: The new \$3 billion inner-city "jobs" program mollifies his liberal supporters who still are smarting from his signing of the welfare law, and transforming workfare positions into public-service jobs may keep organized labor in line for Vice President Al Gore's presidential drive.

But what happened to the Republicans? They seem to be accomplices in a process that will derail one of their most popular accomplishments. A senior administration official recently said, "The Republicans are afraid of us. We've got them on the run." Maybe it's as simple as that.