

A Brookings Press Briefing

**ONE PERCENT FOR THE KIDS:
New Policies, Brighter Futures for America's Children**

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PANEL I: PERSPECTIVES FROM CAPITOL HILL

Moderator: E.J. Dionne Jr. - Brookings, *Washington Post*
Panelists: Representative Benjamin Cardin (D-MD)
Representative Nancy L. Johnson (R-CT)



MR. STROBE TALBOTT: I'm Strobe Talbott the President of the institution. I'd like to welcome you all here. Thank you for coming out on what is not a very pretty spring almost summer morning. We'll invite you back when we have our discussion on global climate change. We really do have to get around to that at some point. And E.J. we'll no doubt ask you to moderate that one, too.

I'd call your attention to our slogan up here, Independent Research Shaping the Future. I think it's very appropriate to today's discussion and the book that we're going to be talking about.

Our stock in trade here at Brookings is trying to come up with sound, realistic, but at the same time imaginative and bold ideas about how to improve public policy in this country and indeed around the world. I think the project we're going to be talking about this morning certainly meets that definition.

The book is called *One Percent for the Kids*. It makes the case that we can substantially improve the lives and prospects for our children spending less than one percent of GDP.

The book is edited by my friend and colleague Belle Sawhill who is sitting over here in the front row and you will be hearing from her I'm sure during the course of the day. Belle is a Senior Fellow in our Economic Studies program here at Brookings. And it was just announced earlier this week that during the course of the summer Belle will be taking over from Bob Litan the job of a Vice President of the Institution and the Director of our Economic Studies program. Belle has put a lot of work into this project and a number of others on related subjects.

Congressman Ben Cardin, we're very very appreciative that you would be here this morning. We're hoping that your colleague Nancy Johnson will make it during the course of the discussion. That's the empty chair and we'll hope to see her a little later.

E.J. as always we very much appreciate your taking on the role of moderator and I turn the program over to you.



MR. E.J. DIONNE JR.: Thanks very much Strobe, or President Talbott as I think of him.

I want to welcome everyone this morning. This is a brilliant idea and a brilliant way of capturing -- One Percent for the Kids is a brilliant way of capturing what needs to be done in the country.

When I was thinking about this project and this book, it occurred to me that this sounds like a motherhood and apple pie issue, to use the proper Washington term for it. I thought about motherhood and apple pie and I realized that in Washington it is far easier to get subsidies and tax breaks for the apple industry or for pie

manufacturers, than for mothers or their children, especially poor mothers or their children. The theory in Washington, I guess, is that the apple pie will eventually trickle down to the mothers and the children.

[Laughter]

So this is actually a very bold motherhood and apple pie proposal. I think casting it this way was so powerful because it does not seem like a large commitment to say we will spend one percent more of GDP on the life chances of our kids, especially our poor kids. Yet, as this book shows, it would make an enormous difference.

There is a restrained elegance and eloquence in Belle's introduction to the book, a characteristic eloquence where she says straight-forwardly that there's no reason to believe that our current public policies are optimal. I think even the makers of our public policies would agree with that. Indeed, there is a very good chance that the ideas put forward in this volume would simultaneously reduce child poverty and a variety of other costly social problems from welfare dependency to crime. They would save money over the longer run, increase social mobility, and bring the United States closer to being the land of opportunity celebrated in our history and culture. It's that idea that we celebrate today.

I'm very honored to introduce two members of Congress. I heard the traffic reports on the radio on the way over here and I have a suspicion that Nancy Johnson may be stuck on the Beltway somewhere. Thank you, Congressman, for coming in, because 95 I was told was jammed up coming down from Baltimore.

So what I'll do is I'll introduce Congressman Cardin and then when Congresswoman Johnson comes I will introduce her.

Ben Cardin, he's one of those people for whom reporters have in their computer one key that they push and it comes out as "the well-respected Ben Cardin of Maryland."

He represents Maryland's 3rd Congressional District. He's been in the House since 1987. He's a member of the Ways and Means Committee, a ranking member of the Human Resources Subcommittee and also of the Social Security Subcommittee. Importantly, for now, this gets him involved in Texas redistricting: [Laughter] He is a member of the Homeland Security Committee and a Commissioner on the Commission on Security and Cooperation in Europe. He was named by Worth Magazine as among the top 100 people who have influenced the way Americans think about money. He has been a leader on fiscal issues, pension reform, health care and welfare reform.

Congressman Cardin, it's great to have you with us.

[Applause]

MR. BENJAMIN CARDIN: E.J., thank you very much for that very kind introduction. We could get Tom Ridge to try to find out where Nancy Johnson is. [Laughter] Also please leave, that one thing on your computer the way it is. I appreciate very much your very very kind introduction.

Belle, thank you very much. It's been a tough couple of weeks in Washington. It's nice to get your work and to see that we still can have a debate in this country on children. So thank you for doing this. Brookings, thank you for having this conference. I think it's extremely important. It's an opportunity for us to talk about what we should be doing in this nation for America's children. So we very much appreciate this opportunity.



I'm the ranking Democrat on the Human Resources Subcommittee of the Ways and Means Committee and we're supposed to be dealing with the children's issues in this country. We haven't been doing that. I think it's a real failure of the Congress. I think the Congressional committees should be holding hearings, determining the status of our programs, what we should be doing working with the various groups to what we can do to help America's future. Our committee has not been doing that. It's a real failure I think of the Congress of the United States. I sort of blame Ron Haskins. He should never have left the Congress. We miss him. We miss Ron. I never thought I'd really be saying this as a Democrat, but we do miss the way he was able to make sure that we focused on the issues and brought us together.

I also miss Nancy Johnson, not just here today. She moved on to become the Chairman of the Subcommittee on Health, and she was the Chairman of the Subcommittee on Human Resources. I had a chance to work with her when she was Chairman and I was Ranking Member. I think we did some good things in a bipartisan way on welfare, on foster care, I think we were moving the issues forward. That's just not present today. I really regret that because I think we need to be taking a look at the work that Belle has done and make some judgments.

I said this has been a very difficult couple of weeks. As you know the Congress just passed another \$350 billion in tax cuts. The interesting thing is, you read the Washington Post editorial, Children Left Behind. You'll notice that the editorial points out that the recent tax bill dropped a provision passed by the Senate that would have accelerated the tax credit for families making between \$10,000 and \$26,000 a year. This means that many families will not be getting the increase in the child credit from \$600 to \$1000, they're not going to get those funds. The Post also pointed out that the so-called marriage penalty was addressed for some families, but not for low-income families that received the earned income tax credit.

So there are about 12 million children who are going to be left behind in this tax bill who aren't going to get the relief because they're in families that make too little money. These are working families.

I thought the purpose of welfare reform was to reward families that worked, that played according to the rules, and yet we take the low wage families and say they can't get any help here.

Now one might say we couldn't afford it, the \$3.5 billion that this amendment would have cost. We could afford \$350 billion. We could afford \$1.3 trillion in last year's tax bill but we can't afford \$3.5 billion to help low wage workers.

I can give you a lot of ways we could deal with it. We could have cut the reduction in the upper brackets that affect only people who make hundreds of thousands of dollars who are getting a relief in the relief of a reduction in their tax rates by 3.6 percent. If we had changed that by just a little fraction of an amount we could have paid for that \$3.5 billion, but no, we couldn't do that.

Then you look at the other provisions in the tax bill and you realize that two-thirds of the benefit for the dividend tax reductions goes to families that have income over \$200,000 a year and we could do that and we could afford that.

But I think the most tragic part of the tax bill is how much resources it takes out of the federal government and its availability to respond to America's problems, including the problems of our children.

Budgets are important. They speak to priorities. They speak to what is important. Our budget this year says that our top priority is to reduce taxes. It's not the national debt, that can go up. The Republican budget goes up from \$6 trillion to \$12 trillion so the budget deficit's not important. Our priority, what we speak to as an action, our most important priority is to reduce taxes even though we have to borrow every dollar that we give in tax relief. It doesn't seem to make a lot of sense.

Belle points out in her article that the amount of money we spend in servicing our national debt every year is 2.5 percent of our gross domestic product, yet we only spend 2 percent on our children. Now that 2.5 percent will go up because we're borrowing more money to give a tax cut. The amount of money we're spending on our children will probably go down. That's not what a great nation should be doing.

When you look at where America leads the industrial nations of the world we like to brag about where we rank first, but we rank first in child poverty and that's something we certainly cannot brag about. We should be doing a better job about that.

We've seen a reversal of when President Bush came into office we had a projected surplus of trillions of dollars, now we have projected deficits of trillions of dollars. We've had a \$9 trillion reversal in the last two years. Yes, it's a matter of choices and Belle says that we can do some things that are different and I agree.

Some may question whether we can afford \$100 billion a year, the extra one percent for our children. Whether we can afford another trillion dollars over the next ten years. Once again,

this tax bill, there's been some disagreement and we were talking about that before we came in as to how much this tax bill really costs. We all know if you remove the sunsets and extend it over the ten year period it's \$2 trillion. But you know it's closer to about \$3.5 or \$3.7 trillion if you add in the interest costs that we're going to have to pay in order to get the tax cut. So we're really in taxes spending three times as much as what one percent for our children in Belle's report.

So if I have any complaints at all, I don't think it's enough. It's a good start. It's something we need to do.

One Percent for Kids highlights several areas for potential investment including expanding access to preschool and early childhood education, an increase in earning supplements such as EITC, cash payments to lower/middle income families with children, additional after school programs, health insurance for every child, expanded programs for teen pregnancy prevention and promotion of marriage. All these are important but I want to at least raise three more that I hope we will add to the national debate and agenda. They are childcare, welfare reform, and foster care.

The General Accounting Office released a report last month showing that 23 states have reduced their child care assistance for working families. How can we expect working families to succeed if there's not affordable, safe day care? It just can't happen. Governors in 11 states have proposed new or additional childcare cuts for the next year according to that same survey. States have pursued several strategies including reducing child care assistance, making income eligibility criteria harder, increasing co-payments, and the list goes on and on and on.

In my own state of Maryland we've recently stopped enrolling any new families in childcare unless they were on welfare. That's a great message. Go on welfare so you can get childcare. If you work, you can't. I thought the purpose of TANF was to reward work. We said we were to provide childcare so that families could work, and now we're saying the only way you can get childcare is if you go on welfare. That just doesn't seem to be the right message for our country.

Now these reductions in our states I fully understand. It's the worst budget crisis they've run into in 50 years. But we need to be doing something. So what do we do in Congress? We pass TANF reauthorization that imposes new mandates on the states, at least on the House side. I hope the Senate doesn't do the same. It's going to cost the states another \$11 billion in child care costs if they implement the new requirements and they're cutting childcare. So we're doing just the reverse of what we should be doing in this area. It doesn't seem to make sense.

Welfare reform's central goal in my view should be to move families out of poverty. That should be our goal. We brag about the reductions in the cash assistance. We also should be bragging about the fact that states are now using most of their TANF money for non-cash-assistance programs. That's a win. That's a victory. That's helping move families out of poverty. That's accomplishing our goal. We shouldn't be pulling the resources back and that's exactly what we're doing. We're not going to accomplish our goal.

I must tell you, we have seen where individual leadership can make a difference. We can do better. We must do better. I think we can do this.

On the issue of foster care we have systems that are overburdened, overfunded and lacking clear vision for ensuring safe homes for children. It is reasonable to believe that some problems will be addressed in your recommendations if the one percent for children, were to pass.

But let me point out some of the problems we're confronting today. Child welfare caseworkers have too many cases and not enough experience with average job tenure of less than two years. People who take care of our most vulnerable children. We do virtually nothing to deal with the fact of the relationship between substance abuse and child abuse. We know the direct relationship here yet we're not funding the resources necessary to deal with this. These are all issues and all the recommendations that we are dealing with here today could change and make a major commitment to improve the lives of children. Leadership can make a difference.

Four years ago Prime Minister Tony Blair took a bold step by declaring his intention to end child poverty in 20 years. Some may have thought such a declaration unattainable but child poverty is going down in Britain after specific policies were put in place.

I know President Bush and Tony Blair are good friends. They've worked together. Maybe President Bush can take some of the experiences of Tony Blair and provide some leadership as Tony Blair did in England to speak for our children. If we can get rid of Saddam Hussein we can take care of our children here.

During the late 1990s our nation made progress in reducing child poverty. A strong economy, increase in the EITC, a minimum wage, and work-based welfare reform all played a major role in reducing poverty. However, this progress has stalled in recent years and we're actually moving now backwards. We need to take some bold steps, energize the effort to help children escape poverty. In the end such a drive can only succeed if our commitment is as strong as our cause. At the very least I hope today represents the beginning of a national dialogue about how we can end child poverty here in the United States during our lifetime. We can do it. Thank you for getting us thinking on this most important subject that affects America's future.

Thank you.

[Applause]

MR. DIONNE: I am told that Congresswoman Johnson is on her way here but I take it she's not quite here yet. Why don't we start out with some questions to Congressman Cardin while we're waiting for Nancy Johnson and then we'll bring it all back together again.

I could ask one, but I want to go to the audience first if someone has one they want to put to the Congressman.

QUESTION: David Levy, Children's Rights Council. Congressman Cardin, we miss Ron Haskins too, and you and Nancy Johnson heading that committee.

We did a little survey that found that states with the highest number of two-parent families have the lowest poverty rate which is why we favor family formation, family preservation and also shared parenting, team parenting and joint custody because it helps to involve both parents and produce better outcomes for children -- less crime, fewer drug problems, higher academic performance.

Do you think we can move in any direction towards maybe earmarking the states with the highest number of two-parent families which is conservative as well as liberal, in terms of strengthening families and helping children?

MR. CARDIN: One of my major regrets is that this year the Congress and the House passed the TANF reauthorization without any debate at all. We didn't have a committee markup, we had no hearings this year.

One of the things we'd like to do is provide bonus pools for states that excel in goals we think are important. I think two-parent families is an important part. It's actually one of the goals of welfare reform. The problem is the pie is so small it's hard for us to earmark existing dollars without creating real hardships to our states. I would oppose any effort to earmark any of the monies that are existing funds. If we can put more money I'm with you, I'm for that, but it's got to be new money. You can't take the money from the existing pie. It's just not large enough for the states to be able to maintain their existing obligations.

MR. DIONNE: What do you think will happen in that debate this year? The President does want the marriage money in there. It's one of those difficult issues where I think at this point most people who care about poverty agree with the notion that a two-parent family is good for the well-being of kids. The question is how can social policy really have an effect on that? Can you talk about your perspective on that?

MR. CARDIN: There's actually some change in the TANF reauthorization dealing with marriage promotion rather than the illegitimacy fund that was there before so we have tried to make it a more positive reinforcement to the states in providing help to two-parent families. That's not terribly controversial. It's supported on both sides of the aisle and we think that makes sense.

In the Senate we're optimistic that they will provide more funds than the House did in TANF reauthorization. They may spend a little bit more time dealing with the two parent family issue, in trying to develop more direction to the states to deal with this issue. So it's possible you'll see a broader program, broader federal involvement on the Senate side because I think they're going to put a little more money into the program.

QUESTION: Mary Mullin.

The states seem to have very different ideas of how to handle poverty. I just know on Sunday morning television, one of these religious programs was sending sweet potatoes into the Appalachian areas. I live in an area where many of the people are on welfare and they have food stamps so I called the number and I asked why aren't these people on foodstamps? Why are they all eating sweet potatoes? And because of state regulations they weren't getting any food stamps and they weren't eligible. I said if they're just eating sweet potatoes certainly they must be eligible for the food stamps.

I believe this was in West Virginia but I'm not sure of the state now because this was several years ago.

MR. CARDIN: Here's the dilemma we're facing. It's one that, it's a difficult balance. There's a lot of interest to provide maximum flexibility to our states. That's usually the prelude to some form of block granting by the federal government, which normally after that comes reduction of funds by the federal government. We were concerned about that with welfare reform when TANF was passed. We weren't concerned that that may in fact mean a reduction of funds over time and we changed it from an entitlement, pretty prescriptive federal program to more of a flexible program, so it's a matter of balance.

I happen to like giving the states flexibility, but I am concerned about the fact that we need to have national policy. There needs to be national direction. We're looking now at the Medicaid program. The President has suggested that we might want to consider block granting, giving the states the option to take their Medicaid money without most of the federal mandates. I'm concerned about that because I think there should be some national direction. On food stamps there should be some national direction. On housing programs. There should be national programs in these areas. To reduce child poverty, protect children who are risk, there should be national standards here.

So I think we need to have national standards. We then need to give the states maximum flexibility in order to achieve those national standards. And there's got to be a commitment long term on the funding and tools being available to the states in order to achieve these objectives. To me that's the balance we're looking for. But in doing that there have been times where the states have been given a lot of flexibility and they've used that in some ways that I think are counter to national policy, what we're trying to do to protect families in America. We really need to have a careful discussion about that before we change dramatically a federal policy. And I would just urge us in housing and Medicaid which are the two major issues that are being discussed this year that affect America's families, that we're very careful before we make a dramatic change in either the Medicaid program or our national housing program unless we are certain that we're going to be able to maintain federal standards.

MR. DIONNE: Thank you very much and thank you Congresswoman Johnson for fighting your way here.

It won't surprise you that before you came Congressman Cardin warmly embraced the tax cut recently passed -- [Laughter] -- by the Congress so you don't really have to say anything at all about it.

It's great to have Nancy Johnson here. She was first elected in 1982 to represent Connecticut's 6th Congressional District. I, like all American fathers, or at least inside the Beltway fathers, I try encourage my kids to believe they could be President of the United States. I told my eight-year-old daughter a couple of years back that she could be the first woman President of the United States.

My feminist daughter looked at me and said, "Dad, why will it take that long?"
[Laughter]

This story came to mind because when I read Congresswoman Johnson's bio, I learned that she became the first Republican woman ever named to the Ways and Means Committee in 1988. That's only 15 years ago. That is really remarkable.

And I wanted to check if this bio was right. She became the first woman to chair a Ways and Means Subcommittee when she was appointed chairwoman of the Oversight Committee. As my daughter would say, it really took way too long.

So welcome, Congresswoman Johnson. She was appointed chair of the Subcommittee on Human Resources which oversees the nation's welfare law, and in January 2001 she became the chairwoman of the Health Subcommittee. So she's going to be involved in lots of easy issues such as Medicare and Medicaid.

Through her previous work she became a nationally recognized leader in health care reform. Her political career began when she ran for the Connecticut State Senate in 1976, becoming the first Republican elected from New Britain, Connecticut. She held the seat for three terms. And prior to seeking elective office she was active in community affairs in her town of New Britain.

Congresswoman Johnson, it's very good to have you with us. Thank you for coming.

[Applause]



MS. NANCY L. JOHNSON: I see you're already into questions, but let me make just a few comments. I'm very pleased to be here with my colleague Ben Cardin who was the ranking member when I chaired the Human Resources Subcommittee. We enjoyed working together very very much. It is rare when you have members that are both very much involved in agency work at home and in the system of delivery at home and it was a great pleasure to work with him.

First of all, as you know, I'm very deeply involved in writing a prescription drug bill and modernizing Medicare and that really actually extends to modernizing the whole health care delivery system. So when I look at human services and education and how we deal with children, we have a radical systems change going on already. The question is how do we effect it the most positively.

So we can argue about the tax bill but there is absolutely no question but that the EITC has put more money in families' pockets and that has been important. There's also no question but as chaotic as it's been that Section 8 and home ownership programs have completely vacated all the moderate rental housing in my hometown of New Britain and the question is now how do we move the next lot who are poorer up to that level.

So there are neighborhood changes going on. People are taking greater control of their lives. They're rising up and fighting crime themselves. We're putting more effective resources into our neighborhoods in many instances. We have seen an astonishing decline of concentration of poverty in our cities. We've seen an incredible decline in non-marital births to mothers of all ages. Part of that is without question due to welfare reform. Part of that is without question due to EITC and some other things that give people more resources. But part of it is more profound than that.

The impact on our lives of the '60s and the sort of me-centered society, and then the revolt against that, part of which was the rise of the pro-life movement without question. A lot of those things have come, I think, to a certain maturity and are enabling people to really talk publicly about marriage. Isn't it bizarre that we got to where we couldn't talk about the benefits of marriage to children without sounding like you were being judgmental?

Well, if the facts are there that children do better with married couples, why can't you talk about it? Why did it become taboo? But it isn't taboo any more.

It's very interesting to me, Pat Wilson Coker who heads the Department of Social Services in Connecticut, she'd love it if the abstinence money was more flexible, but she doesn't care. She's going to be able to use that to broaden and deepen and strengthen the relational education opportunities for people who need to know. Whether they're coming off welfare, whether they're the parents of Head Start kids, no matter who they are she knows that they need to be able to talk about what does it mean to be married? How do you strengthen a relationship that's not a marriage relationship? What is a friendship? What constitutes a marriageable friendship? We don't talk about that.

So I think we want to remember that we have created I think primarily through the Welfare Reform Bill, a good start. I personally am very pleased that the new Welfare Reform bill makes a lot of opportunity for education to count as work. Two days of opportunity for education, mental health treatment, substance abuse treatment to count as work. The states can do anything they want about that.

We could have people coming off welfare helping to run our after school programs under the leadership of an experienced child development person, and that counts as work. While you're learning about child development, discipline, parenting, relational issues on the job. You have to have good leadership in a situation like that.

So there are tremendous opportunities now because we are beginning to put our money behind programs that both more clearly have a goal, an individual goal in the radical change in

welfare too is that the person has to think how I'm going to use 40 hours a week to foster my personal growth and strengthen my future. There's only a four-hour difference in the work requirement so it isn't actually the work requirement that's at issue. What's at issue is how are states going to help people plan 40 hours? How are you going to get people to take responsibility for thinking that 40 hours a week I need to think about how I'm going to grow, how I'm going to be economically independent, how I'm going to be emotionally stronger. You can do education two days a week under that structure. You can do mental health training, you can do parenting groups, you can do a lot. But we do have to have more and better quality childcare under those circumstances.

But we do need to in a sense be honest about what we accomplished through the first welfare reform bill. The steep decline in children's poverty. I don't care that the economy was doing well. You don't see any imbalance, at least I'm not aware of it but it's been a year since I've heard anyone talking about this. I'm not seeing in my home communities the first people being laid off are the people who were on welfare. I'm not seeing that.

So yes, we have a lousy economy, yes we have a higher unemployment rate, but did we achieve something with welfare in getting people to the work force? Absolutely. Do we need to help them up the career ladder? Do we need to help them earn a higher salary? You bet we do.

We need to look at this next round as how we do that. But we do need to be very very conscious of the fact that for the first time ever we did experience three consecutive years of declining child poverty. We did begin to reverse the teen birth rate. We are now reversing the birth rate among non-married mothers. We are reducing the concentration in neighborhoods of poverty. So we are on the right track, but how do we go forward?

I think this is a wonderful book, Belle, and I commend all of your and all of your chapter authors and the Brookings Institution for bringing it out. Because it takes on the tough challenge. That is, how do we afford the next step?

I do believe, targeting is important. You've got to set priorities. Not only do you have to do that so we can pay for it, but you have to do that so you accomplish something. If you try to do too much you don't make change. Especially in a nation where the systems are all in change.

So I'd just like to point out two things about the chapters that I thought were really especially important and at the same time enrich the discussion about national standards, on which Ben and I take slightly different points of view.

I agree in general we need national standards, but I don't really know how to pull that tightly together with my experience. We have got to do a better job of educating our children. Of school readiness, of preschool, all of those things.

I don't have examples from that sector, but I can tell you that in New Britain, Connecticut 67 percent of our kids are below the poverty level and 75 percent have had no preschool before they come to kindergarten. How are you going to get that kind of school system performing well? No Child Left Behind is going to put this issue very squarely on the table. And 15 percent

of the new special ed money under the new Special Ed Reform Law will allow money to be used for remedial, for early intervention, more flexibly than waiting until we identify.

So there are laws developing that are going to help us early on. But we've got to get into preschool, we've got to get into better quality child care. No question about it. But even that's too late.

Before I move on to my final point let me just say how we spend our money is just so important. National standards can help but we know very little and we're not talking to ourselves about what works.

In my new city of Waterbury that I'm representing for the first year, the state gave challenge grants to two terribly poverty stricken and terribly low achieving schools. For \$265,000 a year, two consecutive years, scores are zooming. That is not a lot of money.

In my own hometown of New Britain we have a Micro-Society. \$40,000 a year for the coordinator. In the Micro-Society where the kids get paid to come to school, they have bank accounts, they have their own justice system, you run in the hall you go to court, you get a traffic ticket. The last time I was there this little boy was complaining vehemently to his teacher that he had to pay such a high traffic ticket he didn't have money for market. Her response was, too bad, you know you can get a job. You'll have to get a job so you can earn some more money before market.

The incidents of disorder in the school have plummeted. The scores have soared.

So don't neglect to think about how we do it. That's what I like about these chapters. I think they're focusing on some of the real fundamentals. But in preschool education, in getting parents involved.

Pediatricians told me years ago, my husband's a physician, pediatricians told me years ago that in their practice -- and so did obstetricians -- they could spot the families that were going to have trouble. This is not mysterious. We know a lot more than we act on.

For example we know that in families where there's child abuse in 80 percent of those families there's alcoholism. But we're only now beginning to think about that and make it functional in programs.

We know a lot. If we target what we know. I'd like to see us experimentally target on a community where all the babies are born in one local hospital. You can tell the families that need intensive prenatal education in parenting and in relational development. Even if they're married, if it's a flimsy marriage. We really need to target that and target not only how is that baby doing physically, but how is that mother and the father doing in terms of preparing for the delivery of this child and for the 20 years of responsibilities thereafter.

So I'd like to see us target more. I'd like to see us use some of the information we already have in our minds about how we target and be much more aggressive in that effort.

I also am particularly impressed with the whole family approach in some of these chapters. I have long felt that children are hungry for the very information that will address some of the problems that we talk about and we're not giving it to them.

When one of my children was in high school and was sick and home for the day she called me in. She said mom, mom, you've got to come see this. Donahue was interviewing grandparents who had come out. She was fascinated. She said to me why don't they talk about this stuff in school? Can you imagine talking about parents who had become lesbians, and gay parents who discovered that after they had had children? But she wanted to know and understand.

I think this idea of developing a curriculum that talks more about what it takes to be a parent, about relationships. About what's a friendship, what's a relationship, what's a strong relationship, what's a marriage relationship, what are the advantages, what are the disadvantages. What's the environment in which children do well?

I am absolutely convinced, and I just had a big press conference and luncheon with Joe Califano in my district because their research has shown that girls' bodies handle alcohol, tobacco and drugs differently. You talk to girls about this. Why doesn't the science curriculum start from what it is about the chemistry of women's body or the biology of their body that allows these things to penetrate their membranes, make them drunk on one drink, lose control? We've got to help -- If they knew that, I'll tell you it gives them more power over whether they accept that other drink and more sense of how they're being exploited if they yield to a guy who's telling them to do this.

The same with the pregnancy prevention programs. If we had more local flexibility then programs like my Pathway Senderos that has a 100 percent success rate in preventing pregnancies will get the money they need, even though I can't win the battle on the floor of the House for more flexible money that will include funding for programs that also teach kids means of contraception. Those are local issues. Some communities can do it and some can't.

But we're holding ourselves back in a sense by letting some of these issues play out at the national level, and that's my fear of national standards. The standards need to sort of direct and have goals, but I think we have to be careful.

On the local level if we taught more about relationships, we teach kids more about an environment. We help them see what kind of family -- I've always felt that if girls knew the percentages, all the data about how likely you are if you have a baby out of wedlock as a teenager to live in poverty the rest of your life and have your children do badly, they might actually think differently about having that. But that's not woven into. We have no personal development courses in high school either in how to do banking, or how to manage a credit card, nor how to develop relationships.

So I like the idea of targeting. I'm particularly interested in the whole family policy because it brings in my long interest in teen pregnancy prevention, but also strengthening the

family and helping kids see how they have the power to change their lives and construct their own future. If we don't get them to understand that, it doesn't matter much what we know.

So that is happening in pockets of our most troubled cities. We need to know better about how to foster it and develop it, and I think this book is going to be a very real contribution, Belle and all the authors, to stimulating local thinking about how we can actually create for our kids a better opportunity and pay for it, which I also support.

[Applause]

MR. DIONNE: Who has a question? Brookings is not a good setting for Crossfire and I guess I don't look like James Carville, but at some point I would like both of you to explore the following: clearly there is a lot of language here about shared goals, and I'd like to see at some point where the differences are, particularly, for example, on welfare reform and what needs to be done and why you disagree. But before I do that I want to get some voices from the audience.

QUESTION: Bill O'Hare with the Annie E. Casey Foundation.

I'm sure you're aware that the President has gone on record as saying that improvement of child well being is the major goal of TANF and welfare reform, which I think we all endorse, certainly the improvement of child well being.

My question is more about assessment and I guess I would appreciate any thoughts or conversations you've been involved in or what do you know that the Congress or Administration is going to do to systematically assess child well being over time to see if we're reaching this goal, and a question that may spark a little difference, is that a national assessment or is that to be done state by state given the variety of circumstances that states find themselves in?

MR. DIONNE: Hold off just a second. The lady in the back just wants to add a question.

QUESTION: I wanted a little bit of clarification on something the congresswoman said. One would be how exactly would we be targeting these poor families in hospitals when they're about to birth their children to know that they might need more support long term? Like what would be the criteria for targeting particular families that you think would be growing up in poverty or would need more support in raising their children or parenting support. I guess I'll just leave it there because I have a concern about that.

On top of that when you talk about in schools teaching little girls about the percentage increase that would happen of them being able to -- I'm like twisting my words crazy right now. How would you want it shared with girls that they're going to be at a higher risk of growing up in poverty if they have children out of wedlock, was my concern. When you were making that point. I'm just wondering how you would teach young girls that and what would be the difference? Would we also tell young black kids that you also will have an increased chance of growing up in poverty and your children turning out badly?

MS. JOHNSON: By not telling them you weaken them. These are statistics. They are impartial. There are lots of reasons why and you might want to get into that, and I think the resurgence in my black churches of focusing on that information and taking steps to address some of the problems, but these kids know a lot. For us to not tell them facts that we know because we think it might discourage them, man, they've got a tough row. And if we can help them see what the alternatives are. You don't tell it to them out of context. It's not about whether you're black or Hispanic or white. Anyone who grows up in that situation has a hard time supporting a child on one salary and so on and so forth, and the statistics do show that. It doesn't mean there aren't many successful parents, and you want to tell them that.

I think that, I certainly don't want Washington defining how you say this or who your target population is. That's one of the reasons why you need more local control.

One of my wealthier communities does it by visiting every single family, woman when she comes home from the hospital. It's a family visitor program. They do that for three months. From that they draw who is going to need more support as they move, as the child moves up towards school. The birth to three disability programs helps play into that. There are some that don't fall into those definitions but still need the help.

So you do have to have some local control because if you define these things too much from the federal level you have ins and outs and that may not actually reflect the family's need.

My two-fold answer is we've got to be more honest with kids and some of the truths are pretty tough, but if we back it up with resources and with opportunities, they're better off.

MR. CARDIN: Can I deal with the well-being of the child? I think it's a very important question. You're correct. No one disagrees with the President's stated purpose to try to make sure that all of our programs in welfare deal with the well-being of the child.

My concern with just doing that is it's almost impossible for us to determine that. How do you determine the well-being of the child unless you have other standards?

That's why we think it's extremely important that TANF specifically mention as a goal, a principle goal, reduction of poverty, that we can clearly measure.

A mother can get a minimum wage job with no hope of advancement and under the current standards in TANF, that's a success story because she's no longer receiving cash assistance. That's a success story. Yet if there's no chance of advancement that mother and child will not escape poverty.

We think it's very important that one of the federal expectations is states' programs will help that mother move up the economic ladder and therefore be able to escape poverty and be able to succeed in our economy. And part of the focus must be to help that family.

These are some of the changes we would like to see in the next plateau of welfare reform.

MR. DIONNE: Can I ask the two of you to talk about where you did disagree on the reauthorization of welfare. And I can't help myself but put on the table the question, and all of these initiatives we're talking about, they all cost money—even if they are done efficiently, even if they are done in the best possible way. And you're looking at tax cuts and growing deficits on the federal level and huge problems in almost all of the states.

Could you both sort of address for me, I'll start with Congresswoman Johnson, where did you differ on welfare reform and then deal with the resource question if you would.

MS. JOHNSON: Actually, Ben as ranking member has a much greater depth of knowledge in this area than I did as just a committee member because I really have been extremely involved in health policy.

MR. DIONNE: Sam Irvin tried that too. I'm just a poor country lawyer. [Laughter]

MS. JOHNSON: There were two major issues. One was the issue of the 40-hour requirement and it was originally cast as a work requirement. It is not a work requirement, and I don't actually know where Ben stands on this particular issue. But I like the idea that you are required to think how would you eight hours a day, 40 hours a week, because eventually you're going to have to work that kind.

I was very instrumental and I know Ben supported this in structuring it so that the work requirement doesn't go in until there's a long enough period so you could have completed one term at a community college. Then you could have gotten adjusted and so on and so forth so you could carry then courses Tuesday and Thursday and still be within the work requirement. Actually, that can go on for a long time under this bill, many years.

I think there was a lot of misunderstanding around the 40 hour a week issue and I think some of that's begun to straighten out, but some of the misunderstanding is convenient in the sort of advocacy battle.

I think on this issue of poverty as an objective, I think that's a more subtle and difficult issue. There is concern that if you focus -- from our side -- that if you put too much emphasis on just the poverty issue you miss a lot of other things that are equally important. All poor families are not non-functional and all poor families do not have their children do poorly in school. So it's not the only factor that counts. It's an important factor, no question about that.

I thought the more interesting debate and the valid debate and the real disappointment in the welfare bill is the lack of more money for child care and our inability to deal with the sort of national standards controversy and get out from under that in such a way that we stimulate the development of higher quality child care which does require subsidies. We haven't been able to get over that. So I thought the child care debate was the issue which did not resolve itself and which the Democrats were right in the sense that we needed more money, but we were never able to conclude how we govern this more money.

So those who don't want the more money to be controlled by greater federal controls defeat really the effort to get more money. So there's a lot of unresolved stuff on the child care debate that really is essential to resolution to have a successful welfare program.

And equally, a successful program for people not on welfare but of low income. That's equally important and that's been a problem under welfare reform, the states that want to treat everybody equally as opposed to those who came off welfare.

Those are the three things that I thought were most controversial.

MR. DIONNE: Congressman Cardin? Then we'll have to shut down this panel and move on.

MR. CARDIN: I'm going to embarrass Nancy a little bit. You have the wrong Republican here if you want to draw a big distinction between the two panelists on welfare.

MR. DIONNE: Ron Haskins can do an imitation from the back. [Laughter]

MR. CARDIN: I'm convinced that if Nancy and I were given the authority and where we disagreed Ron Haskins made the decision, we could resolve TANF reauthorization pretty quickly.

The major concerns we had with the bill that moved through the House of Representatives is first that it's very prescriptive to the states.

Now I'm not one that believes the states are going to be overly liberal in dealing with requirements for work. Most states are going to be pretty tough because they're dealing with a limited amount of resources and they're going to deal with it in the way they think is going to be most effective with their case load. So I guess the first was a fundamental difference that it was being way more prescriptive than current law, and current law seemed to work fairly well.

The second was specifically on education. Education was removed from a primary work activity -- training, education and training -- to a secondary issue and we think that is the wrong message. Education should be important for everyone, as the President has said, and most importantly for people who are on welfare trying to succeed in the workplace, education and training should be able to participate as a primary activity.

The third was resources that Mrs. Johnson referred to. There's just not enough money in here for child care particularly with the new requirements, but in any event we thought it was very important to provide additional resources to our states to deal with the child care issue.

There are a lot of other issues, but I think they're the principal problems we have. We haven't yet dealt with illegal aliens which we thought was wrong. We thought the states should have the flexibility to deal with illegal residents. They can't today. There were other issues that are important but I think they're the three most important.

MR. DIONNE: Thank you very, very much. We hope you'll come back and we are very grateful for this exchange. You can now meet with Ron after this panel and rewrite the welfare bill and get it passed. [Laughter]

Thank you very much.

[Applause]