

MEMORANDUM TO SENATOR DOLE

DA: March 22, 1995

FR: Alec Vachon *AV*

RE: FYI/TODAY'S SOCIAL SECURITY SUBCOMMITTEE HEARING ON SSI/SSDI

\* As you know, Simpson held a hearing this a.m. on SSI/SSDI program growth. Although AFDC gets most attention, SSI is far more costly--today and tomorrow. According to CBO, AFDC (& related expenditures) will cost (w/o reform) \$18 billion in 1995, \$21 billion by 2000. SSI will cost \$24 billion in 1995, \$43 billion in 2000. Moreover, much of the AFDC debate revolves around "work"--little comparable focus in debate on SSI reforms although equally important.

\* Incidentally, today's hearing will be Simpson's only foray into SSI/SSDI--wanted his first Subcommittee hearing to be "noncontroversial." Simpson will focus the Subcommittee on restoring solvency of OASDI trust funds. Simpson and Kerrey are working on a bill to fix the OASDI trust fund problems--next Subcommittee hearing will focus on that bill.

\* BOTTOM LINE ON HOT BUTTON ISSUES:

--DRUG ADDICTS/ALCOHOLICS: Cash benefits for drug addicts and alcoholics probably doomed--to be replaced by more treatment options.

--CHILDREN'S SSI: No consensus on Children's SSI--although everyone recognizes changes are needed. Eventual proposals will probably tie benefits to severity of disability--like VA pensions--and add some restrictions on eligibility.

--IMMIGRANTS--Simpson very focused on alleged abuses in this area--but no clear consensus on reforms yet.

OTHER HIGHLIGHTS

\* COHEN: Although Cohen pushed SSI reforms re drug addicts & alcoholics last year, he thought final amendments too harsh --which limited cash benefits to 3 years from date of first check (Cohen wanted 3 years over a lifetime). However, he now seems to recognize cash benefits for drug addicts and alcoholics will go.

\* SANTORUM: Santorum plugged Children's SSI reforms in the House welfare bill. But he got very visibly nervous when Conrad asked him how many children would be dropped immediately under the House bill. He ducked the question until Conrad confronted him with the number (225,000).

\* JIM SLATTERY: (Chair of Children's SSI Commission created by Congress last year.) Pointed out big weakness of the current system--provides a check based on parent's income, rather than on the severity of child's disability or "excess costs" parents incur. But he also noted the current system is simple to administer.

*- Dan -  
- Nelson -  
- Dennis*



- \* CHATER: (Current Commissioner of Social Security.) As I have written you, Packwood and Moynihan ripped into her during her confirmation hearing on February 16th because of her lack of ideas (and she projects very weakly)--final action on her nomination is still hanging. Did no better this morning--but her disability deputy, Susan Daniels, was very impressive.
  
- \* ALL WITNESSES: Noted need for improvement in management--specifically need for more continuing disability reviews to determine if recipients are still disabled, more rehabilitation, etc.