

MEMORANDUM TO SENATOR DOLE

DA: May 9, 1995  
FR: Alec Vachon  
RE: UPDATE/SSI ISSUES

Draft Chairman's mark on welfare reform is expected late this week or early next. In addition to hot-button issues discussed below, growing realization SSI and SSDI are both out of control--and no solutions. President's budget projects SSI will jump from \$28 billion in 1995 to \$43 billion in 2000--SSDI/SSI together from \$70 billion to \$105 billion in 2000. We discussed reintroducing your "National Commission on the Future of Disability" bill--which might be now focused on reforming these programs and include it in the welfare reform bill.

CHILDREN'S SSI

CONSENSUS FOR REFORM, NO CONSENSUS FOR SPECIFICS. Committee staff have not decided what reforms--if any--will be included in Chairman's mark. If reforms are not included, back-up position to satisfy House might be a plan to revisit this program. BTW, in the Budget Resolution, no savings are expected from Children's SSI (House bill would save \$13 billion over 5 years). Also, because of Domenici's close ties to the mental health community, he has deep concerns about reforms to this program.

As I have written you, despite a consensus for reform among Republicans and Democrats, stumbling block for agreement on any changes is a lack of knowledge of this program by members and staff--and many other disability programs as well. In the 10 Finance welfare hearings, Children's SSI was discussed in two--for 1-2 hrs total. Committee and personal staff are leery of restructuring a program that serves 900,000 children without more thought--and maybe more hearings.

To get focus, last Tuesday I arranged a briefing by House staff on their reforms for Finance staff--for 3 reasons. First, the House spent 2 years looking at this program--they know a lot. Second, we will have to deal with them in conference--need a good working relationship. Third, House bill has good proposals--although salesmanship with disability groups and handling of media stunk. Finance staff arranged for the briefing to be repeated for staff of all Finance members last Friday.

\*\*\*On Monday, Daschle's staff asked me if we can strike a deal--who claim that if we can agree he can line up their members. I have some ideas & will memo you if anything develops. As I have written you, there are two sets of reform proposals--in the House welfare bill and a draft bill by Conrad. AFTER A CLOSE ANALYSIS, MY VIEW--HOUSE BILL HAS REAL VALUE--BUT WE MAY HAVE TOO LITTLE TIME TO FIX ITS PROBLEMS AND SELL IT. CONRAD BILL IS A FIG LEAF--MAKES ONLY COSMETIC CHANGES.

Don  
Shultz



DRUG ADDICTS AND ALCOHOLICS (DA&As)

Chairman's mark is expected to follow House bill--no cash or Medicaid for DA&As--with some savings (\$400 million over 4 years) put into Federal drug treatment. So far I have heard no objections--except by Cohen. He was opposed to eliminating the cash benefit but seems to have come around on this issue. However, he may wish to continue Medicaid eligibility and oppose the specific drug treatment programs the House earmarks for increased funding.

ALIENS

Again, the Committee is expected to again follow House proposals--which denies SSI to most legal aliens (excluding refugees, permanent residents over 75, veterans, and persons eligible for citizenship but who cannot apply because of a disability). Simpson has similar proposals in his immigration reform bill--which he will mark up on May 17th.