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W E L F A R E R E F O R M



INSTITUTE OF POLITICS  
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UNIVERSITY OF PITTSBURGH



## INTRODUCTION

In February 1993 the Institute of Politics convened a forum of academics and elected officials on the issue of welfare. By bringing together a variety of perspectives and recording the richness of the discussion, we have worked to identify the critical questions and decisions that Pennsylvania faces in this area of welfare reform.

*The academics who participated were Professor Charlotte Dunmore and Dr. Roy Lubove, both of the University of Pittsburgh. The views of elected officials were represented by Senator Michael Fisher (R), Representative Joe Preston (D), and Representative Sara Steelman (D). Dr. Morton Coleman, the director of the Institute of Politics, moderated the discussion.*

**Moe Coleman...** This is a distinguished group of people and I am glad you are here.

We have a financial crisis, especially in the Medicaid program in the state. States around the country have asked for exemptions (Wisconsin, Michigan, California, Oregon, New Jersey, etc.) to try to alter the welfare system. The question for us today is: What should Pennsylvania do to deal with this very critical question? Where do you (as academics and legislators) stand on welfare reform, who should be supported (by welfare), how should they be supported, and what is the relationship of work and welfare?

**Roy Lubove...** Being an historian I consider it my prerogative to reformulate issues and put them in their historical context. On the issue of welfare I feel like I go back for centuries and am seeing the same motion picture over and over.

- There's never been a time in our history when welfare was viewed in a favorable light. The rising cost of welfare was generating significant discontent in the 1820s.

- There is nothing new about what has become the new cliché, workfare. The idea of a work house was already pretty well advanced in 18th century England.

- Anglo-American welfare policy has had a constant obsession with issues of character. In the 19th century, there was concern that pauperization would result from poorly conceived welfare policy. The rhetoric today would be culture of poverty. Frequently (and erroneously) welfare policy is often depicted in terms of the underclass.

What I see happening in the states is also just like an old motion picture. A lot of tinkering with no fresh framework or conceptualization.

I'll end this with an example of the uses of history. To me, the New Deal suggests not a solution necessarily to dead end or stale policies, but an insight into possibilities. Looking back, one can see the New Deal as a time when we were able to associate welfare with vast, concrete, visible, and enduring benefits to society. I think—unless one can

build that association, somehow, into welfare—that it will always be associated or viewed with disdain and resentment.

**Moe Coleman...** Thank you, Roy. We have an historian's view that the themes of cost, character, and work are questions that have been on the plate for a long time. The issue that is raised is: How do you develop welfare programs that seem to benefit the general society?

**Roy Lubove...** So that they [the programs] are seen as an asset.

**Charlotte Dunmore...** It seems another force is being played out in relation to welfare, and that this force also has an historic aspect, and that's ethnicity and race. These have been issues at least since the 18th century.

**Moe Coleman...** I guess the question on the floor now is that Pennsylvania has to make a decision as to what it is going to do about its welfare laws and how these laws are to be played out in today's context.

**Michael Fisher...** Let me give you a more present-day perspective, which probably caused our General Assembly and the government to take a closer look at welfare. Ten years ago efforts were made to reform the welfare system by bringing Workfare to Pennsylvania and implementing what has been referred to as the 90-day rule for the transitionally needy. This has been largely ignored by the current administration. In the last year less than 700 people were enrolled in Pennsylvania's Workfare program.

But budget difficulties in Pennsylvania (which are no different than the difficulties that every other state faced) have forced law makers and the governor to look at our entire budget. Off the top, 50 percent of the budget goes to basic and higher education—and students are already saying that isn't enough. Faced with the choice of either providing the money or local taxing bodies providing the money, it was relatively easy for us to skip that 50 percent



and go on to the next 25 percent of our budget. The next 25 percent of our budget, in general terms, is appropriated to the welfare department. Some of that money goes for running state hospitals for the mentally ill and mentally retarded. Other money goes to community mental health programs and programs for the mentally retarded. Likewise those constituencies have a fairly loud voice. The balance of the welfare appropriation is in cash assistance and cash grants, and medical assistance, which is where one can begin to focus.

In making that focus, we saw that there were areas in which the Pennsylvania system provided higher benefits and easier access than other states. For example, Pennsylvania does not have a residency requirement for welfare recipients. I don't think anybody disagrees with a residency requirement. I think many people were shocked to find out that there is no requirement in Pennsylvania. I believe that if we have a welfare program it should be for Pennsylvanians, with the exception of people who come to Pennsylvania for valid and justifiable reasons. The legislature struggled with that provision. We also looked at trying to make welfare requirements more consistent with states of origin for new Pennsylvania residents.

The legislature then struggled with other ways to cut costs. Senate proposals were made to do such things as advance the age of the transitional needy from 45 to 55. In addition, we discussed an issue that I advocated—Learnfare. And we looked to programs in other states. I don't think we were anywhere near as draconian in our approach as New Jersey.

So, I've tried to give you a quick, general perspective of the legislative process that has been started—and we can talk about some of those issues in a little more depth.

**Moe Coleman...**Costs needed to be cut and some of the ways you suggest are to deal with the transitional needy, look at the residency requirement, and tie payments to education.

**Michael Fisher...**That package could have saved approximately \$50 million a year—not a large sum of money—not even a large part of the welfare budget. The other part of the equation obviously is looking at the Medicaid budget. The Medicaid budget is the real budget buster on the welfare side. Perhaps we can come back to that later.

**Moe Coleman...**to the point that the Medicaid budget has increased from \$1.2 billion to \$5.2 billion.

**Joe Preston...**Part of our problem with expenditures is the political climate. The age of volunteerism and sharing doesn't seem to exist anymore. In our foodbanks the people who work there are getting paid, where it used to be that they were volunteers. It's become a multi-million dollar business.

Part of the issue dealing with public assistance, whether it is in the city or the rural areas, is the economy itself.

Another issue is health care for the young. We have an enormous amount of cost for the senior citizens, but until this year we were still not doing anything for the young. When people found out that we had stuck a two cents tax on cigarettes, for children's health care, people got very angry.

The general perception about welfare is that people want to go out, have babies, live in public housing; that it is thought of as a great way of life. It is not the case. Welfare does not encourage child bearing. People do not want to make \$120 a month and be in a decline. No one wants to raise a child in an area that is filthy and unsafe. That's just instinct. However, all in all, no one is looking at this generation to come. And the cost of this lack of foresight is yet to come.

**Charlotte Dunmore...**Part of the problem looking at the budget is that a large portion of the Medicaid expenditure goes to the elderly. And as soon as you start hitting the old folks, the old folks start hitting back. Another significant portion goes to the care of pregnant women, lactat-

## HISTORICAL OVERVIEW

"There has never been a time in our history when welfare was viewed in a favorable light."

—Roy Lubove



PENNSYLVANIA WELFARE EXPENDITURES

"The legislature struggled with ways to cut costs."

—Michael Fisher

I S S U E

ing mothers, and infants. We cut there and we increase the cost of keeping babies in expensive neonatal care units. It is a puzzle.

Moe Coleman... We can cut a small portion of the budget through some of these measures: Learnfare, residency requirements, and shifting the transitional needy category. However, the cost escalation in the Medicaid program is very tricky.

Sara Steelman... Joe Preston and I are looking at each other for who wants to pick up the hot potato. Part of my reason to participate in this was not as much to make statements as to ask questions.

The whole point that Charlotte Dunmore has raised about medical assistance and the increase in medical assistance is important. Obviously, a lot of that assistance is going to the elderly and the nursing home population. It is true that we are under some political pressure to try and increase the funding to individuals in nursing homes. That is going to increase cost even more.

I have not seen a comprehensive breakdown of how that \$5.1 billion actually separates out in the course of a year. We think that a lot of the increase is driven by assistance to the elderly and assistance to women in the process of child bearing, but actually I'm not sure of that.

When we had health and welfare committee hearings in my district I heard from primary care/preventative care physicians who preferred not to see Medicaid recipients if they could possibly avoid doing so. So it would appear that because we are not investing in preventative care—because of the fee structure—we are, perhaps, spending a good deal of money on operations and hospitalization. I know in my area the state must be spending more money in emergency room care than is reasonable. People are taking their children and themselves to the emergency room because they can't find a regular family physician to care for them.

Joe Preston... That is, a physician who will see them.

Sara Steelman... I think that something like the governor's proposal to increase the enrollment of Medicaid recipients in health management organizations of one kind or another has some real potential.

Roy Lubove... How much of the cost problems are driven by the other end of the chronological scale—not the aged, but children?

Sara Steelman... That's what I was just telling you that I'm not sure of. In wrestling with the issue of Medicaid costs part of the difficulty is not knowing what part of the money goes where.

Joe Preston... Seventy-seven percent of Medicaid costs goes to senior citizens.

Joe Preston... When you look at this issue it makes me think that Madisonian theory is alive and well. I remember as a kid, I grew up in a rural area and many people talked about the poor houses in Pittsburgh: 'If you don't stay straight and stay in school, you're going to wind up in the poor house.' In the 10 years that I have been in the legislature I have never heard anybody really talk about how to solve the problem. It is always a budgetary type of shot-in-the-arm solution that does not solve the problem.

It doesn't make any difference who is in the administration. I guess I came in on the end of Thornfare, which was supposed to save a lot of money. I still see all of the residue and exorbitant costs that we are paying on the people that we eliminated from the rolls, whether it's through incarceration, lack of educational ability, or lack of a program.

How did they reduce the state hospitals? They ordered the administrators of the state hospitals to reevaluate the population and when the population didn't get down enough to reduce the cost, Governor Thornburgh and Governor Casey gave the order to reassess the population again. I still see the people, the victims of these policies, out in my legislative district.



There is a large caste system in Medicare and it is driving cost. You have two nursing homes that are exactly the same—one is going for a population that can afford \$1,000 a month, another is going for a population that can afford \$4-5,000 a month. Exactly the same type of staff and everything. Well, a lot of these for-profit nursing homes of \$5,000 a month can take that person who has retired with a lump sum pension and can afford to pay maybe for 14—15—18 months. These are the suburban, for-profit nursing homes. When their money runs dry after 14—15—18 months who has to pick up the cost? The state. We're absorbing an awful lot of cost in supporting for-profit nursing homes. We need to come up with a flat rate.

But we're still only looking at the financial problems. We're not trying to solve the problem. Learnfare, Workfare—no one is talking about something that is meaningful, that gives a chance for a person to openly compete, be able to raise a family, to go for the American dream of owning a house and being able to raise their children. None of these programs do it, and they're still only temporary. The theory [is] that we have a certain amount of people to move around from one program to another—whether it's job training program or conservation corps—none of these programs are designed to give a person a meaningful wage.

**Roy Lubove...** You assume that there are answers to the problem.

**Michael Fisher...** I disagree with Joe that none of the programs attempt to solve the problem. I think the two examples he gave are two good examples [Workfare and Learnfare]. If they're allowed to work they could help solve the problem. Workfare hasn't worked in this state because the current administration has chosen to ignore Workfare. Workfare could work. It's not only state government that has turned its back on the Workfare program, principally it's those who represent local government.

Why have they turned their back

on it? Because you can't place people in Workfare unless employers create jobs. They've turned their back on it because they're concerned with ancillary things such as worker's compensation insurance, that is, how the rates may be affected if they take welfare recipients and put them on the job and one hurts his or her back. Very few municipalities and governmental entities sign up to participate in the program. This administration chose to ignore the program and did little to encourage employers in the private or the public sector, but primarily public sector, to be participants.

Learnfare has never been in place in this state and has only been in place in a couple of areas. I believe it is the kind of program which, if implemented well, could work to help break that cycle of dependency. Some may view it as harsh. I don't see it as harsh. It's merely an effort to say to those people who are part of the welfare system, 'We want to impress upon you the importance of education. If you can't do enough as parent or guardian to make sure that the child is in school, then under the cover of law we are going to say that payment is going to be cut off until you remedy the situation.' I think that education and work experience are the ways in which we can change society.

**Joe Preston...** I don't see where any of those have worked at all. There are parents out there who can't get their kids to go to school—and they have master's degrees. It's really wrong to try to pull certain people out and whip them to get their kids to go to school.

**Sara Steelman...** It's hard for me to disagree with you, Mike, because I am a very great believer in the power of education. Unfortunately, we have more and more young people graduating from college that are unable to find a job in their field or unable to find any kind of job that is close to what they expected they would get when they graduated from college. When you're looking at high school graduation, which is really what Learnfare is directed

WHERE ARE THE WELFARE DOLLARS BEING SPENT

"Another significant portion goes to the care of pregnant women. We cut there and we increase the cost of keeping babies in expensive neonatal units. It is a puzzle."

—Charlotte Dunmore



## UNINTENDED CONSEQUENCES

"I still see all of the residue and exorbitant costs that we are paying on the people that we eliminated from the rolls, whether it's through incarceration, lack of educational ability, or lack of a program."

—Joe Preston

toward, there aren't the jobs out there for people with a high school degree. Now it's certainly true that someone with less than a high school degree is in an even worse place, but we don't seem to have the kind of economy at this point that can promise someone that if they graduate from high school they will be able to stay off welfare in the future.

**Michael Fisher...** I don't think that we as a nation or a state promise jobs, but we do promise opportunity—and without education you are going to have a much more difficult time. There are exceptions, but the average person without education is going to have a much more difficult time competing in society. I don't believe it's too much to ask that parents use every effort to get their kids to school, and if it means taking \$120 out of their paycheck each month to get them to use that extra effort—if it works, it's worthwhile.

**Sara Steelman...** I think the question that you have to ask when children aren't going to school is: Why is that happening in the first place? This program will only work as a cost-saving measure if it fails to keep children in school. If we actually want to keep the children in school we may have to provide more parenting education, more counseling, and more work with the children.

**Charlotte Dunmore...** I wondered if there wasn't another critical point that Sara brought up that should be addressed, and that is the critical information that is lacking. There are things that we don't know. For example, in the medical care system, who gets what and what kinds of jobs are really out there?

It seems to me that a major welfare recipient in the state of Pennsylvania are the colleges and universities. So maybe we ought to institute a Workfare program for them and require them, with their sophisticated computer potential, to provide the legislature with some of the information that they need to make more informed decisions. There's

absolutely no reason why Sara cannot have the information she needs.

**Moe Coleman...** Let me just point to a couple of issues on the three things that we've been talking about.

- **Medicaid:** we have in Pennsylvania, and certainly the western part of the state, one of the largest elderly populations in the nation, so we can expect that long term care is an important problem today and five to 10 years from now it's going to be an even greater problem. We know from the national government that the cost of Medicare and Medicaid has moved from 3.6 percent to 6.1 percent of Gross National Domestic Product. It is the biggest single cost in government. So, if we're looking to the future, what are we going to do about this Medicaid thing that's going to grow?

- **On education and work force training:** we know that our vocational and education system is not working. If we're going to provide for this next generation, the school system today, as Sara points out, must fill the huge gap between our educational goals and our outcomes. We can meet some of these demands budget-wise, but how do we move into the future and address these areas?

**Michael Fisher...** I want to raise another issue that's part of the future and tied in to my belief that work and job training are key ingredients. Whether it be in Homewood Brushton or Bethel Park or Indiana County, welfare recipients are of diverse backgrounds, and I think you have to recognize that. Not all are Afro American, not all of them come from families who didn't have an education. But the most important issue we're faced with right now in this region, this state, and this country, is making sure that everyone has health insurance.

We have a system today that if you go out and get a low-paying job, just above the poverty level, you lose medical assistance. You have one million people in this state out of eleven million people who have no insurance and are not eligible for Medicaid. Four hundred thousand



of those people are children. I think it's time to:

- 1) Structure a system that somehow allows a person, for a transitional period, to be able to work and continue to receive medical assistance.
- 2) Recognize that the greatest cost is in the medical assistance portfolio and health care cost.

We can't wait for the Clinton administration and Congress to deal with national health insurance because there's no certainty that they're going to resolve it. We have to deal with it in Pennsylvania. We have to look at all the opportunities. Managed care is fine, but there are many pitfalls to the managed care system. The managed care system currently in place in southeastern and southwestern Pennsylvania through the welfare department allows for what some have called "cherry picking." People make a profit by contracting to serve 25,000 recipients and sign up those who are going to be the least costly. The state ends up with those people who have the most problems and are going to owe the biggest bills.

So, there are solutions out there but it's going to take a lot of hard work and it's probably going to take some of the best minds that we can find to come up with answers.

**Roy Lubove...** Looking back again to the 1930s it's really quite inspiring how much of our cultural and physical infrastructure was created through welfare. In the absence of that I don't think that welfare will ever be enthusiastically embraced. It will always be viewed as a drain.

**Moe Coleman...** You're looking at things like Works Progress Administration, Civilian Conservation Corps, things like that.

**Roy Lubove...** I'm thinking in terms of what can be devised to really identify welfare in concrete community service or improvement.

**Sara Steelman...** A lot of things that happened at that time that were not just public works in the sense of bricks and mortar, but there were also community organizations and

artistic endeavors.

**Roy Lubove...** The Cathedral of Learning in part was WPA labor.

**Moe Coleman...** Parks and recreation.

**Roy Lubove...** Post offices, airports, roads. Can you identify welfare in similar terms?

**Sara Steelman...** Well, I think that Mike is talking about the possibility of that happening.

However, Mike, I think there is a flaw in what you were saying earlier—when you said the problem is that we don't have enough public employers that will take on Workfare people. I think that that's got the cart before the horse. It seems to me that the only possibility of Workfare having a long-term positive effect is if we inspire large numbers of private employers. We can't keep expanding the public role for ever and ever.

**Michael Fisher...** I agree with that.

**Sara Steelman...** People have got to move into private economy jobs, and I have real anxieties about people being able to move into private economy jobs now and in the next 30 years with a high school education. I have real anxieties about the jobs that are going to be available for people when they finish with the Workfare programs. If someone has been involved in municipality clean-up jobs, clerical jobs, working in day care centers, that is great, but that person is not likely with that preparation to be in a position where they can either work for someone who will provide them with health care benefits or be able to buy health care for themselves and for their families. I see a structural problem that can't be addressed through the welfare system.

**Joe Preston...** Let me make some positive suggestions. We, within the state of Pennsylvania, give hundreds of millions of dollars to low interest loans and grants, whether they're through public sewage, water com-

## ALTERNATE APPROACH TO WELFARE

"I think that education and work experience are the way in which we can change society."

—Michael Fisher



## STEPS FORWARD

"So, there are solutions out there, but it's going to take a lot of hard work—and it's probably going to take some of the best minds that we can find to come up with answers."

—Michael Fisher

panies, industrial parks, private manufacturing companies, a chemical company in the southeast, or the Sony plant. Somewhere along the line that dollar has to recirculate. We now should force them, as part of the package, to take a certain percentage of their investment and invest it in people.

We should do the same with small business. We need to start a policy so that when the state matches a loan and the bank puts up a certain part of that dollar, it is recirculated. What happens now is that the guy with the small business hires his wife, hires his brother-in-law, hires his nephew, someone else's cousin who's an accountant, or whatever, and then, when he starts to expand, it's still within these family boundaries. No one is really reaching out to anyone else, to anyone outside their immediate sphere.

Another major problem is transportation. People need to get to work—whether it's in the North Hills, the airport, or the South Hills. There's no form of public transportation. All that I'm hearing now is, 'Let's build a road which is going to create thousands of jobs so that some people can get from one area to the other.' I can remember when the Mon Valley didn't want a highway because they didn't want people from the outside to come down for those jobs. Now those people in the Mon Valley want a highway.

We need to say that we're going to do something for economic stimulation that isn't just aimed at the middle class, but it actually reaches down even further so everyone can openly compete to be able to go for the American Dream.

If we're giving \$117 million to the University of Pittsburgh then Pitt should make a strong effort to hire people from different areas and take people off the unemployment rolls.

**Moe Coleman...** So, Joe, you're saying that we should tie the support and subsidies that the state gives to businesses with poverty programs and there should be incentives to link that tie.

**Joe Preston...** If not, we will con-

tinue to perpetuate the system.

**Moe Coleman...** Time is almost up so what I would like to do if I can is just say one short word then have everybody have a chance to say a last word, if that's okay.

It seems to me that we have looked at some important issues. We looked at the past, we looked at some of the present, and we're looking at the future. When we look at the future, the issue is: How do we shift welfare from a burden to a contribution? In a tremendously changing economy, how do we make welfare effective through work activities? Pennsylvania is going through some tremendous changes as to what our economy is going to be like—and how to develop a work and educational program. That's the first issue, I think, that has been raised.

And the second issue, which is linked to that, is health care and the growth of our aging population. Those areas seem to be the two largest future concerns where we have to direct. What I'd like now is if we could have each of you just say a final statement, and we'll end today's discussion.

**Sara Steelman...** I think what this discussion has demonstrated as much as anything is that it is difficult to focus on the issue: we've skipped around from one point to another. We've gotten around to defining the questions and we're concluding by saying that we've defined some significant questions.

We never managed to circle back to the question about whether family planning should explicitly be part of a welfare program. I think that speaks to the question of school and education and employment in the future. We know that a lack of family planning is one of the things that predisposes people to ending up on welfare and it's harder to get off once you're on.

The health care question, frankly, I'm just going to say explicitly I don't know what to do about that. I have some ideas but nothing I see as a real solution to the problem. I think that maybe we are going to have to look at it in terms of getting



people who are young adults now out of welfare and investing more in education, training, and counseling.

We need a real focus on getting people into private sector jobs as well as trying to characterize the kinds of private sector jobs that will enable people once they get them to stay off welfare. I don't think there's ever going to be any way that we can get welfare programs to be broadly accepted by the population, and I'm not at all sure that we should.

**Michael Fisher...** There have been a lot of questions raised and we've had a chance to give some of our ideas. These are issues to which there are no firm and set answers, but it's been a lively discussion.

Just two things I want to touch on—I don't believe, or let me say I'm not an advocate of, family planning playing a major role in welfare planning. I am fearful of what New Jersey has done in threatening the mothers who may have more children with loss of welfare payments in the future. This sort of public policy is contrary to what I believe in, at least on the issue of abortion. I don't want to leave without having at least stated my belief.

I would like us to at least try, as a state, to focus on a particular generation and see if making new efforts and new directions would maybe help that generation in the future—and there's no better place to start than with our children. That does not mean that we should ignore young adults, middle adults, or the elderly. However, that is why I feel so strongly about the education and work-related experiences. We should focus as much as we can on educating our youth, and maybe that generation will have better odds and better chances than some of our society today.

**Moe Coleman...** Thank you, Mike.

**Roy Lubove...** What we're not confronting today is the lack of knowledge that exists concerning behavioral and social organization—the extent to which welfare and other public policies are controlled by a

combination of lack of knowledge about human behavior and social organization, and the ripple effect of intrusions into the social system and the economic system. I'm not sure we know much more about behavior and social organization than they did in the Elizabethan era. A second controlling factor is resources. I can sit here and articulate vast needs that need to be filled, and any idiot can catalog all the good things that could be done. But there are finite resources. So, I think, the fact that welfare is so unsatisfactory is partly a function of this combination of ignorance and limited resources, which controls almost any public policy.

One other comment. There is a health-related cost to society which is very expensive: smoking. The Pennsylvania State Legislature enacted a law which is worse than useless. Legislation which even prevents localities from enacting effective smoking regulations.

**Charlotte Dunmore...** I think it is useful to review what's developed here in the welfare system, because you're going to have a welfare system. The one that we have is fragmented and wasteful. I think there's a tremendous amount of work we have to do to make it possible for more people who live in the city to get where the jobs are. We need to increase the effort to make the jobs that pay well available and open to everybody. Walk around this campus and watch the people in construction jobs and rarely do you see a person of color there. I do it, I make a practice of doing it at least once every two weeks. Just walking and looking at people working at this University and you can count, usually, on one hand, the number of people of color who are working at the jobs that pay well.

I think we will have some kind of national health system, but until then I think that we've got to do away with the limits for the amount of time that we allow people who do not want to remain on the welfare rolls, to have subsidized health, and housing. Because, the reality is that the number of female-headed fami-



## LAST WORDS

"I think that we are going to have to look at [solutions] in terms of getting people who are young adults now out of welfare and investing more in education, training, and counseling."

— Sara Steelman

lies is growing.

I think that the other thing that we've got to do is be more creative about providing opportunities for stable individuals to remain in our housing projects. We cream off the most well put together families in housing projects for work situations that lead them out of the housing projects, rather than making it possible for those people to use their talents creatively within that community.

The other thing that I feel strongly about is if we're going to go after the fathers of children on welfare to support those children then we must make available to them the same kind of work and education opportunities that we make available to those people who are receiving welfare. For very often those men and boys have neither the education or the job skills that would make it possible for them to support their children or to marry the mothers. I think that it is critical that we move very quickly to making those opportunities available to those fathers, particularly the young fathers.

Joe Preston... If we wanted to look at the public assistance situation and we allow the government to be omnipotent, we could just take anybody on public assistance right now, set up an account for them at the financial institutions through the trust department, put in half a million dollars in a one-shot deal, and let trust administrators run the account. But, unfortunately, all of those people who are part of the welfare system now would be unemployed. A lot of them would be on public assistance and wouldn't know what to do.

That's why I'm talking about this Madisonian kind of theory. We've created this animal. We could save money by taking one write-off and opening up a bank account, but all those people at the unemployment office and department of welfare would be out of a job, so that's the Catch 22 and it's not going to happen. But somewhere along the line we have to bite the bullet for the generation to come.

The other issue is health care,

dealing with the many different tiered Medicaid system which drives costs up. I agree that we have to have some form of dramatic structural change in the current system, because all it does is perpetuate itself and continue to grow.

I'm not going to be happy with whatever happens. Mike is not going to be happy with whatever happens. Sara is not going to be happy. But we need some form of dramatic changes. We can't say this is the way it's going to be for at least the next 10 to 15 years.

Moe Coleman... I'm not going to try to sum up this discussion because we've covered, as Sara said, many, many facets of welfare. We haven't focused on any one. But I do think that there are a couple of conclusions that I can come to from today's discussion. One is that although there is tremendous change occurring, we've got a welfare system that's inadequate. The legislature has to make pragmatic, clear cut, short-term decisions. And, what I've heard today is that a lot of those short-term decisions have to be related to the future generation and how to protect that. So, if we wanted to add cost into the system, that's where the cost, as I understand it, should be directed.

The second issue, which is perhaps more important, is that, given the changes in the national government, there is a need to look at rapidly changing demographic and economic structure and at the basic structure of what we now consider our welfare delivery system. We need to think about major alterations in that system. We could try Joe's suggestion: put it on a social security basis, just cash payments, and forget all the other programs. Or we could try new programs.

There are serious issues that are going to face the state in the future, and some kind of long-term thinking has to be developed. I thank you all for coming. I think it's been a very interesting discussion. ●



## PARTICIPANTS

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Charlotte Dunmore

is professor of social work and chair of the master's program at the University of Pittsburgh. She received her PhD from Brandeis University and has devoted her work to welfare policy, social history, and theory.

11

is the caucus chair and the head of the Allegheny County Republican delegation to the Pennsylvania Senate. He is an attorney and serves on the University of Pittsburgh Board of Trustees.

D. Michael Fisher

Roy Lubove

is professor of social welfare and history, University of Pittsburgh. He has published extensively on social welfare and urban history and policy, including *The Struggle for Social Security and Twentieth-Century Pittsburgh: Government, Business and Environmental Change*. He is completing a book dealing with Pittsburgh's post-steel economy, neighborhoods, and quality-of-life issues.

has served as the Democratic state legislator for the East End of Pittsburgh since 1983. In the past he sat on the Pennsylvania House urban affairs sub-committee. He is currently on the appropriations committee. He graduated from the University of Pittsburgh with a degree in political science.

Joe Preston

Sara Steelman

represents the 62nd District (Indiana and Cambria Counties) of the Pennsylvania House. She serves on both the health and welfare and the education committees. She has a PhD in behavioral genetics from Stanford University, and was, before becoming a legislator, a journalist.





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Institute of Politics  
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