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Human Services State and Federal Budget, September 6, 1981

Vern Riffe

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MEMBERS AND FRIENDS:

I HAVE BEEN ASKED BY REVEREND BRANCH TO GIVE A BRIEF SUMMARY OF THE STATE AND FEDERAL BUDGETS REGARDING THE HUMAN SERVICES SEGMENT.

I AM GOING TO TALK MAINLY ABOUT THREE SECTIONS OF BOTH BUDGETS: A.F.D.C. - AID TO FAMILIES WITH DEPENDENT CHILDREN; SOCIAL SECURITY; MEDICAID. THE REAGAN ADMINISTRATION HAS TAKEN 57 FEDERALLY AND STATE PROGRAMS AND REDUCED THEM INTO 9 BLOCK GRANTS. THE FISCAL EFFECTS OF THE RECENT FEDERAL TAX AND BUDGET ACTIONS IS STILL NOT FULLY KNOWN. YET. IT APPEARS THAT IN OHIO FOR F.Y. 1982 THE EFFECT UPON THE STATE

FROM THE 5 MAJOR AREAS OF CHANGE ARE AS FOLLOWS:

1. MEDICAID - THERE IS A POTENTIAL LOSS OF \$18.1 MILLION.
2. A.F.D.C. - ^{POTENTIAL} SAVINGS FROM TIGHTER PROGRAM REQUIREMENTS; AMOUNT UNKNOWN.
3. TAX LAW - LOSS OF 25.3 MILLION INCREASING IN FUTURE YEARS.
4. CATEGORICALS - OVERALL REDUCTION IN FUNDS; AMOUNT UNKNOWN.
5. BLOCK GRANTS - \$46 MILLION LOSS AND ADDITIONAL REDUCTION IN EDUCATION.

THERE ARE SEVERAL CHANGES IN FEDERAL MEDICAID PROVISIONS AFFECTING OHIO, INCLUDING CHANGES IN THE FEDERAL SHARE OF FUNDING, PROVIDER REIMBURSEMENTS AND REGULATIONS.

THE FEDERAL GOVERNMENT HAS SET UP "TARGET LEVELS" FOR STATE MEDICAID. THESE SO-CALLED TARGET LEVELS ARE REALLY NOTHING BUT PENALTIES THAT WILL TAKE ADDITIONAL FEDERAL DOLLARS FROM OHIO. THE TARGET OR PENALTY AMOUNTS SET BY THE FEDERAL GOVERNMENT IS 109%. IF OHIO SHOULD SPEND THE ENTIRE 109% OF OUR ESTIMATED 1981 BUDGET, WE WILL BE PENALIZED AN ADDITIONAL 3% OF THE FEDERAL SHARE OF MONIES. IF WE SPEND 108%, 2% ADDITIONAL MONIES WILL BE WITHHELD; 107%, 1% OF THE FEDERAL SHARE TO WHICH THE STATE IS ENTITLED WOULD BE WITHHELD. 106%, THERE IS NO STATE PENALTY. I FIND IT QUITE AMAZING THAT THE PRESENT ADMINISTRATION CAN SET A TARGET AMOUNT AT A CERTAIN PERCENTAGE AND PENALIZE A STATE FOR EVEN COMING CLOSE TO THAT PERCENTAGE. WITHOUT POLICY CHANGES, THE STATE BUDGET OFFICE HAS FORECAST A 16% INCREASE IN 1982 FOR MEDICAID SPENDING. UNDER THE NEW FEDERAL LEGISLATION, THIS WOULD MEAN A PENALTY OF \$12.1 MILLION TO \$18.1 MILLION IN LOST FEDERAL MONEYS. AT THE SAME TIME, ^{A NUMBER OF CHANGES IN} AID TO FAMILIES WITH DEPENDENT CHILDREN ELIGIBILITY AND PROGRAM ADMINISTRATION WILL AFFECT THE ESTIMATE OF SPENDING NEEDS FOR THIS PROGRAM BEGINNING OCTOBER 1, 1981. THERE ARE ALSO CHANGES IN THE CHILD SUPPORT ENFORCEMENT PROGRAM WHICH SHOULD RESULT IN REDUCED STATE WELFARE SPENDING. (PLEASE PAY PARTICULARLY CLOSE ATTENTION TO THIS SEGMENT OF THE BUDGET FOR THERE ARE SOME DEVASTATING CHANGES).

THE SEVERAL CHANGES MADE IN FEDERAL PROVISIONS AFFECTING THE AID TO FAMILIES WITH DEPENDENT CHILDREN (ADC) PROGRAM THAT IMPACT STATES INCLUDE CHANGES IN INCOME ELIGIBILITY AND THE COUNTING OF EARNED INCOME AND THE CREATION OF WORK INCENTIVE OPTIONS. MOST PROVISIONS SHOULD RESULT IN SAVINGS TO THE STATE UNLESS OTHERWISE NOTED.

INCOME ELIGIBILITY AND THE TREATMENT OF RESOURCES:

FOR PURPOSES OF DETERMINING ELIGIBILITY, ALLOWABLE RESOURCES MAY NOT EXCEED \$1,000 PER FAMILY (EQUITY VALUE), EXCLUDING ONLY AN OWNER-OCCUPIED HOME AND ONE AUTOMOBILE. (THIS PROVISION MAY REQUIRE STATES TO MAKE HOME VISITS TO APPRAISE THE VALUE OF HOUSEHOLD GOODS.) FAMILY INCOME ELIGIBILITY IS FURTHER LIMITED TO 150 PERCENT OF THE STATE STANDARD OF NEED. PLEASE NOTE: STATES ARE PERMITTED TO CONSIDER AS INCOME THE VALUE OF A FAMILY'S MONTHLY FOOD STAMP ALLOTMENT AND THE VALUE OF ANY RENT OR HOUSING SUBSIDY RECEIVED BY THE FAMILY OF THESE DUPLICATE ALLOWANCES IN THE STATE STANDARD OF NEED. HOWEVER, THE AMOUNT OF THE EARNED INCOME TAX CREDIT FOR WHICH AN INDIVIDUAL IS ELIGIBLE, REGARDLESS OF WHETHER IT IS ACTUALLY RECEIVED ON A MONTHLY BASIS, AND THE INCOME OF THE STEPPARENTS, AFTER ALLOWING FOR CERTAIN EXEMPTIONS, MUST BE COUNTED BY STATES AS MONTHLY INCOME. FAMILIES THAT RECEIVE INCOME (LUMP SUM PAYMENTS) THAT EXCEEDS THE STATE NEED STANDARD SHALL BE INELIGIBLE FOR THE NUMBER OF MONTHS THAT EQUALS THE SUM OF ALL INCOME DIVIDED BY THE NEED STANDARD.

WORK INCENTIVES: AS A CONDITION OF CONTINUED ELIGIBILITY FOR ADC, RECIPIENTS MAY BE REQUIRED AT STATE OPTION TO PARTICIPATE IN COMMUNITY WORK EXPERIENCE PROGRAMS OPERATED BY THE STATE THAT PROVIDE A USEFUL PUBLIC PURPOSE. SUCH PROGRAMS CANNOT BE ESTABLISHED IF THEY RESULT IN THE DISPLACEMENT OF PERSONS CURRENTLY EMPLOYED, OR IN FILLING OF ESTABLISHED VACANCIES. WHILE MOST INDIVIDUALS EXEMPT FROM WIN REGISTRATION WILL BE EXEMPT FROM PARTICIPATION IN THIS PROGRAM, PARENTS OF CHILDREN OVER THREE YEARS OF AGE MAY BE REQUIRED TO PARTICIPATE IF DAY CARE IS AVAILABLE.

AS AN ALTERNATIVE TO ADC, STATES MAY MAKE JOBS AVAILABLE ON A VOLUNTARY BASIS TO RECIPIENTS. THOSE RECIPIENTS CHOOSING NOT TO ACCEPT THE OFFERED JOB WILL RECEIVE A LOWERED BENEFIT. STATES ARE PERMITTED TO ESTABLISH THIS PROGRAM FOR PARTICULAR CATEGORIES OF RECIPIENTS OR IN LIMITED GEOGRAPHICAL AREAS. MEDICAID COVERAGE MAY BE CONTINUED FOR PARTICIPANTS IN THE PROGRAM AT THE OPTION OF THE STATE TOTAL ADC COSTS IN A STATE, INCLUDING COSTS FOR THIS PROGRAM, ^{BUT} CANNOT EXCEED WHAT THEY WOULD

HAVE BEEN WITHOUT OPERATION OF SUCH A PROGRAM.

STATES ARE ALSO PERMITTED, AT THEIR OPTION, TO OPERATE A SINGLE-AGENCY ADMINISTERED DEMONSTRATION PROGRAM AS AN ALTERNATIVE TO THE CURRENT WIN PROGRAM. WHILE PROGRAM ELIGIBILITY MUST BE SAME STATEWIDE, AND THE SAME AS APPLIED UNDER THE WIN PROGRAM, THE COMPONENTS OF THE PROGRAM MAY BE GEOGRAPHICALLY VARIED. PARTICIPATING STATES WOULD RECEIVE FUNDING FOR THE PROGRAM IN AN AMOUNT EQUAL TO OR GREATER THAN THEIR 1981 WIN ALLOCATION. LET ME BACK UP A MINUTE AND EXPLAIN WHAT THE WIN PROGRAM IS. ~~WIN IS SIMPLY A WORK INCENTIVE PROGRAM THROUGH THE BUREAU OF EMPLOYMENT SERVICES.~~

ADDITIONAL ADC REGULATIONS: THERE ARE SEVERAL ADDITIONAL CHANGES IN ADC REGULATIONS WHICH MAY HAVE AN IMPACT ON THE ADMINISTRATION OF THE ADC PROGRAM, AND BE OF PARTICULAR INTEREST TO YOU.

1. ELIGIBILITY IS LIMITED TO A CHILD UNDER AGE 18. STATES MAY INCREASE ELIGIBILITY FOR A CHILD TO AGE 19, IF THE CHILD IS A STUDENT IN A SECONDARY OR TECHNICAL SCHOOL.

2. (TROY: PLEASE PUT A LOST OF EMPHASIS ON THIS SECTION.) A STATE CANNOT PAY A.D.C. BENEFITS TO PREGNANT WOMEN WITH NO OTHER CHILDREN UNTIL THE SIXTH MONTH OF PREGNANCY. HOWEVER, STATES, AT THEIR OPTION, MAY PROVIDE MEDICAID FOR OTHERWISE ELIGIBLE PREGNANT WOMEN FROM THE DETERMINATION OF PREGNANCY.

3. THE OPTIONAL ADC PROGRAM FOR UNEMPLOYED FATHERS IS CHANGED TO AN OPTIONAL UNEMPLOYED PARENTS PROGRAM WITH ELIGIBILITY BASED ON THE UNEMPLOYMENT OF THE PRINCIPAL EARNER OF THE FAMILY.

4. CHILDREN, AGE 16 AND OVER, ARE REQUIRED TO MEET THE WORK REQUIREMENTS OF THE A.D.C. PROGRAM UNLESS THEY ARE FULL-TIME ELEMENTARY, SECONDARY OR VOCATIONAL SCHOOL.

5. STATES ARE PROHIBITED FROM MAKING ADC PAYMENTS BELOW \$10 PER MONTH. HOWEVER, INDIVIDUALS DENIED A BENEFIT UNDER THIS PROVISION RETAIN MEDICAID COVERAGE.

6. PROMPT ACTION TO CORRECT BOTH UNDERPAYMENTS AND OVERPAYMENTS MUST BE TAKEN BY STATES. HOWEVER, COLLECTION OF OVERPAYMENTS IS LIMITED TO 10% OF THE AMOUNT PAYABLE TO THE FAMILY..

7. THE FEDERAL MATCH FOR STATE AND LOCAL TRAINING IS REDUCED FROM 75% TO 50%. THIS PROVISION WOULD RESULT IN DECREASED FUNDING FOR TRAINING PORGRAMS IF STATE SUPPORT IS NOT INCREASED.

8. ADC PAYMENTS ARE PROHIBITED FOR ANY FAMILY IN WHICH THE CARETAKER RELATIVE IS PARTICIPATING IN A STRIKE ON THE LAST DAY OF THE MONTH.

EFFECTIVE DATE: ALL ADC PROVISIONS BECOME EFFECTIVE OCTOBER 1, 1981.

CHILD SUPPORT ENFORCEMENT:

(TROY - VERY IMPORTANT. PUT A LOT OF EMPHASIS ON THIS.)

THERE ARE SEVERAL CHANGES IN FEDERAL PROVISIONS AFFECTING THE STATES IN REGARD TO CHILD SUPPORT ENFORCEMENT, ACTIVITIES, INCLUDING THE COLLECTION OF PAST DUE CHILD AND SPOUSE SUPPORT AND THE INTERCEPT OF UNEMPLOYMENT BENEFITS. AS IN THE CASE OF THE CHANGES IN THE ADC PROVISIONS, MOST OF THESE CHANGES SHOULD RESULT IN SAVINGS TO THE STATE.

~~COLLECTION OF PAST DUE SUPPORT: UPON NOTIFICATION BY THE STATE~~

AGENCY RESPONSIBLE FOR CHILD SUPPORT ENFORCEMENT, THE INTERNAL REVENUE SERVICE, (IRS) MAY COLLECT PAST DUE SUPPORT OBLIGATIONS AND REDUCE OTHERWISE DUE TAX REFUNDS. THE COLLECTED AMOUNT WILL BE FORWARDED TO THE STATE LESS A FEE THAT WILL BE CHARGED BY THE IRS TO REIMBURSE THE FEDERAL GOVERNMENT FOR THE COST OF THE PROCEDURE.

INTERCEPT OF UNEMPLOYMENT BENEFITS: STATE AGENCIES ARE REQUIRED TO PERIODICALLY DETERMINE WHETHER PERSONS RECEIVING UNEMPLOYMENT COMPENSATION BENEFITS OWE CHILD SUPPORT. THIS INFORMATION IS TO BE USED BY THE STATE TO DEVELOP AGREEMENTS FOR PAYMENT OF SPECIFIED AMOUNTS OF SUPPORT. THE DISCLOSURE OF CHILD SUPPORT OBLIGATIONS IS ALSO REQUIRED WHEN APPLYING FOR UNEMPLOYMENT COMPENSATION.

LISTED BELOW ARE ALSO 3 ADDITIONAL REGULATIONS REGARDING CHILD SUPPORT ENFORCEMENT:

1. THE CURRENT AUTHORITY TO ENFORCE OBLIGATIONS FOR THE SUPPORT OF A CHILD ARE EXPANDED TO INCLUDE THE PARENT WITH WHOM THE CHILD IS LIVING. FOR SUCH PARENTS RECEIVING ADC BENEFITS, IRS COLLECTION PROCEDURES CAN BE USED TO COLLECT SUPPORT OBLIGATIONS.
2. STATES ARE REQUIRED TO COLLECT A FEE EQUAL TO 10% OF THE CHILD OR A SPOUSAL SUPPORT OWED BY A NON-ADC FAMILY.
3. REINSTATES A PREVIOUS PROVISION OF LAW STATING THAT A CHILD SUPPORT OBLIGATION CANNOT BE DISCHARGED DUE TO THE DECLARATION OF BANKRUPTCY.

SOME BACKGROUND ANALYSIS OF THE SOCIAL SECURITY PROBLEM --

THE SOCIAL SECURITY SYSTEM FACES BANKRUPTCY UNLESS CONGRESS MAKES SOME DIFFICULT DECISIONS. THE CHOICE IS NOT PLEASANT--REDUCE BENEFITS, LIMIT RECIPIENTS, RAISE TAXES, OR PERHAPS SOME COMBINATION OF THE THREE.

MODELED AFTER GERMANY'S NOW CENTURY-OLD SYSTEM, SOCIAL SECURITY BEGAN IN 1935 AS THE U.S. GOVERNMENT'S FIRST VENTURE INTO SOCIAL WELFARE. IT IS NOW THE LARGEST SINGLE ITEM IN THE FEDERAL BUDGET. WHEN THE PROGRAM WENT

INTO EFFECT IN 1937, TWO YEARS AFTER THE SOCIAL SECURITY ACT WAS PASSED, WORKERS PAID A MAXIMUM OF \$30 A YEAR IN PAYROLL TAXES. BY 1950 THAT HAD RISEN TO \$45. IT WAS \$174 IN 1965 AND \$374 IN 1970. THIS YEAR THE LIMIT IS \$1,975 AND THERE ARE SCHEDULED INCREASES UNTIL 1986. THE HUGE JUMP IS PARTLY BECAUSE OF THE ADD-ON-PROGRAMS, LIKE MEDICARE AND BENEFITS FOR FULL-TIME STUDENTS, BUT IT IS MOSTLY DUE TO THE 1972 PASSAGE OF LEGISLATION ADJUSTING ALL SOCIAL SECURITY BENEFITS FOR INFLATION.

TODAY'S PROBLEM IS THAT MONEY IS FLOWING OUT OF THE SOCIAL SECURITY SYSTEM MORE THAN IT IS COMING IN. ~~FOR EVERY \$10 PAID OUT IN BENEFITS,~~ SOCIAL SECURITY COLLECTS ONLY \$9.50 IN TAXES. MORE THAN 36 MILLION AMERICANS WILL COLLECT \$136 BILLION FROM SOCIAL SECURITY THIS YEAR. THE MAXIMUM MONTHLY BENEFIT FOR A WORKER RETIRING AT AGE 65 IN 1980 WAS \$553.30. THE AVERAGE CHECK PAID SUCH WORKERS WAS \$283. NOW, CONGRESS SEEMS READY TO APPROVE WHATEVER UNPOPULAR MEASURES IT MUST TO ENSURE THAT SOCIAL SECURITY DOES NOT RUN OUT OF MONEY -- A CALAMITY EXPERTS FORESEE OCCURRING BY 1983 UNLESS SOMETHING IS DONE TO PREVENT IT.

DEPENDING ON WHETHER YOU BELIEVE THE CONGRESSIONAL BUDGET OFFICE OR THE WHITE HOUSE, THE RETIREMENT FUND FACES A CASH SHORTAGE OF \$63 BILLION OR \$40 BILLION BY 1986, AND REAGAN'S PROPOSED CUTS WILL ELIMINATE ONLY \$20 BILLION OF THE SHORTFALL. TO REMEDY THE IMMEDIATE PROBLEM THERE ARE SEVERAL ALTERNATIVES, BUT EACH HAS POLITICAL LIABILITIES:

1. LIMIT COST-OF-LIVING ADJUSTMENTS, WHICH HAVE DRAMATICALLY DRIVEN UP THE PROGRAM'S BUDGET BECAUSE OF SKYROCKETING INFLATION. (THIS WOULD HAVE MORE LONG-TERM THAN SHORT-TERM EFFECTIVENESS.)
2. FINANCE MEDICARE THROUGH INCOME TAXES AND USE THE PAYROLL TAX MONEY FOR THE RETIREMENT FUND.
3. BORROW FROM INCOME TAX REVENUES.
4. REQUIRE FEDERAL AND STATE GOVERNMENT WORKERS TO BELONG TO SOCIAL SECURITY.
5. ALLOW THE RETIREMENT FUND TO BORROW FROM THE MEDICARE AND DISABILITY FUNDS.
6. RAISE PAYROLL TAXES.
7. LIMIT AMOUNT OF BASIC BENEFITS OR ELIGIBILITY FOR THEM.

SINCE ITS INCEPTION DURING FRANKLIN ROOSEVELT'S NEW DEAL, THE RETIREMENT AND SURVIVORS' PROGRAM HAS BEEN SUPPORTED BY PAYROLL TAXES, CALLED "F.I.C.A." THE TAX IS THE MOST REGRESSIVE OF FEDERAL LEVIES BECAUSE THE RATE DOES NOT INCREASE AS A PERSON EARNS MORE MONEY. WORKERS DON'T FINANCE

THEIR OWN RETIREMENTS, BUT SUPPORT CURRENT BENEFICIARIES ON THE ASSUMPTION THAT FOLLOWING GENERATIONS WILL PAY THEIR WAY WHEN THEY ARE READY TO RETIRE. THE ECONOMY OF THE 1970'S AND THE DECLINING BIRTH RATE MEAN THAT EACH RETIREE PRESENTLY COLLECTING BENEFITS IS SUPPORTED BY ONLY 3.2 WORKERS, COMPARED TO 1945 WHEN 50 WORKERS SUPPORTED ONE RETIREE. PROJECTIONS ARE THAT BY 2035 THE RATIO WILL SHRINK TO 2-TO-1.

LET ME EXPLAIN SOME ADDITIONAL BACKGROUND ON SOCIAL SECURITY BENEFITS BASED ON THE LEVEL OF A WORKER'S EARNINGS OVER A PORTION OF HIS WORKING YEARS. AVERAGE EARNINGS ARE COMPUTED AND A BENEFIT FORMULA IS APPLIED TO THOSE EARNINGS TO COMPUTE THE BENEFIT AMOUNT. FOR PEOPLE WITH VERY LOW EARNINGS, HOWEVER, THERE IS A SO-CALLED "MINIMUM" BENEFIT.

THE MINIMUM BENEFIT IS NOT A NEW FEATURE OF THE SOCIAL SECURITY PROGRAM. THE FIRST BENEFITS PAID IN 1940 WERE NOT PERMITTED TO FALL BELOW \$10 PER MONTH UNDER A STATUTORY PROVISION ENACTED AS PART OF THE SOCIAL SECURITY ACT AMENDMENTS OF 1939. ALTHOUGH \$10 WAS ALSO THE SMALLEST BENEFIT PAYABLE UNDER THE ORIGINAL 1935 ACT, THE BENEFIT FORMULA INCLUDED IN THAT ACT WOULD NOT HAVE PRODUCED ANY BENEFIT LESS THAN \$10. THEREFORE, THE \$10 MINIMUM ESTABLISHED IN 1939 AMENDMENTS WAS THE FIRST MINIMUM BENEFIT THAT ACTUALLY BOOSTED THE BENEFITS OF LOW-WAGE WORKERS ABOVE THE AMOUNT OF THEIR "EARNED" BENEFIT. THE AMOUNT OF THE MINIMUM BENEFIT HAS BEEN UPDATED PERIODICALLY SINCE 1939.

DELAYED RETIREMENT:

MINIMUM BENEFITS, ALSO LIKE ALL OTHER BENEFITS, ARE INCREASED ON ACCOUNT OF RETIREMENT AFTER AGE 65. BENEFITS ARE INCREASED BY 1/4% PER MONTH (3% PER YEAR) UP UNTIL AGE 72 FOR EACH MONTH THAT ENTITLEMENT IS DELAYED PAST AGE 65. MINIMUM BENEFICIARIES GOVERNED BY THE OLD RULES ARE SUBJECT TO A DELAYED RETIREMENT CREDIT OF ONLY 1% PER YEAR.

WHAT I HAVE TALKED TO YOU ABOUT HERE TODAY IS JUST A BRIEF SUMMARY OF OUR NATIONAL AND STATE FINANCIAL PROBLEMS. I'M NOT GOING TO STAND HERE AND TELL YOU THAT THINGS ARE NOT AS BAD AS THEY SEEM, BECAUSE THAT WOULD BE AN OUTRIGHT LIE. WE ARE GOING TO HAVE TO TIGHTEN UP OUR BELTS EVEN TIGHTER IF WE ARE TO SURVIVE THE REAGAN ADMINISTRATION.

THERE ARE ALSO TWO OTHER IMPORTANT ISSUES I AM GOING TO BRIEFLY TOUCH ON BECAUSE THEY WILL AFFECT ALL OF OUR LIVES. THE FIRST IS ISSUE 2, ALSO REFERRED TO AS THE F.A.I.R. PROPOSAL, WHICH IS A PETITION PROPOSAL TO BE VOTED ON IN NOVEMBER, AND SPONSORED BY THE OHIO REPUBLICAN PARTY. F.A.I.R. IS AN ACRONYM FOR FAIR AND IMPARTIAL REDISTRICTING, THE NAME OF

ITS SPONSORING COMMITTEE.

THE PASSAGE OF ISSUE 2 IS SO IMPORTANT TO THE OHIO REPUBLICAN PARTY THAT IT IS RAISING \$1.6 MILLION TO BUY SIGNATURES TO ASSURE ITS PASSAGE ON THE NOVEMBER 3RD BALLOT. THE ISSUE THEY ARE FIGHTING IS THE SAME ONE THEY SPENT \$1 MILLION TO PASS IN 1967.

THE REPUBLICAN PARTY RECENTLY LOST CONTROL OF THE OHIO APPORTIONMENT BOARD WHICH RE-DRAWS LEGISLATIVE DISTRICTS EVERY TEN YEARS. THE BOARD IS NOW CONTROLLED BY A MAJORITY OF STATEWIDE ELECTED DEMOCRATIC OFFICE HOLDERS CHOSEN BY THE VOTERS. THE REPUBLICANS WANT TO OUST THIS ELECTED BOARD AND SUBSTITUTE A COMMISSION OF APPOINTED OFFICIALS -- OFFICIALS ACCOUNTABLE TO NO VOTER. THEY WANT TO CHANGE THE RULES IN THE MIDDLE OF THE GAME SINCE VOTERS ELECTED A MAJORITY OF DEMOCRATS, AND IT IS TIME TO RE-DRAW LEGISLATIVE DISTRICTS.

(TROY - PLEASE STRESS THAT IF THIS PASSES, THEY WILL LOSE THE ETHNIC COMMUNITIES IN THE --(SAY DISTRICT) AND THAT THEY WILL PHASE OUT CLEVELAND'S ONLY BLACK REPRESENTATIVE IN WASHINGTON (LOU STOKES) AND THAT THIS IS A POLITICAL ISSUE, NOT A PEOPLE ISSUE.)

IN CONCLUSION, LET ME SAY THAT IF ISSUE 2 PASSES, ANYONE CAN COME TO OHIO AND SUBMIT A PLAN OF IMPERSONAL MATHEMATICAL SQUARES, LEGISLATIVE DISTRICTS WHICH RECOGNIZE NEITHER OHIO'S HISTORY NOR CULTURE. COMPUTER DRAWN SQUARES DO NOT ENSURE GOOD GOVERNMENT.

ISSUE 2 WILL RESULT IN MULTIPLE DIVISIONS OF MOST COUNTIES, ADD TO VOTER CONFUSION AND DIMINISH LEGISLATIVE VOTING POWER OF RURAL DISTRICTS.

THE OHIO REPUBLICAN PARTY IS WAGING ANOTHER EXPENSIVE WAR. THEY ARE SPENDING \$1.6 MILLION TO FIGHT A PLAN THAT BOTH THEIR PARTY AND NEWSPAPERS THROUGHOUT THE STATE ENDORSED IN 1967. REPUBLICANS SEEK THIS CONSTITUTIONAL AMENDMENT TO CHANGE OHIO'S CURRENT REDISTRICTING PLAN, NOT BECAUSE IT IS UNFAIR, BUT BECAUSE IT DID NOT ELECT ENOUGH REPUBLICANS.

THE NEXT ISSUE I WILL BRIEFLY TOUCH ON IS THE VOTING RIGHTS ACT. I FEEL THAT THE RIGHT TO VOTE IS SO FUNDAMENTAL TO OUR DEMOCRATIC SYSTEM, THAT ANY DISCRIMINATION ON THE BASIS OF RACE OR NATIONAL ORIGIN MUST THREATEN EVERYONE'S DEMOCRATIC FREEDOMS. THE RIGHT TO VOTE IS JUST AS OR MORE IMPORTANT THAN THE RIGHT OF AN INDIVIDUAL TO FREELY PURSUE THE FRUITS OF HIS OR HER LABOR IN THE PRIVATE SECTOR. THIS IS WHY THE VOTING RIGHTS ACT MUST BE EXTENDED AGAIN THIS YEAR.

WHEN CONGRESS PASSED THE VOTING RIGHTS ACT IN 1965, IT'S PURPOSE WAS TO END DISCRIMINATORY ELECTION LAW PRACTICES AND INSURE THAT NO AMERICAN

CITIZEN WAS DEPRIVED OF HIS OR HER FUNDAMENTAL RIGHT TO VOTE BECAUSE OF RACE OR NATIONAL ORIGIN. IN THE FIFTEEN YEARS SINCE PASSAGE, WE HAVE SEEN BLACK VOTER REGISTRATION LEAP FROM 32 TO 64 PERCENT IN LOUISIANA, 23 TO 58 PERCENT IN MISSISSIPPI. THE NUMBER OF BLACK ELECTED OFFICIALS IN THE STATES COVERED BY THE ACT HAS MULTIPLIED BY 1,612 PERCENT IN THE LAST 12 YEARS.

SENATOR METZENBAUM HAS REALIZED HOW CRUCIAL THIS BILL HAS BEEN TO THE LONG STRUGGLE FOR EQUAL RIGHTS FOR ALL AMERICANS, BUT WE NEED THE HELP OF THE MINORITY COMMUNITY TO GET THE ADMINISTRATION AND THE CONGRESS TO MOVE SWIFTLY IN RESOLVING THIS IMPORTANT ISSUE.

THE IMPLICATIONS BEHIND THIS BILL HAVE FAR REACHING EFFECTS, EVEN THOUGH THE CONTENTS OF THIS BILL ARE NOT AIMED DIRECTLY AT THE STATE OF OHIO, NOW IS THE TIME FOR ALL OHIOANS TO SHOW A STRENGTH OF UNITY FOR OTHER BLACKS AND MINORITIES THROUGHOUT THE COUNTRY.

BY THE WAY, OUR SISTER STATE OF MICHIGAN HAS TWO COUNTIES THAT ARE DIRECTLY AFFECTED BY THIS BILL.

IN CLOSING, I HAVE ONE MORE REALLY IMPORTANT PIECE OF INFORMATION. (THE ENERGY CREDITS DEADLINE HAS BEEN EXTENDED TO SEPTEMBER 21, 1981.) AGAIN, I AM VERY GRATEFUL FOR THE OPPORTUNITY TO TALK TO ALL OF YOU TODAY, AND IN CLOSING LET ME SAY THAT WE AS A RACE ARE USED TO TIGHTENING OUR BELTS QUITE A BIT, SO WE SHALL OVERCOME THIS TEMPORARY STUMBLING BLOCK AND GO FORWARD A PROUD AND STRONG PEOPLE. MAY GOD BLESS EACH AND EVERY ONE OF YOU.
