PERSONAL RESPONSIBILITY

AND WORK OPPORTUNITY

RECONCILIATION ACT

OF 1996

H.R. 3734

PUBLIC LAW 104-193
104TH CONGRESS

Volumes 1 to 19

BILLS, REPORTS,
DEBATES, AND ACT

Social Security Administration

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Social Security Administration

Office of the Deputy Commissioner for
Legislation and Congressional Affairs

PREFACE

This 19-volume compilation contains historical documents pertaining to P.L. 104-193, the "Personal Responsibility and Work Opportunity Act of 1996." The books contain congressional debates, a chronological compilation of documents pertinent to the legislative history of the public law and relevant reference materials.

Pertinent documents include:

- Differing versions of key bills
- Committee reports
- Excerpts from the Congressional Record
- The Public Law

This history is prepared by the Office of the Deputy Commissioner for Legislation and Congressional Affairs and is designed to serve as a helpful resource tool for those charged with interpreting laws administered by the Social Security Administration.

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F. H.R. 1214, "Personal Responsibility Act of 1995," introduced March 13, 1995 (excerpts). This bill was developed by the three committees with primary jurisdiction (Committees on Ways and Means, Agriculture, and Economic and Educational Opportunities). In addition, the Committee on Commerce worked with Ways and Means staff to draft language for H.R. 1214 as it related to provisions within the Commerce Committee's jurisdiction including ineligibility of illegal aliens for certain public benefits, SSI cash benefits, and SSI service benefits. H.R. 1214 was considered as the base text for floor consideration of welfare reform legislation.

G. H.R. 1250, "Family Stability and Work Act of 1995," introduced March 15, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214. It failed to pass the House on March 23, 1995 by a vote of 96-336.

H. H.R. 1267, "Individual Responsibility Act of 1995" introduced March 21, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214 that maintained several key Republican welfare reform provisions while also keeping the Federal entitlement for cash benefits, school lunches and other social programs. It failed to pass the House on March 23, 1995 by a vote of 205-228.I

l. H.Res. 117, Resolution providing for the consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence as adopted March 22, 1995. The resolution provided that debate must be confined to H.R. 4 and the text of H.R. 1214.

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REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-85) on the resolution (H. Res. 119) providing for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, which was referred to the House Calendar and ordered to be printed.

MEANINGFUL WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Chairman, tonight with me are the gentleman from Arizona [Mr. HAYWORTH] and the gentleman from California [Mr. RIGGS] in support of meaningful welfare reform that will help all of the people of the United States. We are here to speak out for a compassionate system which does not simply hand out cash and create a desperate cycle of dependence, but instead strengthens families, encourages work, and offers hope for the future.

As you can see from this diagram right here, the poverty paradox, the poverty rate and welfare spending. In the years of the Reagan administration, you will see we did not spend as much money on welfare, yet welfare went down. In the last 2 years, in the Clinton administration, more has been spent, and yet it has been a failed system of welfare.

We are offering an alternative here this week in the House of Representatives that we think is going to be meaningful for all families. We must bring an end to our current welfare system, which abuses its recipients. Nothing can be more cruel to children and families than the current failed policies.

Tonight my colleagues and I will discuss various sections of the Personal Responsibility Act which the House is considering this week. The bill addresses cash welfare, child protection, child care, family and school nutrition, alien eligibility, commodities and food stamps, SSI, and child support enforcement. Our bill, when it is passed, will allow millions of Americans to escape the cycle of poverty and learn the freedom, dignity, and responsibility that comes would work.

We need to evaluate the success of welfare, as the gentleman from Oklahoma, Mr. J.C. WATTS has said from our freshman class, not by how many people are on AFDC or on food stamps or in public housing, but how many people are no longer on AFDC, food stamps, and public housing.

In that spirit and with the help our good colleague from Arizona, the esteemed Member of the House of Representatives, J.D. HAYWORTH, I would like to yield to you to discuss the important cash welfare block grant program, of which you have been a leader.

Mr. HAYWORTH. I thank the gentleman from Pennsylvania, and really, Mr. Speaker, before we get into this discussion, I see our good friend uncharacteristically sitting to the left of me, the esteemed chairman of the Committee on Rules, the Honorable JERRY SOLOMON of upstate New York. You have something you would like to say now, at this juncture?

Mr. SOLOMON. I want to commend you for this special order, but I am still waiting for the papers to file on the rule that will take up exactly what you are talking about here tomorrow. I thank the gentleman.

Mr. HAYWORTH. I thank you very much. We all wait with interest to see what is hot off the presses in the Committee on Rules, and we thank the gentleman from upstate New York for his valuable service as the chairman of the Committee on Rules.

Mr. Speaker, it is good to see you in the chair tonight, as you represent so capably the good people of upstate South Carolina, and it is good to join my good friend from Pennsylvania standing in the well of the House, to address this topic.

It is not my intent to invoke any type of negativity in this debate tonight, Mr. Speaker, but I listened with great interest to the gentleman on the other side of the aisle who calls the State of New York his home, and listened to so much name calling, so much myth making, as we enter this great debate on welfare reform. And let there be no mistake, this will be a great debate.

But again, I would issue a challenge to our friends on the other side of the aisle to come forth with positive, positive welfare reform, because as my friend from Pennsylvania will attest, and indeed, since we are in our first term in the Congress, we have seen and certainly our friend who is the chairman of the Committee on Rules has been time and time again the phenomenon in this new 104th Congress of folks who I believe fairly could be referred to as the Yeah, buts. "Yeah, we need welfare reform, but, the positive plan for change being offered inflicts too much pain." Indeed, I listened with interest to my good friend the Democrat from New York just a moment ago talk about the civility of this society being threatened.

Mr. Speaker, not only is the civility of our society being threatened, but

PROVIDING FOR CONSIDERATION OF H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 117 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 117

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and the text of the bill (H.R. 1214) to help children by reforming the Nation's welfare system to promote work, marriage, and personal responsibility, and shall not exceed five hours, with two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and three hours equally divided among and controlled by the chairmen and ranking minority members of the Committee on Economic and Educational Opportunities and the Committee on Agriculture. After general debate the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 117 is a rule providing for general debate on H.R. 4, the Personal Responsibility Act of 1995.

The rule provides 5 hours of general debate, with 2 hours allocated to the Committee on Ways and Means and 1½ hours each to the Committee on Economic and Educational Opportunities and the Committee on Agriculture.

Debate must be confined to the bill and the text of H.R. 1214, which the Committee on Rules intends to make in order as original text for amendment purposes in a subsequent rule—which we will put out of the Committee on Rules at about 5 p.m. this afternoon. After general debate, the rule provides for the Committee of the Whole to rise without motion.

No further consideration of the bill shall be in order except by subsequent order of the House.

Mr. Speaker, the Personal Responsibility Act that the full House will begin debating today is an extremely complex and important piece of legislation.

The House has considered this bill to date in a detailed and thorough manner.

House Republicans promised a comprehensive reform of our Nation's abysmal welfare system, and we have delivered.

H.R. 4 was introduced on January 4, 1995, the opening day of this session.

Three House committees—Ways and Means, Economic and Educational Opportunities, and Argiculture—held extensive hearings on welfare reform. All three committees conducted gruelling marathon markups, often deliberating late into the night.

Chairmen ARCHER, GOODLING, and ROBERTS then merged their versions of the package into one new bill, H.R. 1214 before us now. The Committee on Rules intends to make this new bill in order as original text for amendment purposes on the floor.

The committee is scheduled to meet at 5 p.m. this evening to report a rule providing for the amendment process for the bill.

The Committee on Rules held a 7½-hour hearing on Thursday, March 16, and took testimony from no less than 60 witnesses.

Members on both sides of the aisle suggested constructive amendments and there was an excellent debate about the many issues the bill addresses head-on.

Mr. Speaker, to demonstrate the importance of this legislation to the American public, the Republican leadership has set aside an entire week on the House floor for consideration of this bill.

If anyone should claim that this welfare reform legislation has been hasty or ill-conceived, I would ask—"Where was the welfare reform legislation when the Democrats held both Houses of Congress and the White House?"

Mr. Speaker, we certainly do not have the time to recount the President's many broken campaign promises, but the Clinton administration's failure to make good on its pledge to reform the welfare system has been outrageous.

Mr. Speaker, H.R. 4 tackles some of the most difficult issues of our day directly and head-on.

The bill makes fiscal sense by consolidating numerous major programs into block grants directly to the States, and that's the way it should be. Layers of bureaucracy in Washington will be made unnecessary.

The savings will be phenomenal—and the States will maintain maximum flexibility to help the poor in their areas, and they know how best to do it, not us inside the beltway.

The bill requires welfare recipients to work within 2 years, and bars receipt of benefits for more than 5 years.

Reasonable restrictions are applied to recipients on AFDC to encourage self-sufficiency; in other words, to stop them from being second, and third and fourth generation beneficiaries of welfare.

Mr. Speaker, H.R. 4 makes badly needed reforms to the Federal food stamp program, to the Supplemental Security Income program and family nutrition and child nutrition programs.

Mr. Speaker, as the House debates welfare reform this week, the public should take note of which of these proposals honestly addresses the problems of poverty in the United States of America.

Mr. Speaker, the American people will be asking, and Members had better be asking ourselves, which alternative defends the status quo. That is the question right here tonight, which alternative defends the status quo that has failed so miserably, and which alternative wrestles with the issues of illegitimate births, welfare dependency, child support enforcement, and putting low-income people back to work.

Mr. Speaker, the Personal Responsibility Act will prevail when scrutinized in this manner. I ask my colleagues to do this. During the recent debate on cutting spending I asked this House what is compassionate about adding another trillion dollars to the debt on the backs of our children and our grandchildren. Is that compassionate? The answer was no then. I ask my colleagues today now what is compassionate about continuing failed welfare programs that encourage a second, and third and fourth generation of welfare dependency? I say to my colleagues, "You know, and I know, the answer is 'nothing.'"

Mr. Speaker, that is why we must not defend the status quo. We must make the changes that are so necessary today. We can do it by voting for this bill.

Mr. Speaker, this rule was voted unanimously out of the Committee on Rules on Thursday afternoon on a bipartisan basis. The House is eager to begin this debate. We should do it now and get on with it.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we support this first part of the rule providing for consideration of the Personal Responsibility Act. The 5 hours of general debate times it provides are essential for the thorough deliberation that is required for legislation as comprehensive and as drastic as this.

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As has been true of most of the elements of the Contract With America, this legislation was hastily drafted and has been sent to the House without the benefit of thorough and public discussion or debate. We hope these 5 hours of debate will help clarify the controversies surrounding this overhaul not only of AFDC, the program most of us think of when we talk about welfare, but also of the entire child welfare system, of disability benefits for children, and of all the major nutrition programs our Nation has provided for many years.

The Committee on Rules heard a full day of testimony from Members of the House, Democrats and Republicans alike, about the need for substantive changes in the legislation before us. There was bipartisan support for changes in several parts of the bill, including the paternity establishment section, which is so restrictive in nature that even if a mother fully cooperates, she and her child could be punished by the denial of cash aid, if a State dragged its feet on establishing paternity.

There was also bipartisan support for amendments to strengthen the child support enforcement section, and for amendments to provide more funding for child care for welfare recipients so the mother is able to work or to get job training.

Unfortunately, the Personal Responsibility Act fails to deliver what the American people want: A welfare system that expects parents to work to support their families, but that also protects vulnerable children.

We need to pass legislation that ensures parental responsibility while also protecting children, encourages State flexibility without totally abdicating Federal oversight, and protects taxpayer resources by applying fairness and common sense.

Not only is the Personal Responsibility Act weak on work requirements, but it contains no requirement for education, training, and support services. If we want poor parents to work, they will need these services. They will need child care and transportation, for example.

The goals of the bill include preventing teen pregnancy and out-of-wedlock births. Unfortunately and incredibly, family planning services, the key to reducing out-of-wedlock births, the vast majority of which are unintended, are not even mentioned in this bill, which

does away with the 30-year-old requirement that States offer family planning services to all AFDC recipients.

Meanwhile, in just the past decade the percentage of all children born in the United States out of wedlock has doubled, more than doubled, to 32 percent. Thirty-two percent of all the babies born in this country are born out of wedlock, and there is nothing in this so-called reform bill that even tries to deal with this enormous problem.

Mr. Speaker, for these reasons and many others, the Personal Responsibility Act requires the lengthy debate that this rule provides. We support the rule and urge our colleagues to approve it so that we may proceed with consideration of this important and controversial legislation today.

Mr. MCINNIS. Mr. Speaker, I yield such time as he may consume to the fine gentleman from Pennsylvania [Mr. GOODLING], the chairman of the committee.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding time to me.

This is probably the most important debate and perhaps the most important issue that we will face, perhaps during my lifetime, certainly the most important since I have been in the Congress of the United States.

What is at stake? Well, basically, what is at stake is this: What do we do to free millions of Americans from the shackles that the Federal Government has placed them in? All of the programs were well meaning. Over the years I sat behind several chairmen, one who used to say, "Bill, these programs just aren't working the way we had intended them." And that is true. So year after year, generation after generation, we have enslaved these people, so, unless we make a change, they will never have an opportunity to get part of that American dream. That is destructive to them. That is destructive to our society and to our country.

Making changes is very, very difficult. Change is something that people fear, and that is true in no place worse than in the Congress of the United States. But if we do not change, then, of course, we are going to continue to enslave the very people we have sent over $5 trillion to try to help. Year after year we will be doing this, and it is totally unfair to hose people in our society.

So it would be my hope that we get away from the rhetoric and pay a little attention to the facts and see whether we can do better than we have done in the past. I think those people that we have tried to help are depending on us to make that change.

The first thing we have to do is admit that we failed. That should not be so difficult. It does not matter which side of the aisle we sit on. Just passing more programs and more programs and adding more money and more money has not worked. It has disadvantaged the disadvantaged. So it is time to make that change. An alcoholic has to admit that he has that problem before we can ever do anything to help him or for him to help himself to a recovery. It is true of any other drug addict. It is equally as true with the legislation we are dealing with today.

So I would call on my colleagues to listen carefully and participate intelligently. Let us not get up and give a lot rhetoric that has nothing to do with the facts. We know the facts. We know the facts of how we failed, and we know the facts of what it is we are trying to do to see whether we can help the most vulnerable in this country receive a portion of the American dream that we on the Federal level have denied them from receiving all of these years.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield 4 minutes to the distinguished gentleman from Florida [Mr. GIBBONS], the ranking Democratic member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman from California [Mr. BEILENSON].

Mr. Speaker, the first thing we should do in starting the debate on as serious a subject as this is to puncture the myths that surround this debate. The first myth I would like to puncture is that the Democrats support the status quo. That is absolutely not true.

As recently as last year, I introduced and held hearings on a very substantial welfare reform program. Unfortunately, it ran into a hurricane of Republican filibuster, and it got nowhere. But it was not that we did not try.

Second, the myth is that the Democrats have held control of this since 1935 and we have done nothing except perpetuate poverty and the miseries of welfare.

That is not so. In the Johnson and Kennedy eras, we made substantial reforms in the welfare program, and we created such programs as Head Start and Upward Bound and the Follow Through Program and programs for aid to college-bound students and for those who should be bound for college but unfortunately could not go.

As recently as in the 1970's, a Republican President, President Nixon, sent us a comprehensive welfare reform bill that unfortunately we rejected. It came to us at a time when President Nixon was encumbered by the Watergate scandal, and the bill got polluted in that environment. At that time, it is important to note, the President suggested that we federalize welfare, that we not dump it on the States as our Republican colleagues would do today, and that we take the entire responsibility because he thought, and I think, that every child is a citizen of the United States and every child should have a government that cares for him in a humane way. That was the thought of President Nixon, and we unfortunately did not adopt it.

Well, as we all know, Reagan was elected in 1980, and so we did nothing for 8 years. We could not even get a squeak out of him about making any changes in that program. But during the Bush administration, in 1988 we made substantial reforms to the welfare program and crafted in it the requirement of work. But it was put in there in a workable manner so that if the woman needed a job and was able to work and had to have child care because she just could not leave her child or her infant at home unattended, she could get that, or if she needed training, she could get that. So the myth that we in the Congress have done nothing except perpetuate this is, I hope, punctured.

Let us look at the bill before us. This is a cruel piece of legislation. It punishes the children, the innocent children, because of the errors of their parent or parents. It punishes them not just at birth but it punishes some for a lifetime, and certainly it punishes others through all of their childhood era. It will deprive them of the basic necessities for food, of clothing, of housing, of education, of love. That is what this bill does.

There is a better way, a far better way, and we have put that forward. We will have alternatives for this program on the floor here, but they will receive scant notice. They will have perhaps an hour or so of debate time, and then it will all be over. But this bill will never become law. There is hope out there that something sensible will become law.

Mr. Speaker, let us get on with the debate.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, of course, I take strong exception to the comments about the Republican filibuster in the last year. There is no filibuster in the House of Representatives. Rather, it is the Republicans who are taking the bull by the horns.

Furthermore, as to the bill, the punishment to our children is, if we do nothing, if we maintain the status quo, that is where the real punishment to our children comes from. Frankly, I think it is somewhat baloney when they say this bill takes away love from children and will leave children out there hungry, and so on, and so forth. I think that is political rhetoric, and we need to get beyond that to the meat of the bill.

In that regard, Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Florida, [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Colorado [Mr. MCINNIS], a new and hard-working member of the Committee on Rules, for yielding me this time.

Mr. Speaker, we are today indeed launching a very historic debate on welfare reform, as Chairman GOODLING has outlined. We are going to be struggling with some of the most vexing and

challenging issues of our time that confront our country and, more importantly, confront the people of our country.

One thing is very, very clear: In this most important comprehensive reform on welfare programs that we have ever attempted in the House, there is no ultimate wisdom. There are going to be disagreements.

No one has all the answers, and it is likely that we will not get it exactly right on all fronts the first time we go through this, but we have got to start because we owe it to our children and others in need to make the best possible attempt to fix what is broken. And what is broken is the system that we have now. It is clearly broken, and it is failing. Doing nothing is not the right answer.

As the gentleman from Colorado [Mr. MCINNIS] said and as many others are going to say, doing nothing only leads to more grief for more Americans, because we can see that we are running out of money and we can see that we are not succeeding in what we are trying to do.

This rule allows 5 hours of general debate to get the process started, and I look forward to a truly deliberative and productive process, bringing together the best judgments of every Member of this institution.

But first, let us review the facts. Mr. Speaker, in the early 1970's the United States declared war on poverty. That was the cry, and despite the best intentions and $5 trillion of taxpayer funds, we just about have to say that we lost the war, that it is time to surrender and do something different. Illegitimacy rates and welfare rolls continue to soar and as everybody knows, more people live in poverty today than when we started the war and before we spent the $5 trillion.

□ 1515

Worse still, the current system hurt some of the very people it was intended to help. The Republican welfare reform bill focus on three important things. First, it consolidates programs to minimize bureaucracy, fraud, and hopefully gets rid of some of the waste we have got, in order to ensure that our finite resources, and they are increasingly finite, reach those who truly need the help. In other words, we are not going to deal with the marginal cases. We are going to deal with the needy.

Second, the Republican plan is legislation that allows States the flexibility to enact programs that are best suited to their individual needs while at the same time providing accountability at the local level. It is not exactly the same in New York City as it is in Alaska, Florida, or someplace in the Midwest. We need that flexibility.

Finally, the bill does away with many of the destructive disincentives that have helped to perpetuate generations of dependency, and we all know that.

Although this bill is estimated to save taxpayers tens of billions of dollars over the next 5 years, we have managed to increase spending for important programs like WIC and school lunches, despite the rhetoric to the contrary we keep hearing, and we have changed the carrots and sticks to move people off welfare roles and on to payrolls.

Mr. Speaker, I spent a good deal of time this weekend meeting with people in southwest Florida in my district who are right on the front lines, people working within the current system who know the issues, who have the expertise to redflag possible problems with this reform. And there are some serious and legitimate concerns, especially about the block grant approach and the potential for abuse and unfair distribution of funds within States.

We have to make sure we build this into the block grant approach, some kind of safeguard to make sure dollars flow to the areas where they are most needed. And I support that. That is just one area that we need to explore through this process.

But we have so many opportunities to make improvements and do things better. I sat at a Headstart luncheon yesterday with youngsters in the prekindergarten and kindergarten program. This is a program that works. We are keeping it. We make sure it is funded.

The things that work, we are trying to save. It is the things that do not work we are trying to excise and replace with something better. I think the authors of our proposal have done yeoman's work in bringing us to this point. Obviously, it is not a finished product, but it is a place worthy of beginning debate. Let the debate begin and support the rule.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, I thank the ranking minority member of the Committee on Rules.

Mr. Speaker, I support the rule for the 5 hours of general debate on the Personal Responsibility Act of the welfare bill, but I must rise in strong opposition once again to the Personal Responsibility Act because when we see how cruel this particular bill would be to children in this country, and Republicans are saying that Democrats really do not want a welfare bill, that they have had all of these years in order to pass one. But I have chaired this subcommittee for many, many years, and we have tried to work with the Republicans in the past to structure a welfare reform system that would respond to the human needs of people in this country.

I think when we see the Family Support Act of 1988, which was brought on by the Democrats, or we have seen certain things put in place, and even under the Clinton administration, when he was elected President and he campaigned on the fact that we wanted to end welfare as we know it, and I think we tried to fashion legislation and we tried to get Republicans to come around.

But even if you think not, I would say to the Republicans that it is a time that what we all want to accomplish in this is to try to make sure that we move people off welfare into the private sector workplace, if possible. That is what we all want to accomplish in this welfare reform bill, and the Personal Responsibility Act, it does not address that.

The work requirements are such that people can just roll off of welfare, move into no jobs at all, and therefore, under your work requirements, that will be counted. We have not placed people in the workplace. We have not identified a link between welfare to work at all. I think Democrats have said all along that we want work first.

If Republicans, we could sit down with Chairman SHAW and others and do that. But just look at one thing. When we reported this bill, the formula has changed four times on the allocation of the $15.4 billion. We see now that under the changes that have been made from what we reported from the subcommittee, we see Speaker GINGRICH'S State of Georgia gained $45 million in the back rooms of the Committee on Rules. His State is picking up an additional $45 million. We see that those same private deals reduced California's block grant funding over a 5 year period by $670 million. In every public discussion on this subcommittee, it was very clear that California's share was higher.

Look at the other ways under the Committee on Rules, in the back room of the Committee on Rules, we see New York will take a hit of $275 million. But we see the gentleman from Texas [Mr. ARCHER] took care of himself. He added an additional $20 million in the back room of the Committee on Rules. Not the subcommittee, not the full committee, but in the back room of the Committee on Rules.

Mr. Speaker, I think it is very clear that we are in the protecting the children of this country. We see the first State allocation of allocation formula being changed, just in back room dealings by the Republicans. You too are ashamed of this bill you are bringing to the House floor today.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I am a little baffled by the gentleman from Tennessee's allegations about the back room drafts on this, the rule has not even been reported. The Committee on Rules meets at 5 o'clock. I invite you to come up and see about the back room thing. There is going to be media there. There is no back room drafting.

Mr. Speaker, I yield 5 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Speaker, I thank the gentleman from Colorado for yielding.

Mr. Speaker, I would like to discuss this bill. I am in support of the rule which we have before us. I do disagree with those who would say that this bill is cruel, and I would hope that our debate through the general debate and through the amendment process which we are going to undertake will be one which is constructive. Because maybe this is not the final bill, and I think there are some very good ideas. Lord only knows there are a lot of people here who have worked in this particular area, and we need to work with them as well.

But welfare as we know it today has basically continued people in poverty. There has been a sense of hopelessness attached to it. No real opportunity to leave or really to improve your life unless you are so self-motivated you can do so. Frankly, it has been generational to some degree.

In Delaware, we put together a program in 1987 under a blueprint for change and it became one of the model States for the Family Support Act of 1988. We developed an employment and training program to target the needs of hard-to-employ long-term welfare client. We developed a case management approach to service delivery. We raised the case assistance standard of need to bring benefits in line with neighboring States or the national average, and we developed indigent medical care programs and other programs to help people off of welfare.

The statistics are interesting on that. Since 1986, over 5,600 clients have benefited, with 2,779, and that is about one-half, of course, working full-time and 2,075 leaving welfare all together. Additionally, child care for families and work education and training has been increased substantially. We dealt with the problem in the State of Delaware, and I was pleased to be able to be the Governor during that period of time, and I think we dealt with it successfully.

Now we look at this program and we look at what we have. We are going to have a lot of rhetoric about it. The truth of the matter is the President of the United States of America, a good proposal by the gentleman from Georgia [Mr. DEAL], which we are going to hear about, and this bill are not as different from each other as we are probably going to hear about.

They essentially call for an end of welfare at some period of time for all families. They all call for work after a couple of years so people would have to go to work. It is a big-bang solution to solving the problems of welfare.

The Republican bill does call for block grants and gives more State flexibility. But today the House does begin consideration of some very important changes in our Personal Responsibility Act and a dialogue with the American people and our welfare recipients on replacing that failed welfare system with one based on work, individual responsibility, family, hope, and opportunity.

This bill does represent fundamental and dramatic change. We are going to have to talk about it. In its best light this bill could provide opportunity for those who have none. Democrats and Republicans, all agree by removing welfare recipients into work we can help place welfare recipients on the road to self-sufficiency, opportunity, and hope for their future, where currently frankly there is none. And this is not mean-spirited Republican philosophy, but American values.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. CASTLE. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I would like to mention to the gentleman, you have not only been a tremendous and a very valuable member of the team which has been working over the last year to craft the bill and to get us where we are today, but your model, the Delaware model, which is continuing now under the present Governor, but from the seeds that you planted in Delaware, you have set the pattern, as a few other Governors have in this country, in what welfare should be, and taking it from a program of dependence to a program promoting independence. I would just like to compliment the gentleman in the well for the great work he has done as a Governor and a Member of this House in reforming this very difficult task of reforming welfare as we know it today.

Mr. CASTLE. Mr. Speaker, I thank the distinguished chairman for his compliments, unsolicited, I might add. I might just say with respect to that, I think we as Republicans have a responsibility to make sure as we monitor this bill to make absolutely positive that the kinds of programs we want are being put into place in the States, with the child care, the training, the education which is necessary; that we make sure there is no hardship, and we are trying to do something about rainy day funds. But that we give people that opportunity.

I think that is what this is all about. I think there has been some misrepresentation, all the way from the food nutrition programs, which has been I think misrepresented as to its potential growth, through a lot of other things that are happening.

I would hope, Mr. Speaker, as this day wears on and as the next few days wear on, that that story comes out. If there are amendments we should adopt, so be it, we should adopt them. But when it is all said and done, I hope we will have a welfare system in place in this country that will allow people to look at it and know this is giving us hope, it is giving us sustenance, it is going to carry us through, we are going to be able to take care of our families, but at some point we are going to have the hope to be able to grow through it, to be able to be employed, if one is employable, and take care of those who are not employable, and be able to actually make progress for many people in America.

I look upon this in an optimistic sense, not in the pessimistic sense that this is a bill to suppress people. I realize there is a different point of view on that. But I hope we listen to each other and balance this and carry it out before the week has ended and we actually can adopt a piece of legislation that all of us can be very proud of.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Speaker, I would like to thank my colleague who is in the well now, one who has worked on the Subcommittee on Human Resources of the Committee on Ways and Means and one who has been in the forefront of the work component of the Democratic piece for welfare recipients in this country. I thank our colleague from Michigan, who has worked so hard with the full committee ranking member and the ranking member of the subcommittee. So I just wanted to first commend the gentleman.

I want to refer to my colleague from Colorado by saying what I am really afraid of in all of this is if the formula allocation was changed four times from the subcommittee, what bothers me is what the gentleman from Delaware [Mr. CASTLE] talked about earlier.

Surely, I want to say we Democrats want to work with the Republicans, talk this out, work it out, craft a welfare reform package that will put people to work and put work first. But what we do not want to do is to see when we go back to the Committee on Rules that we are going to continue to bring a bill to this floor that will constantly change in the allocation formula, and other things that will change in this bill, that we did not report out of the full Committee on Ways and Means. It was a bad bill that we reported out. It is tough on kids, it is cruel to kids in America, and I think we have to continue to discuss this. The Personal Responsibility Act is a bad bill for kids in America.

Mr. LEVIN. Mr. Speaker, let me just talk about welfare reform for a few minutes.

Look, the status quo is dead. The only issue is what is going to replace the present welfare system, and here is the quandary before the Committee on rules. We have only a partial rule, but they are faced with a bill that is extreme. It is extreme.

The school lunch program was just the tip of the iceberg. Then over the weekend we heard complaints about the provisions on mothers under 18, kids being punished if they are mothers under 18, or if they are the second kid

in the family, forever. Well, now there seems to be kind of a retreat from that extreme provision.

Then we also heard over the weekend about day-care. The troops are a little restless over there on the Republican side with the extreme provision. We had urged in committee and subcommittee, make welfare reform work, have day-care. Now maybe you are beginning to get the message.

The trouble is that you have many other extreme provisions in your bill. For example, there is no linkage of welfare to work. States can meet the participation requirements simply by knocking people off the rolls. Period. There is not one more dollar, in fact there are dollars less, for work to give States the ability to link welfare with work.

SSI, there is a potential of knocking 700,000 kids off the SSI rolls. There is some abuse in the program, but do not punish truly handicapped children because of the abuse of some families.

□ 1530

That is harsh. Foster care, we put a provision in the bill so you could not divert moneys from foster care to some other program and you delete that.

Legal immigrants, this bill takes billions and billions, about $15 billion under some estimates, in terms of benefits from legal immigrants. There needs to be reform, but there does not need to be a drastic, drastic kind of measure here.

The bill that was presented by the gentleman from Georgia [Mr. DEAL] and the gentleman from Texas [Mr. STENHOLM], unlike the GOP bill, in my judgment has attempted to face these issues fairly and squarely. When it was urged that they fell short, their sponsors had an open mind, rather than a deaf ear. The Republicans, in contrast, have it backwards. Weak on work and tough on kids.

The only hope for a bipartisan response now is to set aside this bill and see if we can put together one that will truly put into effect workable welfare reform. We owe it to our constituents to do that. The bill before us miserably fails.

We Democrats stand ready to work with you. The problem is, you have been totally unwilling to work with us.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Speaker, I want to take this time to commend my colleagues for working so hard to develop a welfare reform proposal which takes great steps in reforming the welfare system. I support H.R. 4 for many reasons.

One of the main reasons is that H.R. 4 reforms the welfare system by providing incentives that move people off welfare into work. Many States have already developed welfare to work programs that have experienced high success rates, my State of Illinois included.

In the 16th district of Illinois, which I represent: Project Prosper is enjoying fantastic success and job training and placement of their welfare recipients, and Project Prosper uses no Federal funds. Why? Because the developers of that project work day to day with the welfare recipients and are able to concentrate on individual needs of particular circumstances.

I stand firm with my colleagues here in Washington, my constituents back home and many people across the nation in my conviction that the States are in a much better position to create and operate welfare programs that best suit their constituencies. These local programs provide the necessary incentives that move the welfare recipients in the direction of financial independence.

The welfare reform debate continues, and it is important to keep in mind that since 1965, when it first began, the Federal program has spent a total of $5 trillion. For cash welfare programs alone, the Federal Government has spent $1.3 trillion; for medical programs, $1.8 trillion; for food programs, $545 billion; and for housing assistance, nearly $½ trillion dollars. With all the money plowed into the programs, what do we have? The same poverty rate in 1966 as we do today, 14 percent.

We want to change the system, give children of this country an opportunity and incentive to enjoy the American dream, to get off the welfare system, to know what the free enterprise system is about. That is the purpose of H.R. 4, to imbue that sense of personal responsibility back into the welfare system.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentlewoman from Illinois [Mrs. COLLINS], the ranking minority member on the Committee on Government Reform and Oversight.

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of the rule and 5 hours of general debate.

Mr. Speaker, if Attila the Hun were alive today and elected to Congress, he would be delighted with this bill that is before us today and proud to cast his vote for it. H.R. 4, the Personal Responsibility Act is the most callous, coldhearted, and mean-spirited attack on this country's children that I have ever seen in my life.

You know, I cannot help but wonder how that could be? How people could be so insensitive to the needs of kids. Now, this bill is touted as welfare reform. It is intended to move Americans out of the welfare system. Well, if throwing children and low-income people in the streets is reforming the system, then I guess this bill succeeds at what it purports to do.

What the bill really succeeds in doing is something that is not discussed. It creates $69.4 billion in savings to pay for tax cuts for the rich folk of this country. That is what the Republicans are eager to do.

The first fundamental flaw of this bill is that H.R. 4 ignores the very basic reason that most Americans become welfare recipients and stay on welfare. They cannot find jobs. There are very few low-skill, entry-level jobs nowadays that pay a living wage, but instead of improving our job training program or increasing the minimum wage, or providing affordable child care or creating jobs or offering a possible alternative to poverty, this bill, which is a hatchet act, punishes Americans for being poor. This bill fails to create a single job and still creates a whole list of reasons to cut Americans and their kids off the welfare rolls.

This cut and slash bill guts our current system of a safety net for the needy by carrying a bad idea to the far extreme. It just wipes out the critical entitlement status of most of our current systems and replaces them with State block grants and Federal funds with no strings attached. Anybody in the State could do whatever they wanted to with these things. There are major problems with completely abolishing the Federal Government's most successful programs, such as the School Lunch Program, the Breakfast Program, the WIC Program and so forth, and putting them into State funds that are already inadequate or will be inadequate because they are already going to be cut and monitoring or establishing no kind of quality standards or no kind of monitoring standards by which the States can be held accountable.

Let us take the School Lunch Program. I mentioned earlier today that I had gone to the Henry Suder School in my district. In that school, 488 kids out of 501 are on the School Nutrition Program. I see some of my Members on the other side of the aisle laughing.

I ask this question, how many of them have ever been hungry? How many of them have ever known what it was not to have a meal? How many of them have ever known what it was not to have decent shoes, decent clothing, a nice place to live? I will bet most of them have had a nice room of their own, not shared with any brothers or sisters, maybe five or six, have always been able to get their shoes if they wanted, the clothing that they wanted, food that they needed, et cetera. They do not know about poverty.

So I challenge them to come to the Seventh Congressional District of Illinois, in my district, and walk in the path of these children that they are cutting off on welfare. Walk in the path of the truly needy people who live by welfare because they have no other means by which to live. Not everybody stays on welfare eternally. We all know that. Some people do get off. Occasionally people get off of welfare because they do find a job, because they are able to get a GED, because they are

able to get their education. And it happens more than once. It happens time and time again.

There are some people, of course, who have been on welfare for a long period of time, but that is not the norm. And we all know it is not the norm, and why we stand here and say that it is does not make any sense at all to me.

Let me tell you, I have to wonder when I see young bright kids who have every opportunity to learn in this country but who are not able to do so because they live in hunger, because they live in poverty, because they have no real life, no real life, if you will, that we are accustomed to denied the opportunity to live to be full Americans because of their lifestyle, because of what they do not have, because of the things that are not given to them, because of the enrichment programs that we send our kids to but that they do not happen to have because they are poor and because they are on welfare. I dread to think of the time when a child of mine or yours, in fact, would be denied an opportunity to feed your grandchild or my grandchild or anybody else's because they have not been able to find a job, because they have been laid off from their job for a small period of time, a short time.

These are the things that we are talking about today. We are not talking about welfare forever. We are talking about welfare as a gap, a bridge, a bridge over troubled waters.

If you have never been there, do not knock it. You might drown.

Mr. MCINNIS. Mr. Speaker, I yield myself 20 seconds.

Mr. Speaker, as to the gentlewoman's comments from the State of Florida, I take strong exception to her comments that there is laughter on this side of the aisle. While we may disagree with her point, her comments are taken with respect.

I rather suspect that her comment about laughter was probably written into her speech.

Mr. Speaker, I yield 4 minutes and 30 seconds to the gentleman from Kentucky [Mr. BUNNING].

(Mr. BUNNING of Kentucky, asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Speaker, I rise in strong support of the Republican welfare reform bill.

Our welfare system has failed us. Everybody agrees on that. Since President Johnson launched the War on Poverty in the 1960's, America has spend over $5 trillion on welfare programs.

But, over the last 30 years, the poverty level has actually increased, and America's poor are no better off now than they were then.

When you spend $5 trillion on anything, you are bound to get something back. And there have been some cases where people on welfare managed to climb out of poverty.

But, as a whole, the welfare system that we have now deserves nothing less than a complete overhaul. It traps recipients in poverty, it denies them opportunity and it has directly contributed to the moral breakdown of the family.

It is time to end welfare as we know it.

Recent Federal attempts to reform welfare have gone absolutely nowhere. So the Republican welfare bill takes the logical step of giving more authority to the States so that they can shape effective programs that really work.

Everyone acknowledges that the States have taken the lead in proposing bold changes to welfare. The real innovation in welfare has been going on in the State capitals, not in Washington.

The Republican bill acknowledges this by taking away power from Washington bureaucrats and giving it to local officials who actually have to make assistance programs work on a day-to-day basis.

This is a practical solution to a practical problem.

Mr. Speaker, President Clinton and the Democrats in Congress had their chance to reform welfare and did nothing. Talk about cruelty to children. In 1992, the President campaigned hard on a promise to end welfare as we know it. But it was not until last June that we finally saw his proposal, and then the Democratic Congress sat on it and every other welfare reform bill. It did nothing to change the status quo.

Now the Democrats are still talking a pretty good game, and in the next couple of days they are going to complain a lot about the Republican proposal.

But the fact is that it is the Republicans who are moving ahead and reforming welfare. If it was not for the Contract With America and the November 8th electoral earthquake, I am sure that we wouldn't be having this debate today.

The Members on the other side of the aisle had their chance on this issue and they dropped the ball. And now that they are behind the curve, they are resorting to distortions and false attacks like the bogus charge that the Republican welfare bill cuts funding to the Student Lunch Program.

By now, everyone on Capitol Hill should know that this bill *increases* funding for child nutrition programs by 4.5 percent per year for the next 5 years, and increases WIC spending by 3.8 percent per year over the same period.

But the cold, hard fact is that since Republicans have stepped up to the plate on welfare reform, the Democratic leadership's only response has been to respond with misleading, partisan attacks like the school lunch issue since they were unable to pass welfare reform when they had the chance.

Mr. Speaker, it is time to move past all of this and face the fact that the time for real welfare reform has come, and that the Republican welfare bill is going to pass.

I urge my colleagues to support H.R. 4 and to help end welfare as we know it.

□ 1545

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Georgia [Mr. DEAL].

Mr. DEAL of Georgia. I thank the gentleman for yielding me the time.

First of all, I would like to thank the Committee on Rules on both sides of the aisle and their staff for allowing a substitute that I have proposed to be considered and hopefully we will have the opportunity to debate that and proceed with determining where we stand on this issue.

Mr. Speaker, I think it is somewhat ironic that we come here to discuss a system that we call well-fair. Recognizing that my comments are a play on the phonetic pronunciation of that word rather than its literal spelling, nevertheless I would suggest that it is a system which is neither well nor fair. It is not well in that it has placed actually a plague on our society that has condemned many generations to repeat and to fall into its prey. It is certainly not fair, in that it does not reward work. In many cases it does exactly the opposite. But I would concur with the comments of our colleague on the other side of the aisle, the gentleman from Pennsylvania [Mr. GOODLING], earlier today in which he said that we do not need to spend our time with rhetoric discussing the failures of the current system. I do not come here to justify the status quo. I come here to change it. Our efforts in this debate should be focused on how do we best change the current system to secure for ourselves and for our constituency the kind of system that is humane, the kind of system that rewards work, and a system that moves people out of this cycle of welfare.

I have offered as I indicated a substitute that is the work of many of my colleagues that has grown out over a 2-year period. We will propose this substitute and I would briefly like to address some of the areas that I think its strengths are embodied in it.

First of all is that we emphasize work. We think that work should pay. That the only true way to break welfare is to put people into work. But we recognize that for many mothers with dependent children that there are two critical ingredients that are presently disincentives that we need to change into incentives. First of all, they need child care. Second, they need to make sure that by going to work, most of which will be at low-paying jobs, that they do not lose health care coverage for their children. Our bill significantly addresses both of these.

First of all, CBO has estimated that if we truly wish to move people out of welfare and into work, that the cost for child care alone will be increased by

approximately $6.2 billion. We provide the funding in our proposal for doing that. We also consolidate our child care programs into one particular and single program.

Second, we recognize that we need an additional year of transitional Medicaid so that these mothers will not lose all health care benefits for their children. We likewise recognize that if you are going to move into the work force, you must have training. We have a 2-year time period for a work first program. We make those programs truly tailored to the needs of citizens who are going to be trained to go into the work force. At the end of that 2-year period if an individual has not found a job in the private sector, States will have two options. One is a private voucher that can be taken to a private employer to be used if they hire a welfare recipient. Second is to place them in a community service program where they can likewise learn job skills and later move into the private sector market.

Another important distinction is that we think we can pay for a change of the welfare system within the welfare system itself and we do not need to reach outside into nutrition programs, and we do not.

We also in the process of doing this cut the programs by about $25 billion within the welfare system. We spend $15 billion of that making the changes for additional child care and additional training, with a net of approximately $10 billion which will be used for deficit reduction, and our proposal will be the only plan that will apply the savings to deficit reduction.

As I said, we do not tamper with the children and elderly and WIC food programs. We think that they are working and that they are working well and do not need to be brought into this net. We do strengthen child support enforcement provisions. Currently it is estimated there are about $48 billion in child support payments out there, only $14 billion of which are actually collected. We have a very tough provision for a registry for enforcing child support. We likewise recognize that teen pregnancy is a big problem. We devote much of our attention to that. We think it is an issue that we should not mandate but give States the flexibility.

Mr. MCINNIS. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. I thank the gentleman for yielding me the time.

Mr. Speaker, the American people are demanding dramatic change in their welfare system. They know it is broken and they are calling upon us in the House of Representatives now and later in the Senate to fix it. Unfortunately, I do not think we are doing it in exactly the right way. I do not think it is dramatic enough and I do not think there are enough changes in certain areas that we all know need changes.

The American people want people who are on welfare and can work to work. They want more responsibility for the individual. They definitely want to strengthen the family, and they want to protect children.

When I look at this bill that we are going to have in front of us by the majority, some of these things are being done, but some are very definitely not. I listened to the gentleman from Delaware [Mr. CASTLE] asking us to listen to each other. We have a rule in front of us today that is only partial. There was something like 130 amendments upstairs at the Committee on Rules. I am convinced we can make some good changes. The gentleman from Florida [Mr. SHAW], the chairman of the subcommittee that did welfare, accepted child support enforcement as part of welfare reform, and that was a very good move. So I would hope that before we finish we could accept amendments, that could make this a better bill. We need to improve the work section so that it helps people really go from welfare to work. We should accept amendments so we really protect children. To take away the minimum standards for safety, Federal standards for children is absolutely wrong. We know in our own States, every State, these systems are overburdened, we need this last safety net for abused children, Federal oversight. So I would hope that as we look at this bill now, as we talk about the rule, that as the day goes on, we have improvements we can all agree on.

When I say they are not dramatic, let me tell you block grants are not dramatic. What they do is take everything together, send it back to the States and say, "Now it's your problem." I think we can do better and I hope as the process goes on in the next couple of days we will.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to my good friend, the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. I thank the gentleman for yielding me the time.

Mr. Speaker, I am very tired of hearing the Democrats talk about cruelty to children. I think we have got to get squared away on just where this debate is going.

I will tell you, Mr. Speaker, that what I consider cruelty to children is that $34 billion owed to these children by deadbeat parents, who have not paid up and who have not been checked in recent years. In this Republican welfare approach, we have taken a long, hard look at deadbeat dads and moms and how to get those $34 billion back into the system because that is $34 billion that could be used to keep these children out of the welfare cycle, out of poverty.

Mr. Speaker, of that amount, $11 billion leaves the system as deadbeat parents leave the State to evade their responsibility. What they end up doing not only is not supporting their children but also with their irresponsibility requiring that these kids stay on welfare. Not only that, Mr. Speaker, but they also end up requiring that the Government take responsibility as the parent for these children.

I support this rule because I think we need to have open debate on this issue. Title VII is the child support enforcement part of this bill. The plan that we have put before the Congress and will be debating in the next few weeks requires a Federal parent locator service to be set up at the Federal level that will allow the States to access information and locate where those parents are to make them pay up. I think it is very responsible, Mr. Speaker. A lot of the information in this title VII has come from work between the parties. So this can be our bipartisan core of this bill that we all agree on to force these parents who have given up all responsibility for their supporting their flesh and blood children to get back in the system and keep these kids off welfare. That to me, the ultimate cruelty is something we can take care of in supporting this bill this week.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Speaker, today we will prove to Arkansans and to all Americans that we have heard their frustrations and are finally prepared to take action on welfare reform. Since I came to Congress in 1993, I have talked almost daily with constituents who are tired of sending their tax dollars to Washington to give people something for nothing. I join the people of the First District of Arkansas today in enthusiastically saying, "It's about time for welfare reform."

It has all been said, just everyone has not said it, but I will say it again here today. Welfare was intended to be a safety net for widows and children, but it has become a hammock that has encouraged laziness and idleness. Less than 12 percent of the people who receive welfare benefits today are actually working and that is why we focus our intentions on work.

We have been paying the other 88 percent to sit at home and watch their mailboxes. The Federal Government has been making bigger promises than Publishers Clearinghouse. But after this debate ends and the votes are counted, I am confident that the House of Representatives will have sent a message to their home districts, "No more something for nothing."

Over the next few days, we will talk about several proposals for changing our welfare system. I challenge all of my colleagues to look beyond their party identification and listen closely to the merits of each plan, to check their party affiliations at the door and

look to program reform that is both realistic and puts principles and values back into our families.

The Deal substitute, which I helped to write and cosponsor, puts more people to work than the current system, while making it possible for people to find a job and stay in it. We offer more job training and more child care than the status quo, and for the first time we set a lifetime limit of 2 years on welfare.

Your choices are simple, if you look beyond party lines. Put more people to work in less time, or put fewer people to work over more years. Put these options with another favorite theme, greater State flexibility, and you have an even easier choice.

The substitute that will be offered by the gentleman from Georgia [Mr. DEAL], myself, and other conservative Democrats allows States to tailor welfare to fit their needs. We give States the option of denying benefits to teenage mothers, we let the States decide whether to continue giving more money to mothers who have more children while on welfare. We also let States decide whether they want to keep people in welfare programs for a additional 2 years under community service. And we give them the option of recycling a few needy people back into the welfare rolls after their time limit has expired.

We are also the only plan that dedicates the moneys that we save to deficit reduction. You will hear more about our plan and the differences between the Deal substitute and the other welfare reform plans that are offered. I encourage you to think of your constituents before your party identification and to look at the reality of our plan and what it does for the future not only for us, for this country but for our children and our children's children.

Mr. MCINNIS. Mr. Speaker, I yield the balance of the time remaining to the gentleman from Florida [Mr. SHAW].

The SPEAKER pro tempore. (Mr. DOOLITTLE). The gentleman from Florida is recognized for 2½ minutes.

Mr. SHAW. I thank the gentleman for yielding me the time.

Mr. Speaker, in listening to the debate from this side of the aisle, you would think that one of the words that really sticks in my head was one of the speakers, the gentlewoman from Illinois, for whom I have a great deal of respect, referred to our idea as something having to do with Attila the Hun. I hear the gentleman from Tennessee refer to us as mean. And I hear the other speakers refer to us as being tough on children and weak on work.

I would notice, however, a resounding silence in this Hall when it comes to anybody defending the system that we have today, defending the system that we were unable and unwilling to change while the Democrats controlled this body.

You look back at some of the good welfare proposals that have come down the pike, some that really helped. Take the earned income tax credit. That was a Republican proposal. Take the child care that has been put in place. And remember the great fight that we had with the committee, and we worked together on that particular bill. That was bipartisan in nature, and it was signed into law by a Republican President.

Now the time has come to change the balance of the program, to change, truly change welfare as we know it today. For the Republicans to carry forward, to fulfill the 1992 platform pledge of the Democrat Party.

□ 1600

This is the Republicans carrying through on the pledge of the Democrats because of the Democrats' failure to do this. We are going to, I hope and pray that we do pass a welfare bill, that we get rid of the cruelest system that has ever been known.

The cruelest system that is out here on the floor is existing law and we must change it, we must work together, we must move this process forward.

We have worked long and hard on the Republican side in order to change welfare. The bill of the gentleman from Georgia [Mr. DEAL], which will I understand be offered as a substitute sometime later this week, that bill itself comes a long way from where the Democrat party was just a few short months ago when we could not get a bill to the floor, when we could not reform welfare.

A few short months ago in the last years when the Democrats were in charge, we would have been glad to come forward and work on a bill such as that. But I tell all of my colleagues to read it carefully; come in with specifics. The Republican bill is weak on work? Read the Deal bill. The Republican bill is the bill that stands for work. It stands for real reform and it stands for the empowerment of people.

Let us break the chains of slavery that we have created with welfare in this country and let us work together for a better America.

Mr. MCINNIS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. MCDERMOTT. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. DOOLITTLE). The gentleman will state it.

Mr. MCDERMOTT. Mr. Speaker, does the rule we have just adopted make in order general debate on H.R. 4 or H.R. 1214?

The SPEAKER pro tempore. The rule makes in order debate on H.R. 4.

Mr. MCDERMOTT. As I understand it, Mr. Speaker, the committees of jurisdiction reported out three other bills, none of which is before the House today. Am I correct that H.R. 4 has not been reported out by any committee of jurisdiction?

The SPEAKER pro tempore. The gentleman is correct.

Mr. MCDERMOTT. Mr. Speaker, continuing that inquiry, is it true that the Budget Act points of order which are designed to assure that the budget rules we established for ourselves are adhered to apply only to measures that have been reported by the committee of jurisdiction?

The SPEAKER pro tempore. The Chair observes that sections 302, 303, 311, 401, and 402 of the Congressional Budget Act of 1974 all establish points of order against the consideration of bills or joint resolutions as reported. That is, in each case the point of order against consideration operates with respect to the bill or joint resolution in its reported state. Thus, in the case of an unreported bill or joint resolution, such a point of order against consideration is inoperative.

Mr. MCDERMOTT. In other words, Mr. Speaker, if we had followed the regular order and reported either H.R. 4 or H.R. 1214 from the committees of jurisdiction, several points of order would have applied. To get around those rules, the majority has instead put before the House an unreported bill making it impossible for those of us who believe the House should be bound by the rules it sets for itself to exercise those rights.

Mr. MCINNIS. Regular order.

The SPEAKER pro tempore. The House has just adopted House Resolution 117.

Mr. MCDERMOTT. It is my understanding that we went around the rules because we did not follow the rules.

The SPEAKER pro tempore. The gentleman has not stated a parliamentary inquiry.

Mr. MCINNIS. A point of order, Mr. Speaker, I thought it was a parliamentary inquiry, not a speech.

The SPEAKER pro tempore. The gentleman is correct.

HOUR OF MEETING ON TOMORROW

Mr. MCINNIS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

GENERAL LEAVE

Mr. ARCHER. Mr. speaker, I ask unanimous consent all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4, the Personal Responsibility Act of 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas.

There was no objection.

PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 117 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4.

□ 1604

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, with Mr. LINDER in the chair.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. ARCHER] and the gentleman from Florida [Mr. GIBBONS] will each be recognized for 1 hour; the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Missouri [Mr. CLAY], the gentleman from Kansas [Mr. ROBERTS], and the gentleman from Texas [Mr. DE LA GARZA] will each be recognized for 45 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Republican welfare revolution is at hand. Today begins the demise of the failed welfare state that has entrapped the Nation's needy for too long. Today we begin to replace that disaster in social engineering with a reform plan that brings hope to the poor of this Nation and relief to the Nation's taxpayers. Working Americans who carry the load will get relief.

Government has spent $5.3 trillion on welfare since the war on poverty began, the most expensive war in the history of this country, and the Census Bureau tells us we have lost the war. The bill we bring to the floor today constitutes the broadest overhaul of welfare ever proposed. The status quo welfare state is unacceptable.

Today we have the chance to move beyond the rhetoric of previous years of endless campaign promises to end welfare as we know it. Today there must be no doubt. The rhetoric is stopping, the solution is beginning.

Our bill is constructed on three principles which strike at the very foundations of the Nation's failed welfare state. The three principles are personal responsibility, work, and returning power over welfare to our States and communities where the needy can be helped the most in the most efficient way.

The first and most fundamental principle captured by the title of our bill is personal responsibility, the character trait that build this country.

The current welfare system destroys families and undermines the work ethic. It traps people in a hopeless cycle of dependency. Our bill replaces this destructive welfare system with a new system based on work and strong families.

Virtually every section of the bill requires more personal responsibility. Recipients are required to work for their benefits. Drug addicts and alcoholics are no longer rewarded with cash payments that are often spent on their habit. Aliens who were allowed into the country because they promised to be self-supporting are held to their promise; fathers who do not live with their children are expected to pay child support or suffer severe consequences; and welfare can no longer be a way of life. After 5 years no more cash benefits will be provided.

This bill will reverse the decades-long Federal policy of rewarding unacceptable and self-destructive behavior. We will no longer reward for doing the wrong thing.

The second underlying principle of our bill flows naturally from the first. Able-bodied adults on welfare must work for their benefits. Here it appears that the Democrats have surrendered completely to Republican philosophy. On work we are all Republicans now, but it was not always so.

During the welfare debate of 1987 and 1988, Democrats perpetuated a system in which able-bodied adults could stay on welfare year after year after year without doing anything. Now the Clinton administration and Democrats in the House are finally claiming they want mandatory work too, but the substitutes they will offer later do not require serious work.

That is not surprising. Conflict among Democrats on the basic issue of work was one of the reasons they did nothing on welfare reform in the last Congress. Another was the fact that it took the President almost 2 years to write a welfare bill, which he then let die without so much as a minute of debate in the House or the Senate.

If the Democrats were serious about welfare reform, they would have taken action last year when they had the chance. To the Democrats, welfare reform is not a policy objective, it is a political platform. It is an empty promise, it is a campaign device that is put on hold once they get elected.

House Republicans signed a Contract With America that promised we would provide a vote on the House floor on true welfare reform, and we are now fulfilling that promise within less than 80 days. We are proud to move forward to change America's failed welfare system.

The third principle which forms the foundation of our bill is our commitment to shrink the Federal Government by returning power and flexibility to the States and communities where the needy can be helped the most. My own mayor in Houston, TX, a Democrat, talked to me several weeks ago and said you can cut the amount of Federal money coming to Houston by 25 percent, but give me the flexibility without the Federal regulations and I will do more with 25 percent less.

Some say, however, that only those in their ivory towers in Washington care enough to help the needy and aid the poor; the only caring people in all of government throughout the United States are only here right in Washington. That is what they say. They say you cannot trust the States. These people seem to think that the Governors are still standing in the schoolhouse doors not letting people in. But rather it is the Democrats in Washington who are standing in the doors of our Nation's ghettos and not letting people out.

The current regulatory morass is shown on the chart standing next to me. It shows that the welfare system Republicans inherited consists of at least 336 programs in 8 domains of welfare policy. The Federal Government expects to spend $125 billion on these programs this year. Here it is, proof of the ridiculous tangle of overlapping bureaucratic programs that have been thrust upon the Nation since the beginning of the war on poverty, and the worst part is that the American taxpayers, working Americans are paying the bill.

But these 336 programs are only the tip of the iceberg. Imagine how many regulations had to be written to implement these 336 programs. Just let me show you. These are the regulations from just 2 of the 336 programs. They are standing right next to me here on the desk. They weigh 62.4 pounds. I guess I could probably lift them, but it would be easier with a fork truck.

I can think of no more fitting symbol of the failed welfare state than these pounds of Federal regulations. It is time to remove the Federal middleman from the welfare system. We can cut these unnecessary regulations, eliminate Federal bureaucrats and give our States and communities the freedom they need to help their fellow citizens. Our bill will end 40 of the biggest and fastest growing programs and replace them with 5 block grants. By ending counterproductive overlapping and redundant programs, we will win half of the battle. We are proud, though, that we have hit upon a much better approach to helping the poor than this top-heavy Federal system.

Our new approach recognizes that the action on welfare reform today is in the States already. While Washington twiddled its thumbs for the last several years, States all over the country were engaging in actual welfare reform.

The laboratories of democracy are in the States, not Washington, DC. Block grants will bring the decisions closer to the people affected by them, they will give Governors more responsibility and

resources to design and run their own programs.

□ 1615

And once we have given the State this flexibility and eliminated the need for them to beg Washington for permission to operate outside the stack of rules in that pile on the desk, the reforms they have implemented thus far will be dramatically expanded and spread to every State.

Mr. Chairman, welfare today has left a sad mark on the American success story. It has created a world in which children have no dreams for tomorrow and grownups have abandoned their hopes for today.

The time has come to replace this failed system with a new system that uplifts our Nation's poor, a new system that turns the social safety net from a trap into a trampoline, a new system that rewards work, personal responsibility in families, a new system that lifts a load off of working, tax-paying Americans. It represents a historic shift long overdue.

Mr. Chairman, I submit the following correspondence for the RECORD.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 21, 1995.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Economic and Educational Opportunities, Rayburn House Office Building, House of Representatives, Washington, DC.

DEAR CHAIRMAN GOODLING: I am writing to congratulate you for your leadership in bringing H.R. 4, the Personal Responsibility Act, to the floor for a historic vote this week. This achievement could not have occurred without the close working relationships developed between the Members and staffs of our two committees. Thank you for the outstanding cooperation we have enjoyed in developing this landmark legislation.

I would also like to clarify certain jurisdictional issues surrounding this unprecedented effort, and to acknowledge your recent correspondence. On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economic and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Committee on Agriculture and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

As you know, Republicans have been working diligently to combine social programs with similar or identical purposes into block grants. The procedure has been to identify all the programs with a similar purpose, end the spending authority for all but one of the programs with a similar purpose, and fund the resulting block grant at roughly the level of funding for all the constituent programs combined. Unfortunately, this common sense approach is not easily accomplished within the existing committee structure.

I want to thank you for agreeing to have the Committee on Ways and Means consolidate certain child protection provisions into a Child Protection Block Grant in Title II of H.R. 1157. In addition, H.R. 1157 contains provisions authorizing the transfer of funds from the temporary assistance block grant to food and nutrition programs and the child care block grant. It also contains a technical correction to ERISA Title I, concerning child support enforcement. Thank you for not objecting to the inclusion of this provision, and for bringing an additional technical correction to my attention. I understand that in order to expedite Floor consideration of this legislation, your Committee will not be marking up H.R. 1157.

Similarly, H.R. 999, as reported by the Committee on Economic and Educational Opportunities, contains provisions that fall within the jurisdiction of the Committee on Ways and Means. Specifically, H.R. 999 ends the at-risk child care and the AFDC and Transitional child care programs for consolidation into a Child Care Block Grant. H.R. 999 includes mandatory work requirements relating to the JOBS program. These provisions were later harmonized with similar provisions from H.R. 1157 in the leadership bill, H.R. 1214. H.R. 999 also includes provisions authorizing the transfer of child care and family and school nutrition block grant funds to the temporary assistance, child protection, and Title XX block grants.

Because of our prior consultations and to expedite consideration of this legislation on the Floor, the Committee on Ways and Means will not mark up H.R. 999. However, the forbearance in this case should not be considered as a permanent waiver of this Committee's jursidcition over these provisions, and it should not preclude the Committee from legislating in this area in the future should the need arise.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards,

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES,
Washington, DC, March 17, 1995.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Longworth House Office Building, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to alert you to a provision in H.R. 1214, the Personal Responsibility Act of 1995, as reported by the Committee on Ways and Means which is in need of correction and involves an amendment to Title I of ERISA.

As contained in section 711 of the bill, subtitle H—Medical Support, the provision in question amends section 609 of Title I of ERISA to add a judgement, decree, or order issued by an "administrative adjudication" to the criteria required for such an order to be considered a "qualified medical child support order."

The term "administrative adjudication" is not defined in the bill or under current law. However, the intent appears to be to expand the definition to encompass orders issued through an administrative process established under state law.

Although our committee has no objection at this time to the inclusion in H.R. 1214 of this amendment to ERISA Title I, over which the Committee on Economic and Educational Opportunities has exclusive jurisdiction, it is our opinion that the technical flaw should be corrected before the bill is considered in the House. In this regard, I have referred the following technical correction to the House Legislative Counsel for inclusion in the final bill—ERISA section 609 (a)(2)(B)(ii)(II), as added by section 771(q)(3) of H.R. 1214, should be amended to read "(II) is issued through an administrative process established under state law and has the force and effect of law under applicable state law."

This is also to inform you that the Committee on Economic and Educational Opportunities will request that its members be appointed as the exclusive conferees on section 771, inasmuch as there are other technical changes to ERISA section 609 that will be necessary to remove current ambiguities to this section of ERISA Title I over which our Committee's exclusive jurisdiction has never been disputed.

Sincerely,

BILL GOODLING,
Chairman.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 21, 1995.

Hon. FLOYD D. SPENCE,
Chairman, Committee on National Security, Rayburn House Office Building, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN SPENCE: Thank you for writing me regarding committee consideration of H.R. 4, the Personal Responsibility Act. In response to your letter, I would like to clarify certain jurisdictional issues surrounding this unprecedented effort.

On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economic and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Committee on Agriculture and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

As you noted, during its consideration of the child support enforcement title of H.R. 1157, the Committee on Ways and Means included a provision dealing with enforcement of the child support obligations of members of the Armed Forces falling within the jurisdiction of the Committee on National Security. I want to thank you for waiving your committee's jurisdictional prerogatives in this instance to expedite Floor consideration of this legislation, and I understand that you are reserving your Committee's jurisdictional prerogatives for future consideration of this provision.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards,

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON NATIONAL SECURITY,
Washington, DC, March 13, 1995.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR MR. CHAIRMAN: The Committee on Ways and Means has recently ordered reported H.R. 4, a bill that would reform the welfare system. During markup of the legislation, the committee adopted a provision dealing with the enforcement of child support obligations of members of the armed forces. This provision falls within the legislative jurisdiction of the Committee on National Security pursuant to House Rule X(k).

In recognition of your committee's desire to bring this legislation expeditiously before the House of Representatives, and with the understanding that a clause in the above described provision to which this committee objects has been removed from the bill, the Committee on National Security will not seek a sequential referral of H.R. 4. This forbearance should not, of course, be construed as a waiver of this committee's jurisdiction over the provision in question. This committee will seek the appointment of conferees with respect to this provision during any House-Senate conference.

I would appreciate your including this letter as a part of the report on H.R. 4 and as part of the record during consideration of the bill by the House.

With warm personal regards. I am
Sincerely.

FLOYD D. SPENCE,
Chairman.

COMMITTEE ON WAYS AND MEANS.
Washington, DC, March 21, 1995.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, Rayburn House Office Building, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: Thank you for sharing with me your recent correspondence with the Speaker regarding committee consideration of H.R. 4, the Personal Responsibility Act. In response to your letter, I would like to clarify certain jurisdictional issues surrounding this unprecedented effort.

On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economic and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Committee on Agriculture and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

As you noted, during its consideration of H.R. 1157, the Committee on Ways and Means included provisions dealing with the Medicaid program. I want to thank you for waiving your Committee's jurisdictional prerogatives in this instance to expedite Floor consideration of this legislation, and I understand you are reserving your Committee's jurisdictional prerogatives for future consideration of these provisions.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards,

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON COMMERCE.
Washington, DC, March 15, 1995.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I am writing for two purposes: first, to indicate that, in order to expedite Floor consideration, the Committee on Commerce will waive its right to mark up both H.R. 4, the Personal Responsibility Act, and H.R. 1214, the Personal Responsibility Act; and second, to indicate the Committee's interest in preserving its jurisdictional prerogatives with respect to a House-Senate conference on either of these two bills and any Senate amendments thereto.

H.R. 4, the Personal Responsibility Act of 1995, was introduced on January 4, 1995, and referred, by title, to the Committee on Ways and Means, the Committee on Agriculture, and the Committee on Economic and Educational Opportunities, as well as to other Committees. The Committee on Commerce received an additional referral on two of the eight titles: Title IV, Restricting Welfare to Aliens, and Title VIII, Effective Date. Within the Committee, the bill was referred to the Subcommittee on Health and Environment and the Subcommittee on Energy and Power for those provisions which fell within their respective jurisdictions.

H.R. 1214 was introduced in the House on March 13, 1995, and represents a consensus bill developed by the three Committees with primary jurisdiction for consideration on the House Floor in lieu of H.R. 4. In addition to the three primary Committees, H.R. 1214 was also referred to the Committees on Commerce, the Judiciary, National Security, and Government Reform and Oversight, in each case for consideration of those provisions as fall within the jurisdiction of the Committee concerned.

Staff of the Commerce Committee has carefully reviewed both the text of H.R. 4 and H.R. 1214 and has worked with the staff of the Committee on Ways and Means in drafting language contained in H.R. 1214 as it relates to provisions within this Committee's jurisdiction. Specifically, the following provisions of H.R. 1214 have been identified as falling squarely within the Commerce Committee's jurisdiction:

TITLE I

Section 106: Continued Application of Current Standards under Medicaid Program

TITLE II

Section 203: Continued Application of Current Standards under Medicaid Program

TITLE IV

Section 401: Ineligibility of Illegal Aliens for Certain Public Benefits Programs

Section 401(a): In general: Notwithstanding any other provision of law, any alien who is not lawfully present in the U.S. shall not be eligible for any Federal means-tested public benefits program.

Section 401(b): Exception for Emergency Assistance

Section 402: Ineligibility of Nonimmigrants for Certain Public Benefits Programs

Section 402(a): Notwithstanding any other provision of law, any alien who is lawfully present in the United States as a nonimmigrant shall not be eligible for any Federal means-tested public benefits program.

Section 402(b): Emergency Assistance—emergency medical care

Section 403: Limited Eligibility of Immigrants of 5 Specified Federal Public Benefits Programs

Section 403(a)(4): Notwithstanding any other provision of law, any alien who is legally present in the U.S. shall not be eligible for Medicaid.

Section 403(b)(4): Exceptions (Emergency Assistance, including emergency medical care)

Section 403(b)(5): Transition for Current Beneficiaries

Section 431: Definitions

TITLE VI

Section 601(d): Funding of Certain Programs for Drug Addicts and Alcoholics

Section 602(b): Establishment of Program of Block Grants Regarding Children With Disabilities

Section 1645(b)(2): Medicaid Program: For purposes of title XIX, each qualifying child shall be considered to be a recipient of supplemental security income benefits under this title

Section 602(c): Provisions Relating to SSI Cash Benefits and SSI Service Benefits

"Treatment of Certain Assets and Trusts in Eligibility Determinations for Children"

Section 602(e): Temporary Eligibility For Cash Benefits For Poor Disabled Children Residing in States Applying Alternative Income Eligibility Standards Under Medicaid

TITLE VII

Section 701(a)(1): State Obligation to Provide Child Support Enforcement Services

Section 702(b): Definition of Federal Medical Assistance Percentage

H.R. 4 and H.R. 1214 are an essential component of the House Republican Contract with America. The Members of the Commerce Committee have no desire to delay the House's consideration of this important measure. Therefore, at this time, I am waiving this Committee's right to take up both H.R. 4 and H.R. 1214. I wish to make clear that by waiving its opportunity to mark up these bills, the Committee does not in any way prejudice the Commerce Committee's jurisdiction with respect to H.R. 4 or H.R. 1214 or to any of the legislative issues addressed therein in the future. In addition, the Committee respectfully requests that if H.R. 4 or H.R. 1214 or any amendments thereto should be the subject of a House-Senate conference, the Commerce Committee shall receive an equal number of conferees as those appointed for any other House Committee with respect to the provisions contained in H.R. 4 or H.R. 1214, and any Senate amendments thereto, which fall within this Committee's jurisdiction.

Sincerely,

THOMAS J. BLILEY, JR.,
Chairman.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 21, 1995.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary, Rayburn House Office Building, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN HYDE: I am writing to congratulate you for your leadership in bringing H.R. 4, the Personal Responsibility Act, to the floor for a historic vote this week. I would also like to clarify certain jurisdictional issues surrounding this unprecedented effort.

On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economic and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Committee on Agriculture and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

As you know, Republicans have been working diligently to combine social programs with similar or identical purposes into block grants. The procedure has been to identify all the programs with a similar purpose, end the spending authority for all but one of the programs, and fund the resulting block grant at roughly the level of funding for all the constituent programs combined. Unfortunately, this common sense approach is not easily accomplished within the existing committee structure.

I want to thank you for agreeing to have the Committee on Ways and Means to consolidate certain child protection programs under your Committee's jurisdiction into the Child Protection Block Grant in Title III of H.R. 1157. I understand that in order to expedite Floor consideration of this legislation, your Committee will not be marking up this legislation. Specifically, H.R. 1157 consolidates the missing and exploited children program, grants to improve the investigation and prosecution of child abuse cases, and the children's advocacy centers program. In addition, you requested that the Committee include in H.R. 1157 provisions concerning welfare and immigration, and the treatment of aliens.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards,

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 21, 1995.

Hon. JAMES A. LEACH,
Chairman, Committee on Banking, Rayburn House Office Building, House of Representatives, Washington, DC.

DEAR CHAIRMAN LEACH: I am writing to congratulate you for your leadership in bringing H.R. 4, the Personal Responsibility Act, to the floor for a historic vote this

week. I would also like to clarify certain jurisdictional issues surrounding this unprecedented effort.

On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economic and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Agriculture Committee and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

As you know, Republicans have been working diligently to combine social programs with similar or identical purposes into block grants. The procedure has been to identify all the programs with a similar purpose, end the spending authority for all but one of the programs, and fund the resulting block grant at roughly the level of funding for all the constituent programs combined. Unfortunately, this common sense approach is not easily accomplished within the existing committee structure.

I want to thank you for agreeing to have the Committee on Ways and Means consolidate the Family Unification Program under your Committee's jurisdiction into the Child Protection Block Grant in Title II of H.R. 1157. I understand that in order to expedite Floor consideration of this legislation, your Committee will not be marking up this legislation.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards.

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, March 21, 1995.

Hon. WILLIAM F. CLINGER, JR.,
Chairman, Committee on Government Reform and Oversight, Rayburn House Office Building, House of Representatives, Washington, DC.

DEAR CHAIRMAN CLINGER: I am writing to thank you for your assistance in bringing H.R. 4, the Personal Responsibility Act, to the floor for a historic vote this week. I would also like to clarify certain jurisdictional issues surrounding this unprecedented effort.

On March 8, the Committee on Ways and Means favorably reported H.R. 1157 as its portion of welfare reform legislation. The Committee on Economics and Educational Opportunities favorably reported H.R. 999 on February 23. A leadership working group then combined these provisions, along with those of the Committee on Agriculture and others interested in welfare reform, into H.R. 1214. The text of H.R. 1214 will be considered as the base text for floor consideration of H.R. 4.

During its consideration of the child support enforcement title of H.R. 1157, the Committee on Ways and Means included a provision dealing with enforcement of the child support obligations of members of federal employees falling within the jurisdiction of the Committee on Government Reform and Oversight. I understand that in order to expedite Floor consideration of this legislation, your Committee will not be marking up this legislation.

Thank you again for your leadership and cooperation on this landmark legislation. With warm regards.

Sincerely,

BILL ARCHER,
Chairman.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 6 minutes to the gentleman from Tennessee [Mr. FORD], the ranking Democrat on the Welfare Subcommittee of the Committee on Ways and Means.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, we have now brought the welfare reform bill to the House floor, which is the Personal Responsibility Act.

Mr. Chairman, as we go through this bill over the next 5 hours tonight and as we take amendments on this bill tomorrow and maybe Thursday, we, as Democrats want to point out to the American people that what the Republicans have brought to this House floor is a bill that is weak on work requirements. The Republican bill does not put work first, and the Democrats, we have said all along, if we are going to reform the welfare system in this Nation, is that we must make sure that those who are able to work should go to work and that the State and the Federal Government should participate in making sure that we link welfare to work.

When we look at the Republican bill, there is no requirement that any AFDC recipient actually go to work. States can fulfill there work requirements by cutting people off the welfare rolls. They can meet that 50-percent requirement by the year 2003, yes, you just roll them off, no work requirements for the first 2 years.

Democrats are saying what we want is a self-sufficiency plan. The day that you enter the welfare office is that you will have to sign up in a self-sufficiency plan which means that the States would have a responsibility. We would also fund the States to make sure that they would have the moneys necessary to do just that. For the first 2 years, as I have said, under the Republican bill recipients need not work. There is no work requirement that would say to the States, "You must place someone in the work force," and after 2 years under the Republican plan, the State only has to obtain 4-percent work participation: after the 2 years, only a 4-percent work participation.

The Democrats think that Republicans ought to come together and let us pass a bill that would say to the able-bodied men and women on welfare that, "You must work, and we are going to assist you in placing you in the work force."

And when you look at the Republicans, they have no commitment to move people from welfare to work. They only move you off of welfare, and they will place the problem and the burden on the cities and counties and neighborhoods throughout America. No resources are provided under the Republican plan to help States provide education, training, and there is no child care under this bill.

Democrats offered amendments in the subcommittee and the full committee to say to those mothers who want to go to work that we guarantee a minimum child care component in the welfare reform package. Democrats, once again, we put people first through a self-sufficiency plan that will place them in the work force.

The self-sufficiency plan would put people to work immediately, and those recipients would be able to go to work, and if they needed education, training, and child care, the Democrats wanted to provide that. Democrats put work first, because we do not use caseload reduction to fulfill the work requirement.

And like I said earlier, Democrats want to include the private sector, to make sure that the private sector can help us create some of the jobs that will be needed in order to put people to work.

And let us go on a little further than that. Child support enforcement, it was the Democrats who insisted upon the Republicans bringing this provision of this title to the bill to the House floor. We are proud of the fact that you did included 90 percent of what the Democrats wanted, but the other 10 percent is what the children of this Nation are in need of.

Why not put the drivers's license, attach them to make it possible to hold up those licenses or to make sure that when you get a ticket, in one State and you do not pay it, is that your license will be revoked until that ticket is paid? We are saying the professional license, why not, in the child support enforcement bill.

I commend you, I say to the gentleman from Florida [Mr. SHAW] and the gentleman from Texas [Mr. ARCHER], for bringing the title to this bill that will address child support enforcement, but, you know, and we know as Democrats, that you did not go far enough.

Or when we look at how you want to punish children. I mean, why take infant kids, why should we take innocent kids, infant kids to say that because of the behavior of your parents you will be penalized? Why would we say to kids who are born to welfare families in America that we are going to penalize kids?

The rhetoric that the Republicans have given us in saying that we need to change welfare, we would agree with that, but there is no need of us saying that we will not link welfare to work and make work first in priority in a welfare package. Democrats want a welfare reform bill, but we want a bill that will send people to work, hopefully in the private sector.

We want to make sure that the day you enter into the welfare office that you sign up with a plan, and that will be a self-sufficiency plan that will put you to work, keep you in the work force, and for you to provide for your children and not be mean to children, I mean, just plain mean to children, like

this Personal Responsibility Act that is before this House today.

Mr. SHAW. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, today we begin taking the final steps to revolutionize welfare. We are keeping our pledge to the American people to replace the current failed system with one that encourages personal responsibility, family unity, and work.

Under our proposal dozens of programs are merged into block grants to provide States flexibility in meeting the cash welfare, child protection, child care, and nutrition needs of their residents. Overnight, States would have real incentives to get welfare recipients into work. States that are successful can save for recessions, expand child care, or invest in more job training. Individuals would have to work to keep cash welfare, food stamps and other benefits.

Working families will stop seeing Federal tax dollars subsidize behavior they know is destructive: Unmarried children will not receive welfare checks and an apartment if they have a baby; families already on welfare will not get added payments for having more children they cannot support; and aliens will no longer be eligible for several welfare benefits. Welfare will be transformed into temporary help, not a way of life.

Supplemental Security Income benefits are reformed to protect taxpayers and target help to the truly disabled. Drug addicts and alcoholics will no longer receive monthly disability checks because of their addiction. And by refocusing SSI children's benefits, we provide more help to severely disabled children while protecting taxpayers against fraud and abuse.

Child support enforcement is strengthened to achieve better coordination between States, surer tracking of delinquent parents, and more efficient collection of support. All agree that holding absent fathers accountable is critical to any real welfare reform, and our proposal does just that.

Under our proposal families on welfare are expected to work, just as taxpaying families must work to support themselves. So after a maximum of 2 years on welfare, and less if States choose, families must work or lose their welfare checks. After 5 years of cash welfare, families must become free of government dependence, period.

Despite these unprecedented changes, Democrats, who won the White House pledging to reform welfare and then did nothing for 2 years, are charging that Republicans are soft on work. This charge is simply incorrect, for numerous reasons.

Under the Democrat substitute offered by Congressman DEAL, States are required to provide 2 years of education and training, not work, for all recipients. So States like Massachusetts that want to get welfare recipients into work after 2 months, not 2 years, would be barred from doing so. As a result, the Deal substitute would prolong, not shorten, families time on welfare.

Further, under the Deal substitute, simply searching for a job satisfies the supposed requirement that people on welfare work first.

Finally, because the Deal substitute allows States to count everyone who leaves welfare as meeting the work requirement, the number of people required to work by the bill is actually lowered by 500,000 per month. Even if a State somehow found a way to fail to meet this so-called requirement, no penalty would result.

Whether these and other flaws in the Deal substitute are due to drafting errors, oversights, or intentional omissions, the effect is the same: the Deal substitute offers too little, too late on requiring work for those on welfare. This debate will bring that into focus for many of my colleagues who I know want to support real welfare reforms. Unfortunately, especially on work, the Deal substitute is right on rhetoric but wrong on substance.

It's not hard to see which bill provides real welfare reform—the Personal Responsibility Act. Our plan is nothing short of a revolution in social policy that replaces the current failed welfare system with one that will better meet the needs of the poor and get millions into work and off welfare. That is the only way to solve the welfare mess, and we are here to deliver on our promise to do just that.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN], a member of the welfare subcommittee, the Human Resources Subcommittee of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, you know, as I listened to the majority, this is, I think, very clear, Americans, the American people, want firmness. They do not want harshness. And you come across as harsh, harshly partisan, and also harsh on people and soft on work.

And let me explain why you are soft on work. It is very simple. The structure of this bill and other bills requires States to meet participation rights. It is a certain percent the first year, a certain percent the second year, et cetera into the next century.

Under the Republican bill, the States do not have to put a single person to work to meet participation requirements, not a single person. That is just the truth.

On page 22 of the bill it says that in plain English. And why does it say that? Because the majority bill does not provide any money to the States to help them put people on welfare to work. It was in your bill of a year ago. What happened to it?

You want to save money, I guess, for tax cuts for a privileged few instead of helping people get off of welfare into work. That is why you come across as soft on work, because you are, and that is why you come across as harsh, because you are. Firmness, yes; harshness, no.

And a rainy day fund? The Republican Governors themselves said $1 billion over 5 years is not enough to provide in cases of recession, in cases of inflation, and you just look the other way.

Now, why tough on kids? Look, we have done a lot of work on SSI. There is abuse in this program for kids. Some families are gaming the system, but most of these families are handicapped kids, parents struggling to provide a decent life for their handicapped children, and SSI says what you do to them; 21 percent would still qualify under the present program.

□ 1630

And the rest of them would be at the mercy of a State bureaucracy or off the rolls altogether. Those are the facts. You are going to eliminate from the rolls 700,000 kids by the year 2000.

Now, look, there is abuse, let us make that clear; but you are abusive in getting at abuse, you are harsh. You use a meat ax against handicapped children and their parents. And they say they do not want a bureaucracy, State or Federal, telling them what to do. They will account for the money, but they know best for their kids.

You turn your back on kids, you are soft on work, and that is why your bill is not worthy of passage.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to a member of the committee, the gentleman from Michigan [Mr. CAMP].

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Chairman, I thank the gentleman from Florida for yielding this time to me.

Mr. Chairman, we stand here today at the threshold of righting a wrong. We have the opportunity to reverse an injustice that has plagued this country for decades. We can, and will, fix a broker welfare system that has literally trapped generations of Americans in a cycle of dependency from which there is little chance of escape.

We must not let this opportunity pass.

The Committee on Ways and Means took testimony from 170 witnesses. No one defended the status quo.

So we know the current system is broken, but what's wrong with it?

First, it discourages work. Second, it fosters out-of-wedlock births. Third, it is anti-family. And fourth, by the Federal Government deciding on a one size fits all welfare system for everyone from Los Angeles to Boston, it is anticommunity.

In our welfare reform package, we not only encourage work. We demand it from able-bodied people. Those who can work will work.

Unlike the Democrats whose answer to work is temporary subsidized employment we give people the dignity of work.

Our package fights illegitimacy by not giving cash benefits to children having children. And let me preempt those who try to paint us as cruel or mean: Noncash benefits such as Medicare, Food Stamps and child care will continue, to ensure the child is cared for. But giving 15-year-olds cash payments so they can move out of their parents' home and into Government apartments or trailers, is the cruelest thing you could do to that young parent and their baby.

By encouraging independence and concentrating on keeping families together, we provide recipients dignity, opportunity, and hope. Three characteristics missing from the current system.

The other side of the aisle hold tight to their belief that Federal bureaucrats based here in Washington are somehow more compassionate, and more capable of caring for the needy. To hear them tell it, our communities, local governments, and Governors will starve the children and give the money to the rich. Drop the heated and false rhetoric and let go of the status quo.

Let us bring Government closer to home. The welfare needs in the Fourth District of Michigan are different from those in Detroit. Just as the needs in New York are different from those in Dallas. Let us give these communities the freedom and flexibility to create innovative new programs based on their specific needs. By cutting out the Federal middle-man, we can save 10 to 15 percent of administrative costs right off the bat.

We're not cutting welfare benefits; and in some cases we are increasing them. What we are cutting is bureaucracy and that is driving the defenders of big Government and redtape crazy.

By giving hope and opportunity, we again make welfare a safety net and a helping hand, not a life sentence to poverty.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MATSUI], a member of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. MATSUI. I thank the ranking member for this time.

You know, it is very interesting. I heard during the debate on the rule the gentleman from Delaware [Mr. CASTLE] say there is really not much difference between the different bills we have before us. Second, he also said that this is just the first step of the legislative process so that any imperfections or flaws could be changed as we move along.

I might just have to make a couple of observations. First of all, there is a big difference between what the Democrats are proposing and what the Republicans are proposing.

For example, on the issue of work, the Republican proposal, all they do is provide the same amount of resources currently existing in the system, they block grant it, send it to the States with very few restrictions or very few standards.

Well, how are you going to get people to work? We all know that in order to create jobs, in order to create people in the work force, you have to provide job training, you have to provide education, you have to provide day care and even transportation, because most of these people on welfare do not have cars. So you have to provide them bus tokens.

The Republican bill does not provide any of that.

Nevertheless they expect within 7 years to get 50 percent of the American people on welfare off of welfare to jobs. We know that is not going to happen. In fact, the reason the Republicans are making that proposal without any additional resources is because in 2 or 3 weeks on the floor of the House of Representatives we are going to be debating a tax bill. That tax bill will cut taxes by $188 billion over 5 years, or $640 billion over 10 years.

Bear in mind this is not going to go to the middle class. In fact, the top 1 percent of the taxpayers in America will get 20 percent of that tax cut, and those that make over $100,000 a year will get 58 percent of that $640 billion tax cut.

So this is not a program to move people from dependency to independence, from welfare to work.; this is a program basically to give tax cuts to the very wealthy. We knew they were going to do that when they took power on November 8, and they are doing it now. The American public should begin to realize that.

I might just conclude by making one final observation. We have a safety net in America. When a child is in an abused family, we put him either in foster care or provide adoption services to him. The Republicans are going to eliminate that program and block grant it. Those standards to the States—and you know the reason we had to do this in the first place was, in 1980, 1980, the States were doing such a terrible job with these children that we had to take over and set forth national standards. In fact, standards—little things, what they would call additional paperwork, things like providing medical records for the child when the child moves from one foster care family to another, or maybe the child's educational records.

That is what we are really talking about here. That is why this bill is mean-spirited and that is why this bill should not pass.

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MCCRERY], a member of the committee.

(Mr. MCCRERY asked and was given permission to revise and extend his remarks.)

Mr. MCCRERY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Personal Responsibility Act, H.R. 4, but I rise particularly, Mr. Chairman, to discuss the portion of the bill dealing with SSI disability for children.

This program has experienced explosive growth over the past few years. Since 1989, both the costs of the program and the number of children qualifying for the program have tripled. Why? Two things: First, this is the most sought after welfare program in America. The average monthly cash benefit of about $450 per child per month is the most generous cash payment in our welfare system. Second, a Supreme Court decision in 1989, the Zebley decision, radically liberalized the criteria under which children qualify for the program.

Besides the wasteful drain of taxpayer dollars, consider the harm this Federal program does to too many children. In testimony before a Federal commission studying this program, Dr. Bill Payne, a physician who oversees disability decisions in Arkansas, said, "There is no doubt in my mind that there are a lot of children that receive disability checks who are not really disabled at all."

Willie Lee Bell, principal of an elementary school in Lake Providence, LA, said students were refusing to perform academically so that they could qualify for disability checks. Mr. Bell told of a Lake Providence child who, prompted by a mother seeking SSI checks, fabricated a story of bizarre behavior so convincing that doctors committed him to a mental hospital, fearing that he was a threat to his family. A psychologist in another Louisiana Parish, Ray Owens, also said that parents were coaching children to do poorly, saying "The children are being doomed to failure."

Mr. Chairman, this is an abused program which begs for reform. Thankfully, some Democrats have also recognized the need for reform. I want to thank Mr. KLECZKA and Mrs. LINCOLN, particularly, for their assistance in researching the problems in this program and in helping to craft a thoughtful response to those problems.

The solution to the explosion in the growth of this program, Mr. Chairman, and to the harm it is doing to otherwise healthy children, is to overturn the Zebley decision, and to offer cash payments to only the most severely disabled children who, absent the cash assistance, would have to be institutionalized. For other, less severely disabled children, we will provide medical and nonmedical services designed to cope with the child's disability. These changes in SSI disability for children will restore integrity to this out of control Federal program, while providing even more helpful resources to the most severely disabled children in need.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. CARDIN], a member of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. CARDIN. I thank the ranking member for yielding this time to me.

Mr. Chairman, both Democrats and Republicans want to end the welfare system as we know it today. Both Democrats and Republicans understand the need to enact new legislation.

But there is a major difference on how the Democrats and Republicans want to proceed on ending our current welfare system. The Democrats want to require work, to get people off of welfare, to work. The Republicans reward States for doing nothing.

The requirements on the States under the Republican bill states that they are successful if they get a person off welfare even if that person does not become employed, even if that person becomes a ward of local government. The Republican bill rewards the States.

The Republican bill is weak on work. The Democrat bill is tough on work.

Both Democrats and Republicans establish national standards the States must meet in order to participate. Make no mistake about it. It may be a block grant, but the States still have requirements they must meet. The Republican bill micromanages the plans of the States by requiring the States to meet certain tests as they relate to teenage moms, how the States handle family caps.

The Democrats establish national standards on work. It requires the individual able-bodied person to work. It requires the States to have programs so that people can work.

The Republican bill does not provide the resources to the local governments. Even though H.R. 5 did, there was a change made. The Republicans all of a sudden needed some money for a tax cut. So they cut the program even though they know it is needed. The Democratic bill provides the resources so the States can provide the programs to get people back to work. That is, day care, health care benefits so that welfare people can work. The Republican bill dumps the problems on local governments.

We have a clear choice. The Republican bill gets people off of welfare, the Democratic bill gets people off of welfare. The Republican bill gets the people off welfare to nowhere; the Democratic bill gets people off welfare to work.

We are going to have a chance to come together, Democrats and Republicans, during this debate. It is called the Deal substitute, sponsored by the gentleman from Georgia [Mr. DEAL]. It is an opportunity for us all to come together on a bill that is tough on work, gets people off of welfare but gets them to work, rather than becoming a ward of our local governments. I urge my colleagues to support the bill that will be offered by the gentleman from Georgia, Congressman DEAL.

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. ZIMMER], a member of the committee.

(Mr. ZIMMER asked and was given permission to revise and extend his remarks.)

Mr. ZIMMER. I thank the gentleman for yielding this time to me.

Mr. Chairman, as we debate the Personal Responsibility Act, I hope we do not lose sight, in all of the rhetoric, of why we are here in the first place. We are not here because restructuring welfare will save Federal dollars, even though a bankrupt Nation cannot feed its children or protect its needy. We are here because welfare as we know it is an unmitigated failure and, if we do not uproot it, we will condemn literally millions of children to a life without hope and without access to the American dream.

□ 1645

The Personal Responsibility Act is not a perfect document. But it reflects the determination and courage of a new majority to address a critical problem that, until now, has simply not been a priority for Congress.

What it proposes is very straightforward:

It asks that people assume ownership of their own lives and not always expect others to pay for their mistakes.

It asks that parents be parents and that both mothers and fathers take responsibility for the children they have brought into the world.

And it asks that we, as a society, reestablish certain values that we agree must guide us—including both compassion and individual responsibility.

What the Personal Responsibility Act does not do is perpetuate three mistakes that have made the current system such a disaster: First, it does not assume that simply pumping more money into a failed system will make it work.

Second, it does not assume that patchwork efforts such as demonstration projects and pilot programs, which have taken the place of reform in the past, will add up to real reform. It proposes systemic reform instead.

Third, it does not assume that Washington knows what is best for everyone. Rather it restores to the States the power to make decisions about the needs of their own people.

No one can guarantee that welfare programs run by States will outperform those run by Federal bureaucrats, and that unknown is what has caused much of the apprehension about this bill, I think. But one thing I do know is that no State can mess up welfare as badly as the Federal Government has done. It is time to let innovation by the States take hold and give it a chance, and it has begun to succeed in many States, including my own State of New Jersey.

There are millions of men, women, and children now receiving welfare in our country. Among them are countless families who are now trapped in a system that was supposed to help free them and countless individuals who have been forced to trade self-reliance and self-respect for dependency as the price for receiving help.

Mr. Chairman, we can do better, a lot better. We must do better, and that is why the Personal Responsibility Act is before us today.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. LEWIS], a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Chairman, I rise in strong opposition to this mean-spirited Republican bill. It is cruel. It is wrong. It is down right low down.

The Republican welfare proposal destroys the safety net that protects our Nation's children, elderly, and disabled. It is an angry proposal, a proposal devoid of compassion, and feeling.

Hubert Humphrey once said that "the moral test of government is how that government treats those who are in the dawn of life-the children; those who are in twilight of life—the elderly, and those who are in the shadow of life—the sick, the needy, and the handicapped."

Mr. Chairman, this welfare proposal attacks each and every one of these groups. It takes money out of the pockets of the disabled. It takes heat from the homes of the poor. It takes food out of the mouths of the children.

I am reminded of a quote by the great theologian, Martin Niemoller, during World War II:

In Germany, they came fist for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up.

Mr. Chairman, this Republican proposal certainly isn't the Holocaust. But I am concerned, and I must speak up.

I urge my colleagues, open your eyes. Read the proposal. Read the small print. Read the Republican contract.

They are coming for the children. They are coming for the poor. They are coming for the sick, the elderly, and the disabled. This is the Contract With America.

I say to my colleagues—you have the ability, the capacity, the power—to stop this onslaught. Your voice is your vote. Vote against this mean-spirited proposal; raise your voice for the children, the poor, and the disabled.

A famous rabbi, Rabbi Hillel, once asked, "If I am not for myself, who will be for me? But if I am only for myself, what am I?"

What am I, Mr. Chairman?

I am for those in the dawn of life, the children. I am for those in the twilight of life, the elderly. I am for those in the shadow of life, the sick, the needy and the handicapped.

Yes, I am proud to be a liberal Democrat. I stand with the people and not for corporate interests.

Mr. SHAW. Mr. Chairman, I yield myself 20 seconds.

Mr. Chairman, I would like to say to the gentleman on the floor, the gentleman from Georgia [Mr. LEWIS]. There is no one in this House that I have had more respect for than you. But for you to come on this floor and compare the Republicans to the reign of the Nazis is an absolute outrage, and I'm surprised that anybody with your distinguished background would dare to do such a horrible thing.

Mr. Chairman, I reserve the balance of my time.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would tell the visitors in the gallery that, while we welcome you to enjoy these proceedings, you are not supposed to be involved in them, and, any more applause, and we will have to empty the galleries.

Mr. GIBBONS. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I can only repeat the old truth: "Sometimes the truth hurts."

Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Chairman, I believe restoring American's trust in government is the single greatest challenge facing this Congress. The American people are perilously close to losing their faith in this institution and its Members' ability to effectively govern.

The American people feel we have been too consumed with preserving and promoting government rather than the will and liberties of the governed. Many have come to feel that the Washington Beltway which encircles this capital city has become a physical barrier to real change.

One need look no further than our welfare system to find an illustration of the disconnect between the people and their government. Reforming welfare is not a revolutionary idea. Reform has been kicked around for more than a decade.

I would say, Mr. Chairman, that one would be hard pressed to find anyone who does not support the idea of welfare reform. In fact, one could almost be so bold as to assert that there is unanimous support for welfare reform.

Thus, the need for welfare reform is not in dispute. The issue which this House must resolve over the next few days is which direction do we head, how far do we go, and which is the best way to get there.

Some look at welfare and see a system which penalizes marriage and robs individuals of their initiative, motivation, and self-esteem. They contend that recipients are not opposed to work and would love to work but the current system is too bureaucratic, too oppressive, and prevents recipients from working. They feel that welfare can be transformed and recipients can be given new life if the Federal, State, and local governments will only remove the obstacles to work, empower the people, and provide the means and tools by which recipients can become self-sufficient.

But, there are an equal number who feel that the current system is built on the notion of getting something for nothing, that the system is plagued with fraud and abuse, and leaves them wondering why their hard-earned dollars continue to support this bureaucratic nightmare. They support tough measures that require recipients to do something to get benefits. They feel that the solution lies in turning the welfare programs over to the States with little or no influence by the Federal Government.

The States, cities, localities, and counties which administer welfare programs argue that they are faced with the prospect of providing to a growing population while dealing with inflexible rules and regulations and a chronically insufficient supply of funds.

And what do I see?—I see all these things.

Government has failed! Something must be done.

I believe that neither argument is entirely right or wrong and that on the whole these arguments all have merit. That is why I joined five of my colleagues in drafting a bill of our own. We sought the middle ground, a truly centrist position, a compromise between these diverse schools of thought. I believe that we have achieved our goal.

We will bring a substitute, known as the Deal substitute, which will not simply reform the current system but replace it with a partnership of mutual responsibility.

Our proposal is based on three fundamental principles: Work, individual responsibility, and State flexibility.

The cornerstone of our plan is work. Our substitute places an emphasis on moving recipients into the private sector as soon as possible, includes real work requirements, and fulfills the pledge that recipients must be working. We require recipients to complete a minimum number of hours of work or work-related activity each week to receive benefits. We deny benefits to any recipient who refuses a job or refuses to look for a job. And in exchange, we remove all incentives which make welfare more attractive than work and remove the biggest barriers to work—health care and child care. In short, we guarantee recipients that if they will go to work we will provide the money and take all the necessary steps to ensure that recipients have a real opportunity to become self-sufficient.

Our second principle, individual responsbility, is based on the notion of tough love. I have two beautiful daughters. Elizabeth who is 13 and Rachel who is 11. My wife and I love our daughters dearly and have tried to instill good values in them. We have taught them the difference between right and wrong and trust they will make the right decisions. And we make every effort to nurture them and see that each receives the attention and encouragement they need. But, as every parent knows, no matter what you do, there comes a time when your children must be disciplined. Elizabeth and Rachel know that we have rules which must be followed, and that my wife and I have certain expectations of them. They also know that they will be held accountable if these guidelines are not adhered to.

Our bill takes this same approach. We make every effort possible to ensure that each recipient has a real opportunity to return to the work force permanently. In return, we ensure that they are aware that there are specific expectations of them and that they will be held accountable for their actions and disciplined when necessary.

Specifically, every recipient must sign an individualized contract designed to move them into the work force. Each recipient must complete 30 hours of work and 5 hours in job search during the Work First Program and 35 hours of work and 5 hours of job search during Workfare. Minor parents will be denied public housing and must live at home with a parent or responsible guardian. And, States would have the option of implementing a family cap. If recipients fail to meet any of these requirements, they will have violated the agreement and the partnership will be terminated. We don't just stop with recipients—we also include strong child support enforcement provision which will require noncustodial parents to live up to their responsibilities.

Our third principle reaffirms our belief that it is not the Federal Government but the frontline administrators of these programs which best know the needs in their respective States and localities. For this reason we give the program back to the States. But, unlike other proposals, we do not simply shift the burden to the States and run away. We believe that as it is a federally mandated program, the Federal Government has a responsibility to ensure that the States have someone to turn to for support and assistance. Our bill includes general criteria to guide the States in developing their work programs; however, beyond the broad criteria, States are given a tremendous amount of flexibility.

For example, under our substitute, States would have the flexibility to develop programs to move individuals into work, flexibility in funding, the freedom to pursue innovative approaches and we consolidate and coordinate programs to give States more latitude.

But we do not stop there. In addition to work, responsibility and State flexibility, we also eliminate the fraud and abuse in the Food Stamps Program,

make work pay, consolidate and strengthen existing child care and health care, making these services available to more individuals. We streamline and reduce the bureaucracy by allowing States to circumvent the burdensome waiver process. We eliminate SSI for drug addicts and alcoholics. We reform and revise SSI for children in a fair and equitable manner which eliminates the fraud and abuse, controls growth, and ensures due process for each and every child currently on the rolls, ensuring that no qualifying child loses benefits.

We have a wonderful opportunity to make a real difference in the lives of thousands of individuals. The President, the Congress, and the person on the street all agree that the current system is not working.

Mr. Chairman, in short, our substitute is a responsible, workable approach which maintains the Federal responsibility without simply shifting the burden to the States. Recipients will be required to work for benefits, but there is an absolute time limit for receipt of these benfits. Our plan provides the best opportunity for welfare recipients to become productive members of the work force. We provide States with the resources necessary to provide this opportunity without incurring an additional fiscal burden.

I would remind my colleagues that the American people are watching. They are skeptical. Welfare reform provides a real opportunity to make meaningful changes and demonstrate to them that we can still govern effectively. We must not allow this golden opportunity to pass us by—to do so would be a tragedy.

I for one intend to support the only responsible welfare reform bill and urge my colleagues to do the same—support the Deal substitute.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Washington State [Mr. MCDERMOTT], a member of the Committee on Ways and Means.

Mr. MCDERMOTT. Mr. Chairman, three times in the Gospel the story is told about our Lord, the children being brought to him, and the story is, of course, that the parents are trying to bring the kids to Christ, and Christ said, "Suffer the little children to come unto me as long as your mother is over 18 and she's married."

Now, Mr. Chairman, my colleagues know that is not true, and this bill is the most cruel and shortsighted view in public policy I have seen in 25 years. The first 2 years of life are the years when children develop what they are going to be for the rest of their life. I say,

If you don't take care of them with Medicaid, if you don't take care of them with health care and food supplements during that period of time, you doom them to a life of difficulties in this society.

Mr. Chairman, many of our Republican colleagues would like us to believe that most welfare recipients get on welfare because they do not want to work, and they stay on because welfare recipients are just being lazy. I think it is just the opposite. I think most people get on welfare due to unforeseen circumstances, and those that remain do so not because they are lazy, but because they are not smart enough to know—they are smart enough to know it is not the best option for them. Welfare recipients know their option. They know if they work, even with the earned income tax credit, that just does not make it.

Let me lay out the example:

A young woman with three kids goes out and gets a job at a gas station making the minimum wage, $4.25 an hour. She works all year. She makes $8,500. With the earned income tax credit on top of that, of $3,000, she makes about $11,500. The poverty line in this country established by the government and accepted by all for a family of four in 1995 is $15,000. Now that is $3,500 more than she makes. If she works the whole year, she will have 75 percent of the poverty line. She will not have health care benefits. She will not have day care.

Mr. Chairman, to say to her, "Leave your kids at home, lady; go on out, and get a job, and don't have a chance to take your kids to the doctor," simply is not a reasonable thing to expect of anybody.

Now this situation is not unusual. According to the Bureau of Labor Statistics, Mr. Chairman, 4.2 million people in this country, paid by the hour, earn at below the minimum wage. Furthermore, the percentage of working families that are poor has risen. In 1976 the percentage of families with children that had a parent working that was below the poverty line was 8 percent. In 1993, Mr. Chairman, it is up to 11 percent.

Now the Republican response in this bill? This bill is a bad bill as it sits here, responds to that situation to make welfare look so mean and so severe that makes working full time at 75 percent of poverty look like a good deal. I think that instead of making welfare tougher we should make welfare or work pay. That means we have to raise the minimum wage.

Mr. Chairman, I would oppose the bill as it stands.

□ 1700

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a member of the committee.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise in support of H.R. 4 because I think after 30 years and $5 trillion, the taxpayers and welfare recipients deserve better. We need fundamental changes. We need a system that does not trap welfare recipients in an endless cycle of dependency.

I cannot believe that Members can come to this floor and say this bill is cruel or mean-spirited. It is those who protect the current system that are cruel. They believe that bureaucrats administering a one-size program that fits all know how to run a system better than State and local communities.

The bill is tough, but it is fair, and we ask those on welfare to work in return for benefits. We insist fathers live up to their responsibilities, and we quit giving cash to those who continue to have children while on welfare. We ask families and people to be more responsible, be responsible Americans. That is not cruel, that is true compassion.

I also want to set the record straight on funding. Under this bill we increase funding, we increase funding, I want to repeat, we increase funding. Look at this chart. CBO baseline spending goes up over the next 5 years. We are increasing spending, according to CBO estimates, $1.2 trillion over the next 5 years, helping people escape the welfare trap.

You know the difference in those two lines? Earlier estimates said we were going to raise spending 53 percent. You know what? We are doing what the American people wanted us to do, and that is reduce spending. We are cutting the increase to 42 percent. Goodness gracious. If you cannot stand a 42-percent increase in spending, if your own budget could stand that, I defy you to say there is something wrong with that. We are not taking money away from anybody. We are increasing as the need requires.

This bill targets money to the most needy, gives the States the ability to create their own solution. This bill is fair. It is real reform. Talk is cheap. The Democrats have proven that.

It is time to act. It is time to repeal and reform the welfare program. Vote against big government, and let us help Americans help themselves to have a better future.

Mr. GIBBONS. Mr. Chairman, I yield myself 20 seconds.

Mr. Chairman, please do not take the chart away. Let me point out what is wrong with it. It does not take into consideration inflation that is endemic in the American economic system. It does not take into consideration growth in population. That chart is just useless.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. COYNE], a member of the Committee on Ways and Means.

Mr. COYNE. Mr. Chairman, I rise in strong opposition to the welfare reform package brought to the floor today by the Republican majority.

This mean-spirited attack on children and poor families in America fails every test of true welfare reform.

The Republican bill is tough on children and weak on work. This plan will punish children who happen to be born into poverty. At the same time, this plan cuts child care funding and other programs that are essential if an adult on welfare is to get a job and leave the welfare rolls.

Instead of fixing welfare and moving Americans from welfare to work, the

Republican bill is simply an exercise in cutting programs that serve children, the disabled, and families living in poverty.

What can possibly be the motive for launching such a cruel attack on the children of America? The answer is the Republican majority will cut programs for the poor to provide tax cuts for the wealthy. Cuts in child care, school lunches, and programs for the poor will be used to finance tax breaks like the capital gains tax cut. We are literally short-changing America's children to give tax breaks to individuals with incomes over $100,000 a year.

The Republican bill will punish over 15 million innocent American children. It would punish children who are born out-of-wedlock to a mother under the age of 18. It punishes any child who happens to be born to a family already on welfare. This bill does not guarantee that a child will have safe child care when their parents work. It cuts SSI benefits to over 680,000 disabled children. Under this bill, State accountability for the death of a child is limited simply to reporting the child's death. Finally, this bill adds to the injuries of abused and neglected children by cutting $2 billion from Federal programs to care for these children.

Americans must ask what will happen to these children? The result, without a question will be an increase in the number of children who go to bed hungry.

The Republican bill will increase the risk of a child in poverty suffering from abuse and neglect. And yes, the result will be that some mothers who want to give birth to a child will be pushed to consider ending their pregnancy.

The Republican bill is a cruel attack on America's children but it also fails to provide the essential tools needed by parents who want to move from welfare to work. A mother who takes a minimum wage job can only do so if she has access to safe child care. Unfortunately, this bill will cut Federal funds for child care by 25 percent in the year 2000. This means that over 400,000 fewer children will receive Federal child care assistance. Pennsylvania alone will lose $25.7 million in Federal child care assistance funding by the year 2000. That means that over 15,000 children in Pennsylvania will be denied Federal assistance for safe child care.

The legislation will result in America's poor children being left home alone. Mothers who are required by the State to work will no longer be guaranteed child care. States that seek to provide child-care assistance will have to make up for Federal child care cuts by raiding other State programs or increasing State taxes.

Again, the Republican bill is tough on children and weak on work. It allows States to push a person off the welfare rolls and then count that person toward meeting the Republican's so-called work requirement. There is no requirement for education, training, and support services for individuals who need help moving from welfare to a job. In fact, nearly $10 billion for job training programs have been cut from the first Republican welfare plan. Apparently these funds were needed more to pay for tax cuts for upper income Americans.

Mr. Chairman, the Republican plan is not welfare reform. It is a cruel attack on children that fails to solve the welfare mess. I urge that the House reject the Republican plan.

Mr. SHAW. Mr. Chairman, I yield 3½ minutes to the gentlewoman from Washington [Ms. DUNN], a member of the committee.

Ms. DUNN of Washington. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, today we have a great opportunity, an opportunity to overhaul a welfare system that is currently failing millions of Americans, an opportunity to restructure the welfare program to work effectively, and, I believe, with lots of thoughtfulness, to work compassionately.

Over the last few months, members of the Committee on Ways and Means have heard from hundreds of witnesses from President Clinton's Secretary of Health and Human Services to many of the mothers who live on welfare. Every witness, Republican, Democrat, liberal, conservative, every single one of them has told us that the current welfare system is an unmitigated disaster.

Yet during these days as we work hard to redesign this system, I continue to be disappointed by the tone of the opposition's rhetoric. Opponents of this bill assert that the reform-minded Republicans want to change the welfare bill only to save money, regardless of how it would affect the poor.

Make no mistake, Mr. Chairman, our changes save money, nearly $67 billion over 5 years. But to my friends who say that these savings will help the poor, I ask, how much good has the $5 trillion that we have spent in the last 30 years on the welfare program done to solve or even lessen America's poverty?

Could it be that it is not the amount of money that we are spending that is wrong, but rather the way in which we spend it? To the liberals in Congress, I salute your intentions. You, too, want to help the poor, those people who truly do need our help. But the welfare system you built is a failure.

The welfare mothers whom I met with last weekend in my district at a Head Start meeting told me that the welfare system, or AFDC, is a negative system that pulls people down and robs them of their self-esteem, and too often devalues them and their ability to be productive members of our community.

Today we begin the process of lifting the weight of the old welfare system from the backs of America's poor, the reevolvement of America's welfare systems. We are removing the perverse incentives that encourage people to go on to welfare and, once they are on there, that capture them and keep them on an endless cycle of dependency of government.

The status quo fosters government dependency while our proposal fosters personal responsibility. And it provides the hope of work and the promise of self-respect. We want to give people self-respect. We want to restore their self-esteem through the dignity of holding a job. We want to provide them with day-care and medical benefits that can help them again become productive citizens of our society.

Mr. Chairman, we are a nation of great wealth and compassion, but we are neither compassionate nor wise when we spend $5 trillion over 30 years and still allow so many Americans to remain trapped in this endless and hopeless cycle of poverty. It is lunacy to continue with the liberal welfare system that promises only the likelihood of a life with more crime, less education, and lifelong government dependency.

Mr. Chairman, I have no doubt by the end of this week we will pass a bill that offers people a hand up and out. And to my colleagues on both sides of the aisle, this week we have the opportunity to truly end welfare as we know it.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY] a member of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Chairman, whatever we do in welfare reform, there are some things we should not do. And one thing we should not do is dismantle the nutrition programs that are working so well around the country.

H.R. 4 would eliminate the School Lunch Program and other nutrition programs, replacing them with block grants. Proponents keep saying this will not make a difference.

But if they are right, then why do the child care and child nutrition block grants have a 5-year change that picks up $11.8 billion? Something has to change, and I am afraid that it will be the whole point of the program—its nutritional value.

The same goes for food stamps. This country has been blessed with abundant farm land. It has been said we could feed the world. With the suggested changes in welfare and other budget changes such as the elimination of more than $7 billion in fuel assistance program and more than $2 billion in low-income housing, food stamps become more important.

Yes, we should get rid of waste and fraud. Yes, we should prosecute those who traffic in food stamps. But do not take food stamps away from those who need them.

Changes such as eliminating benefits for children born out of wedlock and their mothers make food stamps more important for a healthy child. If people lose benefits and can't find a job, food stamps are important.

Let's not risk our children's health and education by enacting a cut-and-run nutritional block grant to replace a successful Federal nutritional program.

Also, let us not get rid of national standards. In the School Lunch Program, the elimination of standards put

at risk the whole point of the program—providing nutritional meals.

And I am very worried about the elimination of minimal standards in child welfare programs, which will be even more underfunded and overburdened if these block grants happen and could mean increased numbers of abused children.

Minimal Federal standards have been adopted in the past because we believe there is a national interest in protecting children. Let us not forget that important point in the rush to pass welfare reform.

I strongly suspect H.R. 4 started off in the right direction when it was first conceived. I am sure that there were substantive conversations about the need for child care, training, and work.

But it is no surprise that those deliberations changed when it was realized that real welfare reform is very hard to do. It is certainly much easier just to send the entire problem back to the States and take the $64 billion in savings and use them off the top to pay for tax cuts.

I am also worried about taking children off disability. Yes, there has been abuse, particularly in Arkansas and Louisiana, but fix the abuse. When I read the bill, it takes 250,000 off the rolls. There were not 250,000 abusers. God help the family that has a truly disabled child.

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a member of the committee.

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I rise in support of H.R. 4, the Family Responsibility Act, and I urge my colleagues to support it. I urge them to vote in supporting it, to reduce dependency, to slash bureaucracy, to promote personal responsibility, and to strengthen families.

Our legislation maintains the safety net for the poor, but in reforming the welfare system, it will sound the death knell for the failed liberal welfare state.

Our bill is a mainstream approach, and I urge Members not to be deluded by the harsh, partisan, intemperate rhetoric they have heard here today. Our bill is tough on bureaucracy, not on kids. Our bill is cruel to the status quo, not the under class.

I heard my colleague from Michigan characterize this bill as extreme. Perhaps in Washington it is considered extreme to give power to the States instead of elevating the HHS bureaucracy. But this I believe is a mainstream proposal. It is also a compassionate proposal.

□ 1715

The current welfare system is not compassionate and we need to stop measuring compassion by how many checks we cut, by how many bureaucrats we employ, by the size of our appropriations. Instead, we need to start measuring compassion by how few people are on AFDC and on welfare and on food stamps and by the access every child has to hope, to independence, and to opportunity.

We have offered here, in my view, a tough love approach to welfare reform. It is a sound one. Our reform plan has a tough work requirement that will reintroduce many families to the dignity of work. Our bill stops subsidizing out-of-wedlock births. Our bill establishes real time limits to welfare, 2 years, and then up to 5 years, if someone stays in a work program. And talking to people in my district, they feel those time limits are fair.

Our bill cracks down on deadbeat dads with tough new child support enforcement. Our bill links welfare rights to community responsibilities and cuts bureaucracy, consolidating a Byzantine maze of Federal welfare programs into four flexible block grants.

Our legislation bars cash to unwed parents but it provides other services to those parents. And our bill guarantees funding to the States so that they will be able to provide those services.

Mr. GIBBONS. Mr. Chairman, I yield 10 seconds to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, the gentleman from Pennsylvania talked about the Republican bill, H.R. 4, having these tough work requirements. I just want to know, what page are these tough work requirements on in this bill? We need to see them.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. PAYNE], a member of the Committee on Ways and Means.

Mr. PAYNE of Virginia. Mr. Chairman, Republicans and Democrats alike agree that the current welfare system does not work. Instead of requiring work, it punishes those who go to work. And instead of instilling personal responsibility, it encourages dependence on the Government; instead of encouraging marriage and family stability, it penalizes two-parent families and rewards teenage pregnancies. We all agree that welfare must be drastically changed and that welfare should only offer transitional assistance leading to work and not a way of life.

That is why I wish to speak on behalf of the Deal substitute to the Republican bill, because we, the cosponsors of the Deal substitute, are committed to making major changes in our Nation's welfare system.

We support welfare reform that emphasizes work, personal responsibility, and family stability. The Deal substitute imposes tough work requirements while providing opportunities for education, training, child care, and health care to support working people.

It provides States with the resources necessary for welfare reform to succeed without shifting costs to local governments or requiring unfunded mandates. And it gives States the flexibility to design and administer the welfare programs they need without sacrificing accountability to the Nation's taxpayers.

Real welfare reform must be about replacing the welfare check with a paycheck. The Deal substitute's time-limited work first program is designed to get people into the work force as quickly as possible, requiring all recipients to enter into a self-sufficiency plan within 30 days of receiving benefits.

The Republican welfare reform bill allows recipients to receive cash benefits for up to 2 years before they are required to work or even to look for work.

The Deal substitute provides the necessary resources for welfare recipients to become self-sufficient, but it also requires recipients to be responsible for their own actions by setting clear time limits on benefits. And no benefit will be paid to anyone who refuses to work, who refuses to look for work, or who turns down a job.

In addition to making individuals responsible for their own welfare, we demand that both parents must be responsible for their children. The sponsors of the Deal substitute recognize that in order to reform welfare, States must have the flexibility to design and administer welfare programs tailored to their unique needs and their own circumstances.

We believe that the States should not have to go through a cumbersome Federal waiver process in order to implement innovative ideas in their welfare programs. So the Deal substitute establishes the Federal model for the work first program.

I believe the Deal substitute is the only welfare bill which gives the American people what they really want, and I urge my colleagues to support this bill.

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from Nevada [Mr. ENSIGN], a member of the committee.

(Mr. ENSIGN asked and was given permission to revise and extend his remarks.)

Mr. ENSIGN. Mr. Chairman, one of the most difficult tasks to perform in the Federal Government is to propose fundamental change to a Federal program. The most difficult task is actually to go about making this change law. A Federal program is like a huge cargo ship. As long as the ship is slowly laboring ahead on a set course, it may operate relatively well. When the time comes to change course, however, the size and speed of the vessel create tremendous momentum making the change of course difficult.

Of course, the longer that change is delayed, the more off course the ship gets, requiring more significant and more difficult and painful changes.

The other night on CBS, there was a welfare documentary. Dan Rather, who is not exactly known for his conservative thoughts, was the host of that documentary. And I found it very interesting.

There was a single mom. She was in a wheelchair, making $15,000 a year.

They interviewed her. And she questioned why someone should be receiving welfare when she worked. She was in a wheelchair. She worked making $15,000 a year. Her health care was not provided for her, and she resented her tax dollars going for somebody else to be on welfare.

The interviewed another young woman who had gotten off of welfare into work. And the pride that she now took of having her young children see her go every day into work.

I grew up with a single mom. There were three of us at home. My father provided no child support when I was young. And I watched my mom get up every day and go to work. That is what we need in this country is to have children watching their parents go to work on a daily basis.

This welfare reform bill will help ensure that people go to work.

During that same program that Dan Rather hosted, they had two welfare moms on that program. And they asked them, if you knew that your welfare payments were going to stop in a couple years, what would you do? The response was immediate, both of them said, well, I would go out and get a job.

We had testimony in front of the human resources subcommittee from a woman who counsels welfare recipients. She asks every one of her classes, what would you do if you knew that your welfare payments would end tomorrow? Every single one of them in her classes respond by saying, I would go get a job.

People say that the work requirements are not tough in this bill. Well, I am sorry, but I think that they are. If after 5 years you can no longer get any kind of welfare benefits, I think that that is a pretty tough work requirement, because work is a lot better than going hungry.

I rise in support and urge my colleagues to support H.R. 4.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. BREWSTER], who until this last election was a member of the Committee on Ways and Means but has to withdraw because of the ratio.

(Mr. BREWSTER asked and was given permission to revise and extend his remarks.)

Mr. BREWSTER. Mr. Chairman, I rise in opposition to H.R. 4, the Personal Responsibility Act, and ask my colleagues on both sides of the aisle to support the Deal substitute.

I want to commend my colleagues for developing a comprehensive welfare reform proposal which I believe is the only real alternative for replacing the welfare check with a paycheck. I am a strong advocate for welfare reform. Unfortunately, our current system rewards beneficiaries for staying on welfare.

Welfare recipients are often penalized when they get a job because they often have less money than they had while on welfare.

The Deal substitute guarantees that those who can work will work. The substitute ensures that a welfare recipient is better off economically by taking a job than by remaining on welfare.

The substitute provides transitional assistance in health care and child care, and it also improves outreach efforts to ensure that both recipients and employers make use of the earned income tax credit.

I would urge my colleagues on both sides of the aisle to support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS], a most important and valuable member of the majority in putting together this bill and one of the first advocates for the block grant approach.

Mrs. MEYERS of Kansas. Mr. Chairman, I am so pleased to be able to support this welfare reforms bill, the Personal Responsibility Act. I believe that welfare reform is simply the most important issue facing our country today. Welfare reform must be done. We all know this. And I would like to talk today for just a minute about the incentive nature of the current program.

Within the next 5 years, if we do nothing and continue our growth rate as it has been, over 80 percent of minority children and 40 percent of all children in this country will be born out of wedlock. Unmarried women who bear children out of wedlock before finishing high school are far more likely to go on welfare and stay there for at least 8 years. That is why more than 2 years ago, I began pushing to end cash benefits to teenagers who have a child out of wedlock because what had started as a helping program had become an incentive.

For the past 30 years our welfare system has sent a message to young women that the Federal Government will make it okay. If you have a child out of wedlock, the Government will give you $500 a month AFDC, $300 a month food stamps, pay all your medical bills. In many cases, find you a place to live and pay for it. In many cases, send you to a job training program or even a college, pay for your child care and your transportation.

This bill is not cruel and mean spirited. What is really cruel is the current incentive that pulls young women into the system and holds them forever in this cruel trap. That is mean spirited. That is cruel to both young women and their children.

We should continue our commitment to the vulnerable and the needy, but it is high time our Federal welfare policies reflected that goal.

Mr. GIBBONS. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, the current welfare system is at odds with the care values Americans share: work, opportunity, family, and responsibility.

Too many people who hate being on welfare are trying to escape it—with too little success.

It is time for a fundamental change.

Instead of strengthening families and instilling personal responsibility, the system penalizes two parent families, and lets too many absent parents who owe child support off the hook.

Our society can not—and should not—afford a social welfare system without obligations.

It is long past time to "end welfare as we know it."

We need to move beyond political rhetoric, and offer a simple compact that provides people more opportunity in return for more responsibility.

I have a few commonsense criteria which any welfare plan must meet to get my vote.

It must require all able-bodied recipients to work for their benefits.

It must require teenage mothers to live at home or other supervised setting.

It must create a child support enforcement system with teeth so that deadbeat parents support their children.

It must establish a time limit so that welfare benefits are only a temporary means of support.

It must be tough on those who have defrauded the system—but not on innocent children.

And it must give States flexibility to shape their welfare system to their needs, while upholding the important national objectives I have just listed.

The Republican bill fails to meet these criteria.

The Republican bill is weak on work.

It only requires 4 percent participation in fiscal year 1996, far below the current rate established under the 1988 Family Support Act.

It is outrageous that any new work requirement would fall below current law.

The Republican bill denies benefits to children of mothers under 18.

We must make parents—all parents—responsible for taking care of their own children.

But denying children support is not the best way to do that.

Instead, teenagers should be required to demonstrate responsibility by living at home and staying in school in order to receive assistance.

The Republican bill is tougher on children than it is on the deadbeat dads who leave them behind.

The Republicans waited until the last moment to put child support enforcement provisions in their bill—and then removed the teeth that can bring in more than $2.5 billion (over 10 years) for kids.

Instead of attacking deadbeats, the Republican bill attacks children.

It eliminates the guarantee that every child in this country has at least one good meal a day.

Despite rhetoric to the contrary, the Republican bill cuts spending for child nutrition programs $7 billion below the

funding that would be provided by current law.

Instead, kids' food money will be used for tax cuts for the rich.

Funding for the Women, Infants and Children Program is also reduced—and provisions requiring competitive bidding on baby formula have been removed.

That decision alone will take $1 billion of food out of the mouths of children each year, and put the money in the pockets of big business.

This simply defies common sense.

No one in America could possibly argue that this is reform.

At a time when the need for foster care, group homes, and adoption is likely to rise dramatically, the Republican welfare plan would cut Federal support for foster care and adoption by $4 billion over 5 years.

We can do better.

We must do better.

This week, Democrats will offer NATHAN DEAL's bill as a substitute, which reinforces the family values all Americans share.

It gives people access to the skills they need, and expects work in return.

It does not wage war on America's children.

Most importantly, it is a commonsense approach, which gives back the dignity that comes with work, personal responsibility, and independence.

□ 1730

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. TALENT], who has been very active in the preparation of H.R. 4.

Mr. TALENT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, today we enter on an historic debate about a bill that will replace a failed welfare system with a system that is based on marriage, on family, on responsibility, and on work. I want to address in my remarks now, and I am sure it will come up later as well, the whole issue of work.

There have been past welfare reform bills which have purported to be workfare bills. The 1988 bill, which was a bipartisan bill, purported to be a workfare bill. Everybody was going to work under the bill. Six years later we have less than 1 percent of the case load working.

People need to understand what work has meant in the past to people who have really been defending the status quo. It has been an excuse for vast new expansions of the welfare state, constructing vast new bureaucracies, and nobody ends up working, but they will tell you that *x* percent of the case load is working.

What they do not tell you is that they exempt up front a huge percentage of the case loads from the workfare requirements, so if they say 50 percent of the people who are working, they have already exempted 80 percent or 90 percent of the people from the beginning.

The key to an honest workfare requirement, and our bill has that, is that it talks about percentages of the total case load. When we say 50 percent of the welfare case load is going to be working by the beginning of the next century, it means 50 percent of the people are going to be working by the beginning of the next century, and it means they are going to be working. They are not going to be looking for a job an hour a week, they are not going to be sitting in a class that somebody calls education, they are going to be working. That is the standard that we need to measure work everywhere throughout this debate.

Mr. Chairman, the substitute offered by the gentleman from Georgia [Mr. DEAL], and I appreciate his efforts in this regard, is flawed in several important respects. For one thing, he defines work as job search, so people can be classified as working under his bill, even though they are not working, they are searching for a job.

The States will presumably be given the authority to define that. That is part of the problem that we had in the past. He counts toward meeting the work participation requirements, people who normally move off of welfare anyway. In any given year there is like half a million people who will move off welfare, at least temporarily.

My understanding of the gentleman's substitute is that it permits those people to be counted by the States toward meeting the participation requirements. They would get off welfare anyway, at least temporarily. If you are going to do that, you need to count the net increase of people who are getting off welfare because of work.

We are going to go into this in a lot more detail in the days to come, Mr. Chairman. The point I want to make about work is that it has to be an honest work requirement, people working, people actually working, not looking for a job, not consuming an enormous amount of the taxpayers' money to be trained for some kind of vice president's job, but working.

There are a number of States that are already doing that. It is very effective in introducing the dignity of work into those families. It is effective in moving those people who are almost employable off of the welfare rolls and into work. That is how we ought to measure the success of the program.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, on page 26 of the Personal Responsibility Act, the work activities under the Republican bill, one of the things the gentleman has talked about, the Deal bill, the job search, is a part of that bill as well.

Members on the gentleman's side roll people off the welfare rolls but they go out with no job. There are absolutely no jobs at all. I need to just find out where it is in H.R. 4 that all these jobs will take place.

Mr. TALENT. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Chairman, that is why our bill, and as the gentleman will recall, the gentleman from Arkansas [Mr. HUTCHINSON], and I wrote this language in the Committee on Economic and Educational Opportunities, that is why our bill focuses the work requirements on people on welfare who are closest to employability. Two-parent AFDC families, parents with school age children or above, those people can go to work.

Mr. FORD. Reclaiming my time, Mr. Chairman, the vast majority of people on welfare are single mothers on welfare. The two-parent family component is something that the gentleman addresses, but the participation level at 50 percent by the year 2002 will not send anyone into the work force.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL], a member of the Committee on Ways and Means.

Mr. NEAL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I have served as chairman, co-chairman of a task force here in the House, on the Democratic side, in support of reforming the current welfare system. I think we can all agree today that the current system ill serves the taxpayer and ill serves the beneficiary.

My experience in coming to this House is different than most of the Members because I served as mayor of a major city. We have all concluded, as ELEANOR HOLMES NORTON has said, that the current welfare system is decadent. Senator MOYNIHAN warned us 30 years ago that the system had to be changed. President Clinton 2 years ago suggested that we should end welfare as we know it, and he ought to get some credit for that suggestion.

Mr. Chairman, 1 out of 3 children in America is currently born out of wedlock. One of my constituents, Barbara Defoe Whitehead, has done remarkable research in drafting those conclusions. In 1976, at the Democratic State convention in Massachusetts, I spoke in support of a workfare requirement. However, I want to say today in the well of this House, that it is that sage and principled conservative on the Republican side, the gentleman from Illinois, HENRY HYDE, who said "there is no such thing as illegitimate children. There may well be some illegitimate parents." We should acknowledge today on the Democratic side that we are the ones that pushed for a strong child support component.

The Republican alternative did not even speak to the issue of child support, and they called their bill the Personal Responsibility Act. What indicates more personal responsibility than supporting the children we bring into this world?

Mr. Chairman, I offered in committee a series of amendments that stated emphatically that those amendments had the support of Bill Weld and Bill Clinton. Not one of those amendments was passed at the Committee on Ways and Means level.

Mr. Chairman, I am astounded today that there is no work requirement in the Republican bill, but there is a work requirement in the Democratic bill. We suggest that you have to be enrolled in a program of self-sufficiency from day one. Work is the ultimate personal responsibility.

If we want to reverse the decadent system of welfare, we have an opportunity to offer a hand up and not a handout. That is what the Democratic proposals suggest.

Mr. Chairman, I want to say today that the Democratic legislation offered by the gentleman from Georgia [Mr. DEAL], is a piece of legislation that all of us in this House ought to be able to rally around. Just as importantly, it seems to me at the end of the day that if we really want to honor personal responsibility, that we do that through a strong and sound work requirement. That is what our bill has done.

Mr. SHAW. Mr. Chairman, I yield myself 10 seconds to tell the gentleman that was just in the well praising the Deal deal that the Deal substitute would wipe out the work requirements in the Massachusetts law. It is a law that the gentleman should be very proud of and that he should protect.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. MARTINI].

Mr. MARTINI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, 30 years of ever-expanding and growing anti-poverty programs have not erased poverty from our midst. We have spent $5 trillion trying to address this problem, yet the percentage of children living in poverty is unchanged from what it was in 1965.

Worse, we have seen illegitimate births more than quadruple, and have subsidized the rise of the single-parent family in our country.

Today nearly 30 percent of all births in our Nation are illegitimate. In 1992, the Federal Government alone spent $305 billion on 79 overlapping means-tested social welfare programs, but our problems still persist.

Congress and the bureaucracy in Washington continue to insist that they know what the poor in our communities need. For years they have been beholden to the ill-conceived notion that we can only consider ourselves a compassionate Nation if Washington prescribes solutions to societal problems.

Mr. Chairman, this system has done worse than fail us. It has betrayed us. Something needs to change, but for years this body has been unwilling to address welfare reform. Finally, today, we are debating a genuine attempt at a significant overhaul of our societal safety net.

Go home and listen to your constituents; these reforms represent the will of the people. No longer will the Government reward children for having children. No longer will we reward families for having a second baby when they cannot afford the first. No longer will the taxpayers pay to support addiction. No longer will Washington impose top-down solutions to problems they do not understand.

We will put an end to the big Government attempt to address these problems and return to a sense of responsibility, a sense of right and wrong, to the American safety net.

Mr. Chairman, I congratulate the three chairmen in the three committees on the fine work they have done, and this body for finally bringing this issue before the American people, and urge support of this bill.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Chairman, welfare is the biggest hot button issue of the year. Let us reform welfare, not try to see who is the meanest or the toughest.

Welfare has not worked. The American people want us to move individuals from dependency to work, they want us to cut Federal bureaucracy, and they want us to fight fraud in the current system. The Republican plan does not accomplish any of these goals, because they do not have the same goals most Americans have. They have washed their hands on the real welfare problem, and moved on to finance for the tax cut, finance on the backs of legal immigrants who pay taxes, abide by the laws, and enrich our culture.

The Republican bill does not even try to solve the root problem of poverty, education, jobs, training, nutrition for kids. In fact, their plan does not contain strict work requirements and actually creates disinitiatives to work. It destroys temporary child care and transportation for people who want to work. The Democratic plan is strong on work, actually requiring proposals that enable recipients preparing for and engaging in work, providing resources for the assistance needed to become self-sufficient, such as education, training, child care, and transportation.

The Democratic plan supports children, maintaining the national commitment of providing a safety net for kids, while requiring their parents to become self-sufficient, guaranteeing child care to families while the parents are preparing for work or working, and maintain the national commitment to protecting children from abuse and abandonment.

□ 1745

Mr. Chairman, this is a historic bill and a historic debate. We have a chance to be bipartisan on this issue. The Senate will move, also. The President wants welfare reform. Let us do it right instead of trying to be the toughest or the meanest.

Mr. Chairman, I include the following for the RECORD:

THE WHITE HOUSE,
Washington, DC, March 20, 1995.

DEAR MR. LEADER: This week, the historic national debate we have begun on welfare reform will move to the floor of the House of Representatives. Welfare reform is a top priority for my Administration and for Americans without regard to party. I look forward to working with Republicans and Democrats in both houses of Congress to enact real reform that promotes work and responsibility and makes welfare what it was meant to be: a second chance, not a way of life.

In the last two years, we have put the country on the road to ending welfare as we know it. In 1993, when Congress passed our economic plan, we cut taxes for 15 million working Americans and rewarded work over welfare. We collected a record level of child support in 1993—$9 billion—and last month I signed an executive order to crack down on federal employees who owe child support. In two years, we have granted waivers from federal rules to 25 states, so that half the country is now carrying out significant welfare reform experiments that promote work and responsibility instead of undermining it.

I have always sought to make welfare reform a bipartisan issue. I still believe it can and must be. Unfortunately, the House Republican bill in its current form does not appear to offer the kind of real welfare reform that Americans in both parties expect. It is too weak on moving people from welfare to work, not as tough as it should be on deadbeat parents, and too tough on innocent children.

Last year, I sent Congress the most sweeping welfare reform plan any administration has ever presented. It did not pass, but I believe the principles and values at its core will be the basis of what ultimately does pass:

First, the central goal of welfare reform must be moving people from welfare to work, where they will earn a paycheck, not a welfare check. I believe we should demand and reward work, not punish those who go to work. If people need child care or job skills in order to go to work, we should help them get it. But within two years, anyone who can work must go to work.

This is not a partisan issue: Last year, 162 of 175 House Republicans co-sponsored a bill, H.R. 3500, that promoted work in much the same way as our plan. But the current House Republican bill you will consider this week fails to promote work, and would actually make it harder for many recipients to make it in the workplace. It cuts child care for people trying to leave welfare and for working people trying to stay off welfare, removes any real responsibility for states to provide job placement and skills, and gives states a perverse incentive to cut people off whether or not they have moved into a job. When people just get cut off without going to work, that's not welfare reform. I urge you to pass a welfare reform bill that ends welfare as we know it by moving people from welfare to work.

Second, welfare reform must make responsibility a way of life. We should demand responsibility from parents who bring children into the world, not let them off the hook and expect taxpayers to pick up the tab for their

neglect. Last year, my Administration proposed the toughest child support enforcement measures ever put forward. If we collected all the money that deadbeat parents should pay, we could move 800,000 women and children off welfare immediately.

I am grateful to members in both parties for already agreeing to include most of the tough child support measures from our welfare reform plan. This week, I hope you will go further, and require states to deny drivers and professional licenses to parents who refuse to pay child support. We have to send a clear signal: No parent in America has a right to walk away from the responsibility to raise their children.

Third, welfare reform should discourage teen pregnancy and promote responsible parenting. We must discourage irresponsible behavior that lands people on welfare in the first place, with a national campaign against teen pregnancy that lets young people know it is wrong to have a child outside marriage. Nobody should get pregnant or father a child who isn't prepared to raise the child, love the child, and take responsibility for the child's future.

I know members of Congress in both parties care about this issue. But many aspects of the current House plan would do more harm than good. Instead of refusing to help teen mothers and their children, we should require them to turn their lives around—to live at home with their parents, stay in school, and identify the child's father. We should demand responsible behavior from people on welfare, but it is wrong to make small children pay the price for their parents' mistakes.

Finally, welfare reform should give states more flexibility in return for more accountability. I believe we must give states far more flexibility so they can do the things they want to today without seeking waivers. But in its current form, the House Republican bill may impede rather than promote reform and flexibility. The proposal leaves states vulnerable to economic recession and demographic change, putting working families at risk. States will have less money for child care, training, and other efforts to move people from welfare to work. And there will not be any accountability at the federal level for reducing fraud or protecting children. We will not achieve real reform or state flexibility if Congress just gives the states more burdens and less money, and fails to make work and responsibility the law of the land.

While the current House plan is weak on work, it is very tough on children. Cutting school lunches and getting tough on disabled children and children in foster care is not my idea of welfare reform. We all have a national interest in promoting the well-being of our children and in putting government back in line with our national line.

I appreciate all the work that you have done on this issue, and I am pleased that the country is finally engaging in this important debate. In the end, I believe we can work it out together, as long as we remember the values this debate is really about. The dignity of work, the bond of family, and the virtue of responsibility are not Republican values or Democratic values. They are American values—and no child in America should ever have to grow up without them.

Sincerely,

BILL CLINTON.

Republican plan doesn't attack fraud—in fact it will dismantle many programs where fraud has been nonexistent—such as the Nutrition and School Lunch Programs.

These programs have undisputed health and education benefits, and nutritious meals are served to children, who may not get another meal each day, at a cost of only $1 per student.

In the last few days Republicans have been claiming they are not really cutting the School Lunch Program—apparently they realize how ludicrous their plan is and are running for cover—but this is a false claim: Their supposed spending "increases" don't take into account rising food costs, inflation, or increases in number of kids who need the program; in fact, many of the increases were written on committee worksheets, not in the proposed legislation.

New State allocation formulas are flawed—they are based on number of meals served in a State, without regard to whether meals are served free to poor children.

Also, States may divert 20 percent of its nutrition funding to other programs under the Republican proposal. Flexibility is a popular theme right now, but the Republican plan simply abandons any Federal safety net for innocent, hungry kids.

Can Republicans truly say they are not dismantling the school program? No, but they can say they've saved billions of dollars to help their wealthy friends at tax time.

For the food programs alone, 175,000 New Mexicans will become ineligible for assistance: State estimated to lose $5 million for School Lunch Program, $21 million for child and adult care food programs, and $45 million for food stamps.

New Mexico also slated to lose $21 million for assistance for needy families, $21 million for blind and disabled children, and $5 million for child care costs.

Can the Republicans truly say they have not devised a cold-hearted, ineffective program?

Can Republicans deny that they are creating a long list of unfunded mandates? States have asked for flexibility. But clearly they have not asked for the additional burdens the Republican welfare plan imposes.

Finally, lost in much of the debate over welfare reform is the fact that the Republican plan is financed almost entirely on the backs of legal immigrants.

That's right—not undocumented workers, but legal immigrants.

Their plan denies nearly all benefits to people who pay taxes, abide by the laws, enrich our culture and our economy.

Studies show that immigrants actually create a net benefit of $28 billion to the American economy.

But Republicans haven't studied the real facts to know what their cost and block grants will create—because that's never been their goal.

Don't be deceived—this entire plan is about tax relief for rich people, it has nothing to do with reason or ending welfare as we know it.

Democrats are strong on work: Democratic proposals actually require that recipients prepare for and engage in work; provide resources for the assistance needed to become self-sufficient, such as education, training, child care, and transportation.

Democrats support children: Democrats maintain the national commitment to providing a safety net for kids, while requiring their parents to become self-sufficient; guarantee child care to families while the parents are preparing for work or working; maintain the national commitment to protecting children from abuse and abandonment.

Mr. SHAW. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. COLLINS], a member of the committee.

Mr. COLLINS of Georgia. I appreciate the gentleman yielding me the time.

Mr. Chairman, the President during his campaign ran on the platform of changing welfare. In fact he said, "We're going to end welfare as we know it today."

Well, to end it does not mean you reform it. It means you change it. Because to reform it only just changes the shape of it and leaves the same substance. Is change necessary? It is long overdue and the answer is yes, it is.

Why? It is because 26 percent of the families in this country are in some way, some shape, some form or fashion drawing some type of government benefit that comes under the entitlement of welfare. Twenty-six percent of the families.

What is the real problem with welfare, the real root of the problem? It is called cash. The old saying cash is the root of all evil. Cash has been the real problem and is the real problem in welfare.

What is the history of cash in welfare? It goes back to the mid 1930's. In fact it was called Aid to Dependent Children, later called AFDC. It was actually created in 1935 as a cash grant to enable States now, I want to repeat that, to enable States to aid needy children, children who did not have fathers at home.

Was the AFDC program intended to be an indefinite program? No, it was not to last forever. The priority of it was to help children whose fathers were either deceased or disabled or unable to work. The program was supposed to sunset after the Social Security laws were changed but they never were sunsetted. When AFDC was created, no one ever imagined that a father's desertion and out-of-wedlock births would replace the father's death or disability as the most prevalent reason for triggering the need for assistance. No one ever dreamed that fathers would abandon children as they have.

In order to facilitate the sunset of the AFDC program, in 1939 the Federal Government expanded Social Security benefits by adding survivors benefits. This was to help wives and children of workers who died at an early age.

In 1956 the Federal Government added disability benefits to Social Security to try to cover those children whose fathers were unable to work because of some severe disability. But rather than sunset AFDC, the program continued to grow and has ballooned in recent years, because the very nature of the program has encouraged illegitimacy and irresponsible behavior.

Let me give Members a few statistics. In 1940, 41 percent of children on AFDC, their father had died. The fathers had abandoned 30 percent of the children. The fathers were disabled to work for 27 percent. In 1992, listen to

these figures: 1.6 percent of the children's fathers have died; 86 percent of children on AFDC, their fathers have abandoned them; and only 4.1 percent, the fathers are disabled to work.

Mr. Chairman, the AFDC system has created a problem, a real problem. It has encouraged irresponsible behavior by embracing a philosophy that says the government will take care of a child if a father won't. H.R. 4 stops this problem. It stops cash benefits in certain years, requires personal responsibility and it gives the States the flexibility, the very same thing that was supposed to happen in 1935 to handle the situation.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in strong support of the Deal substitute to the Personal Responsibility Act.

This substitute bill reforms welfare by helping those who want to help themselves. It does not punish the poor. It will not cut school lunches. It will not force children off SSI without due process.

The goals of work and responsibility are achieved by combining work first with time limits and requirements that recipients follow an individual responsibility plan. In addition, the substitute's estimated $10 billion in savings will be earmarked for deficit reduction.

Mr. Chairman, I hope that after the last speech is given and the final vote is cast, that the Deal substitute will prevail. This plan will really help our fellow Americans move from welfare to work.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. HOLDEN].

Mr. HOLDEN. I thank the gentleman for yielding me the time.

Mr. Chairman, I rise today in strong support of the Deal substitute and its provisions for greater child support enforcement.

Members of this core group of moderates have worked hard to expand upon last year's mainstream forum proposal and build a consensus among those wishing to make meaningful and long-lasting changes to our current welfare system.

As the former sheriff of Schuylkill County in my home State of Pennsylvania, I have firsthand knowledge of how difficult it can be to collect unpaid child support.

Under the Deal substitute, all parents would be accountable to their children through:

First, increased paternity establishment;

Second, central registries of child support orders in each State;

Third, uniform interstate enforcement procedures; and

Fourth, punitive measures for deadbeat parents such as direct income withholding and State option to revoke occupation, professional, and driver's licenses

We owe it to our children to have the financial support of both parents and to the taxpayers who fund the irresponsible behavior of deadbeat parents.

I urge my colleagues to lend their support to the Deal substitute and real welfare reform.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FATTAH].

(Mr. FATTAH asked and was given permission to revise and extend his remarks.)

Mr. FATTAH. I thank the gentleman from Florida [Mr. GIBBONS] the distinguished ranking member for his gracious decision to allow me some time.

Mr. Chairman, we begin now a debate on one part of the process of reforming welfare in the United States of America. I would like to point to two reports, one by the Progressive Policy Institute, and the other by the Cato Institute which refer to corporate welfare in this country, and they talk about the direct subsidies of Federal taxpayer money, some $86 billion in direct subsidies to corporations, and another $100 billion or so in tax breaks to aid to dependent corporations in our country.

I find it interesting that this Congress and the new majority would want to begin its assault on welfare by attacking children and families who are in the greatest need rather than attempting to address a more fair approach in terms of this issue that could have been followed if one would have taken the time to look at these reports. The $84 billion that would be affected by the actions relative to aid to families with dependent children and the child nutrition programs and school lunches, those savings could have easily occurred by scaling back some of the outrageous benefits that we provide as a Nation supposedly in fiscal crisis to corporations, multi-billion-dollar corporations each and every year.

I would just ask that as we begin this debate that the Members of this House be mindful of the contradictions of this process today.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. I thank the gentleman from Florida [Mr. SHAW], the chairman, for his work on this very, very important issue.

When I go home and I read the papers over the weekend, I wonder what we are all doing up here because the reports are very draconian.

The Republicans are taking food out of the children's mouths. That we are really just throwing people out in the streets.

The President suggests deadbeat dads, we take their driver's license. They must be quaking in their boots that we are going to take their driver's license.

These are people who are not paying for their children's welfare and they are going to be frightened about losing their driver's license? Take their professional license. That is a good idea, too. Now they will not be able to work. That is another person on welfare.

Let's garnish their wages to the IRS. We will find ways to get after their money.

Food stamps—$1.8 billion wasted on food stamps through fraud and abuse and we are on this floor talking about we can't reform it, we can't fix it. We are going to fix it. We are going to reform it.

What is wrong with work? I can't believe what people are saying here. Not enough job training.

I worked as a dishwasher. I cleaned toilets. My grandmother came from Poland. She made 28 beds a day in a Travel Lodge Motel. She cleaned 28 toilets a day to be an American citizen. She learned to speak English. She was proud to be an American and proud to be in this country.

But today, no, jobs aren't good enough. Can't take that job. Don't have enough training.

I was a wrecker, an auto mechanic. I worked at a golf course. Now I am a proud Member of the United States Congress. No job is beneath me.

But we are talking like unless we given them an appropriate level of training to seek the job that they have always dreamed of, then they are going to stay on welfare and we are going to spend billions and billions of dollars of our tax dollars on deadbeats, on people that don't want to work.

I have got to tell you, this Congress has got to be serious about reform, not about just throwing out threats, having lunches with children in schools in our district, saying that the Republicans are going to end feeding children at school lunches, the Republicans are going to starve children.

Don't believe it for a minute, America. We are not going to starve our children. A 4.5-percent increase per year in the Republican bill for school lunches increased. We are not going to starve people. We are going to take care of America. We are going to make it work again.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes and 40 seconds to the gentleman from Utah [Mr. ORTON].

(Mr. ORTON asked and was given permission to revise and extend his remarks.)

Mr. ORTON. I thank the gentleman for yielding me the time.

Mr. Chairman, there are few things that more people agree upon than the fact that our welfare system is a failure. Today, our welfare system often provides people who choose not to work with a better deal than those who choose to take a job. I am pleased that Congress has committed to reform this failed system.

However, it is not enough to say we have reformed the welfare system. We must reform the system so that it works. By that, I mean we must create

a system that meets what the American people consider the premise of welfare reform: a system based on work, that provides transitional assistance to those in need, and that does not harm innocent children.

Many of the things I am hearing about the Personal Responsibility Act today sound right on target. For instance, I support State flexibility and allowing programs to better meet the needs of unique communities.

In addition, I agree that we should discourage out-of-wedlock births and promote marriage. Finally, I wholeheartedly agree that we should end the cycle of dependency.

In fact, I think the majority of the Nation would join me in commending these laudable goals. The unfortunate thing about the Personal Responsibility Act is that it does not achieve these goals.

Instead of allowing State flexibility, the bill limits the people who can be served with block grant funding. These limitations directly contradict the stated purpose of enhancing State flexibility. I would like to illustrate the negative impact that restrictions in this bill will have on successful reform efforts currently being implemented at the State level.

In Utah, we have a demonstration program that is enjoying great success in assisting people into the labor market. The AFDC caseload in one area has decreased by 33 percent in just 2 years—the best part of this statistic is that it represents people who are working in private sector jobs.

The premise underlying the Utah program is universal participation: everyone works toward self-sufficiency. This program has enjoyed national and local support, and is exactly the kind of program you would expect welfare reform to be based upon. Certainly, you would expect that the Utah program would be allowed to continue down the same successful path under a reformed system.

Yet the Utah State Department of Human Services is concerned because restrictive work participation definitions in the Personal Responsibility Act pose a threat to the program. A restrictive definition of participation means that a person faithfully following a self-sufficiency plan specifically designed to best assist them in entering the labor market could be considered a nonparticipant by the Federal Government. The Federal Government should not be creating a definition that prevents States, who are dealing directly with individuals, from determining what would best assist a person getting a job.

Ironically, while the bill would not allow states to count many active participants toward meeting mandatory rates, people who have been forced to leave the system because of reaching a time limit could be counted toward meeting work participation rates even if they have never received any work-related services.

I find it astounding that a bill can simultaneously restrict successful state reform efforts and offer no protection to people on welfare who are willing to work—it is the worst of both worlds. The bill guarantees that people will get kicked off the system if they meet a certain time limit, but it ties the States' hands in designing a program that would avoid this outcome for people who are willing to work.

We are back to the old one-size-fits-all Federal solution, only this time we are prohibiting certain actions rather than mandating them. Congress is on one hand saying that it trusts States to make sensible fair choices about block grant monies and on the other than saying States must adhere to federal restrictions.

I am also concerned that there is no method provided under the Personal Responsibility Act that allows states to contest the restrictions defined by the block grant if they hinder the State's ability to meet the purposes outlined in section 401 of the bill.

The Utah program required 46 Federal Government waivers. I think it would be a tragedy if Utah had not had an opportunity to address some of the incredible perverse incentives in the current system. In the same light, I do not want to see a new Federal system created under which States like Utah have no means to address problems with Federal dictates. Conservative mandates are no better than liberal mandates.

One thing is clear about the bill before us: a successful program in my district would not be able to function in the same way. This bill would force a State like Utah to create a parallel State bureaucracy to serve people that do not meet Federal definitions.

Proponents of this bill claim that they trust states with more flexibility, but instead of creating a bill that allows States to operate varied versions of welfare reform, they have created a restrictive, uniform approach to welfare reform based on Federal assumptions. I cannot support such a restrictive and narrow view of reform.

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I want to say I am concerned that the bill that we are looking at will not in fact allow State flexibility. I have proposed an amendment which would grant flexibility to States. Unfortunately that amendment will not be allowed to this bill.

Mr. SHAW. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, did you hear what I heard here today? Members of the loyal opposition, the new minority one after another acknowledged that it is time to reform welfare. That is an astonishing acknowledgment on the part of the minority, the loyal opposition.

And then they proceed on top of that to attack the bold and fearless effort that is being made by the new majority to do something about it. And, in the words of many of the people on the new minority, they want to offer a substitute, some new refinement of welfare reform, which is another acknowledgment that indeed welfare systems in our country have to be changed.

They attack ours as saying why denationalize welfare and allow 50 new bureaucracies to crop up in the 50 States. The answer is a question: Has the national program worked? The answer is no. They acknowledge that it has not worked or else they would not be offering substitutes or calling for a bipartisan effort now after 40 years, after 40 years to try to reform the system.

The question is: Shall we do something about it now, move ahead boldly and fearlessly to try to change the system? The answer is yes, and it is agreed to by every American who thinks about the subject. And it is acknowledged, I repeat, by the new minority, the now new seekers of welfare reform whom we asked to join with us in passing meaningful new majority-type of welfare reform.

I thank the gentleman for yielding me this time.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Pennsylvania is a clever debater, but his facts are wrong. I introduced a welfare reform bill last year, had hearings on it, ran into a filibuster of great magnitude and we could not make progress on it.

We reformed the welfare program in 1988. We reformed it in the 1960's. No one here, no one here I say to the gentleman from Pennsylvania [Mr. GEKAS] defends the current system. We have all been trying to change it.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I have followed the debate over the withdrawal of Federal support of poverty programs which has passed for a debate on welfare reform over the past few weeks with considerable interest. It seems to me that we have been avoiding a broader discussion of the deep structural problems in our society which the growth of welfare expenditures represents. I do not want this debate to end without some discussion of the real scope of these problems.

The conservative Republicans seem to be proceeding from the assumption that the welfare system has created poverty in this country, and that the welfare system is the problem. If so, then it follows that by excluding people from the welfare system, the problem will be solved. Do any of us really believe this?

The ultimate absurdity in all of this is that we all seem to be under the impression that by cutting the expenditures on these programs, we will save taxpayer dollars. This is not at all obvious to me. We are offering our constituents a false choice: pay for poverty programs, or save money and use it more productively on something else. The other things

most commonly acknowledged are: deficit reduction, tax cuts, and increases in defense spending.

The real choice that we face is not whether to pay or not pay to deal with the problems of poverty. It is whether we will pay for positive programs that will move people permanently off of welfare and out of poverty, or whether we will pay for programs that deal only with the negative consequences of poverty such as crime, homelessness, and poorly educated children, to name a few. We are about to choose the latter.

And Mr. Chairman, make no mistake, the programs to deal with the negative consequences of poverty already cost our taxpayers dearly and, I strongly believe, will cost our taxpayers even more under the Republican welfare reform plan. For example, if we simply throw people off of welfare and provide no job or safety net income, which is what the Republican plan would do after two years, then I think we can be assured that crime will rise. To deal with this we will need more police, more judges, more prisons, and more correctional officers.

We will also need increased expenditures on public health to control dangerous communicable diseases which are associated with poverty such as tuberculosis (which is already on the rise in some of our cities) and AIDS. Non-communicable diseases such as drug addiction, alcoholism, and malnutrition which already cost us too much, are all likely to increase. In short, Mr. Chairman if you think that the crime and public health problems are bad now in our country, wait until we see the full effects of the Republican welfare reform bill.

The current welfare system is not working, we all know that. It has not alleviated poverty in our country. Although there are people who are temporary recipients of this assistance, there are many who are permanently trapped below the poverty level, and who merely survive by making these programs a way of life. I do not know why we are expressing any sense of outrage over this. The old adage, "You get what you pay for" certainly applies here. We have not designed or been willing to pay for a suite of programs aimed at moving people from poverty to prosperity. We have essentially paid for maintenance, and that's what we have. The situation of inherited poverty that Michael Harrington and Robert Lampman warned of back in the early 1960s has been realized.

> The nation is therefore beginning the sixties with a most dangerous problem: an enormous concentration of young people who, if they do not receive immediate help, may well be the source of a kind of hereditary poverty new to American society. If this analysis is correct then the vicious circle of the culture of poverty is, if anything, becoming more intense, more crippling, and problematic because it is increasingly associating itself with the accident or birth. (Michael Harrington: p. 183: The Other America 1962)

We cannot hope to correct this situation by falsely diagnosing the problem. And we cannot diminish Federal, State, or local poverty-related expenditures until we make a commitment as a nation to have full employment as an economic goal and recognize its imperative as a social goal. It is our failure to deal with this problem that has resulted in the rapid growth of welfare expenditures that have occurred over the past decade.

The real problem is unemployment, and the culture of despondency and poverty that it creates. We seem to be proceeding under the assumption that there are enough jobs in our economy to accommodate those who are now on the welfare rolls, and that those now receiving benefits will be equipped to accept the jobs that do exist. I doubt it. I would draw your attention to an example of the type of portrait that we have been presented with by the media of the "True Faces of Welfare."

An article by this title appeared in this month's Readers Digest. We have all seen many like it recently. The people described in this article are not the type of people that engender sympathy among our hard-working, taxpaying constituents. In fact, I suspect that these descriptions of unmotivated individuals who are irresponsible parents and frequent participants in criminal activities make it easy for us to vote to cut the system that subsidizes their antisocial behavior. But I would like us to think carefully about these portraits from the perspective of an employer. We are being led to believe that by cutting them off, these people will enter the labor force. But would you hire such a person? Would this person, who we are judging to be an unacceptable recipient of public assistance, be a desirable job candidate? Absolutely not. Serious intervention would be required to convert these people from destructive to productive members of this society. It is far more likely that without intervention these people will turn to criminal means of survival rather than to jobs in the legitimate economy.

These articles are also doing a serious injustice to the many poor in our country who continue to struggle to be productive, responsible citizens in the face of insurmountable odds. There are many on public assistance who work hard every day for wages that are simply too low to allow them to rise above the poverty level. We should not forget these people or lump them together with the unsympathetic persons described above. They need our help, and they should get it.

Even if the current welfare recipients were ready and qualified to work are there enough jobs to accommodate them? Unfortunately, the Department of Labor does not collect data on the number of available jobs that exist. However, I decided to investigate the job availability in my region of California by examining as much data as are available. I believe that what I found for my region will mirror what exists throughout the country. In San Bernardino County, CA there are 64,000 AFDC welfare families, which means that at least one adult in that family is unemployed or employed at such a low income level that they still receive some AFDC benefits. Thus, if we want to fully employ at least one adult from each of these families, we need to have 64,000 vacant jobs.

Mr. Chairman, that is a lot of jobs. Now, how many vacant jobs are there in San Bernardino County? The two daily newspapers in the county listed a combined total of 1,363 jobs in recent Sunday classified ads. Clearly, not all jobs openings are listed in newspapers, but the classified ads listed enough jobs to accommodate only 2 percent of our region's welfare recipients. A more precise figure comes from the State of California employment office, which currently has listings for 1,056 jobs in San Bernardino County. A rule of thumb is that State employment offices have listings for about 20 percent of available jobs. That means that there might actually be 5,280 public and private sector jobs available in the County right now. And yet, we have a need for 64,000 jobs if we are going to employ at least one adult from each welfare family.

Obviously, if we are going to tell adults in welfare families to just go and get jobs, which is what the Republican welfare proposal would do, then we are setting up these families—and ourselves as public policy creators—for a real disappointment. The bottom line: without some kind of public commitment to create large numbers of entry-level jobs, we cannot have a solution to the problem of welfare dependency which we seek to solve.

If we consider the bigger picture, the macroeconomic trends are even less comforting. The current trend in both the public and private sector is downsizing, and economists spend a good deal of time monitoring labor productivity, hoping to see it increase. What does this mean in human terms? Downsizing means fewer people doing more work (or the same amount of work). What is an increase in labor productivity? More units of product output for fewer units of labor input. This is fine if overall output rises, but if it does not, this simply means that fewer people are doing more work. Our population is not downsizing. It continues to upsize and probably will for the foreseeable future. Therefore, we need more jobs, not fewer.

Mr. Chairman, I strongly believe a successful welfare reform package would have work as its central focus. It would cost more money in the short run, but save money as people move into permanent jobs. We should not be afraid to spend money to combat the compelling suite of social problems that stem from the existence of poverty. We took an oath to defend this nation against enemies foreign and domestic. At this time, I can think of no greater domestic enemy than the persistent poverty in our urban and rural areas.

If there are not enough jobs in the private sector then we should create them in the public sector. This is not as radical as many of my colleagues will suggest. We justify many Federal expenditures on the basis that they will create jobs. There is much work to be done in this society. If the private sector cannot or will not pay for it, it is the role of Government to do so. Through programs that are focused on creating jobs that pay a living wage and training people to fill them we can transform taxtakers into taxpayers, welfare recipients into workers, and slums into communities.

We must also stop pretending that the problem of illegitimate births is strictly a women's problem. We are going to have to stop trying to legislate morality and acknowledge that there are many female-headed households with children, and child care and health care are necessary support services to enable these women to work. What will we have accomplished if the standard of living for families actually declines when parents leave welfare and go back to work? Ironically, obtaining employment and losing public

child care assistance and health benefits often forces many working poor families back onto the welfare rolls. If our goal is to achieve short term Federal savings, then we will have succeeded in our efforts through this legislation. But if we are sincere about lifting families out of poverty, then let's do something that will move parents to work and support parents in work through real reform.

We cannot have more people working without doing much more in the area of job training and education. Many of those who have become permanent welfare recipients are illiterate and lack the basic skills necessary to qualify for a decent paying job. Until they acquire these skills, they will remain permanently unemployed, especially since our economy has changed to require higher skill-levels of workers. If we are to finally recognize child-rearing as the important and complex job that it is then we can acknowledge its importance by paying women to do this job. However, many will require job training in this area as well, since many, as teenage mothers, have not acquired the necessary parenting skills that they need to raise children to be productive citizens.

If you want to end the Federal Welfare Program, and pass this national problem and all of its related social ills onto the States, vote for this legislation. But if we want to end poverty, empower all of our citizens, and diminish the expenditure of funds on welfare programs and social damage control, we had better start over again. Until we are ready to acknowledge the true dimension of this problem and have the political will to allocate the resources to solve it, we will be doing nothing more than passing this problem on to future generations.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to take this opportunity to address and explain two provisions contained in the Republican welfare reform bill, a bill which I fully support because it fixes our broken welfare system.

As we are all aware, the Personal Responsibility Act rightfully prohibits illegal aliens from receiving aid under all federal and state means tested public benefits programs. The bill also bars legal nonimmigrants like students, tourists and businessmen from receiving the same benefits, with a few exceptions. One of these exceptions allows temporary agricultural workers to remain eligible for medical services provided through migrant health centers and a few other means tested programs. We are *not* explaining the eligibility of these workers for other benefit programs, merely allowing them to remain in the programs for which they are currently eligible. It is important to note that employers request these workers be brought into the United States, and the request is only granted after the employer demonstrates that all measures have been used to employ U.S. citizens for the vacant positions.

The alien workers enter the country legally and are paid the same rate as a U.S. citizen would be employed in the same position.

These workers are, again, legally here for a specific time and for a specific reason. It seems appropriate that these invited workers should be able to receive limited assistance like medical attention at a migrant health center.

Let me now address the school meal provisions included in the bill. Although liberals consider me something of a pinch-penny, even most severe critics had never accused me of scheming to take food from the mouths of impoverished children. At least, not until recently.

What inspired a harsh reassessment of my character, and the character of other House Republicans, is the proposed overhaul of food and nutrition programs that provide nourishment for the nation's needy school children.

As a Member of the Opportunities Committee, the committee which worked diligently to craft the school meal reforms contained in this welfare reform bill, I support efforts to simplify regulations, cut red tape and grant States greater flexibility in operating school food and nutrition programs.

Essentially, here is what these changes would mean:

Current separate State and Federal applications, rules on eligibility and regulations would be replaced with a single system.

States could allow school districts greater latitude in meeting their specific needs.

Funding would be made in block grants to the States, which would establish their own spending and program priorities.

The net results of these changes would be to increase—not reduce—funding for nutrition and food programs, and to simplify (not further complicate) their administration.

That, in a nutshell, is what all the fuss is about. Does that sound like cruel indifference?

I do not deny—or apologize for—being frugal with the taxpayer's money. At the same time, I do not begrudge even one of the billions of dollars spent on food for hungry children. Indeed, if we are to err in our estimate of how much should be spent on this vital program, I would prefer come down on the side of generosity.

However, much of the money we are now earmarking for nutrition is being consumed by a Federal supply and regulatory system that is needlessly complex and wasteful.

President Clinton, among other critics, has attempted to portray this proposal as Republican indifference disguised as reform. That is pure poppycock.

What we are attempting to do here is introduce administrative efficiency and fiscal sanity to a program that will nurture children rather than continue to feed an insatiable Federal bureaucracy. If that makes me a tightwad, so be it.

Mr. GIBBONS. As we come to the close of this debate, Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. FORD], the ranking minority member, the ranking Democrat on the Human Resources Committee and a member of the Ways and Means Committee.

Mr. FORD of Tennessee. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I would like to say that the gentleman from Florida [Mr. SHAW] and the Republicans on the Committee on Ways and Means have talked about this welfare reform bill as being tough love. I would have the gentleman from Florida know today that this is tough luck for the children of this country. When you look at what this bill does, it punishes the child until the mother is 18 years old for being born out of wedlock. And we must do something about children being born out of wedlock, but this is not an answer.

This is what we are trying to do today to give to the wealthiest of this Nation, at the cost of those who cannot pay those lobbyists to represent them here in the halls of Congress.

You punish children. You are weak on work and you are mean to children in this country for the purpose of a $600 to $700 billion tax cut, with 80 percent of those revenues going to the rich and wealthy of this Nation.

I do not know how, the gentleman from Florida [Mr. SHAW] and the Republicans, would have the heart to come here to say that we are going to be weak on work, not offer a work program that we can put people who are on welfare to work to make an income to provide and take care of their children. But instead, it is like you roll them on a conveyor belt and they roll off after 5 years and that is the end of it. People are off of welfare, they are in our cities, they will be in our counties, they will be in our neighborhoods, and they will be on our doorsteps.

Do not be so cruel. We as Democrats want a bill. That is why we have embraced the Deal bill, and we think the Deal bill makes plenty of sense, and the Deal bill should pass this House, and we should reject the Republican bill that is before the House today.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BARTLETT].

(Mr. BARTLETT of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Chairman, there is an old saying that "if it ain't broke, don't fix it." Well, the American people know that our welfare system is broke, and they are demanding that we do something about it.

In the roughly 30 years since Lyndon Johnson declared war on poverty, we have spent nearly $58 trillion, that is trillion with a "T," on the war on poverty, a war we are clearly losing.

In 1965 we had a 7-percent illegitimacy rate. In 1990 it increased nearly fivefold to 32 percent and it is still climbing. Only 11 percent of families on AFDC spent any time on a monthly basis getting more education, or looking for work. And fully 65 percent of all of the families on AFDC will be on that program for 8 years or longer.

The people hurt worst with this debacle are not the taxpayers who are saddled with this unconscionable cost, it is the people trapped by the system, people who are denied the American dream of getting a better education, of owning a home, of having a job and the self respect and dignity that comes with having that job. The American people know that the present system is broken and they are demanding that we do something about it. This bill makes a good start. It deserves our support.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as remains.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 2 minutes.

Mr. GIBBONS. Mr. Chairman, this is an important day and an important piece of legislation, but this is a cruel hoax. The Republican bill is weak on work. It will allow the States to take a block grant, put the money in their pocket and pass regulations that will just drop all of the potential welfare recipients from their rolls. And the money that they save here at the Federal level will be used for a tax cut. Not a tax cut for people who are in need. In fact the tax cut that they offer, the child credit, a person working full-time, with 4 children, will get no tax credit if that person has $20,000 worth of income, will not get a penny. But if the person has $200,000 worth of income, they will get $2,000 in tax credit.

This is a cruel, cruel hoax. It is not welfare reform, it is welfare perpetuation. It will pass the burden from those of us in Washington who are responsible for these things down to States who will slough off the responsibility to the local communities and nothing will get done.

There will be hungry children on the streets. There will be ignorant children on the streets. There will be homeless families on the streets. And all of this in the name of welfare reform.

Let us vote down the Republican bill, and let us adopt the Democratic substitute.

Mr. SHAW. Mr. Chairman, I yield my remaining time to myself.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] is recognized for 3 minutes.

Mr. SHAW. Mr. Chairman, we have heard now for over 2 hours many speakers from the minority side to come before this body in a desperate attempt to rewrite, not only rewrite history, but to rewrite the Republican bill. The gentleman from Florida [Mr. GIBBONS] said there was a filibuster last year. I do not know of anyplace you can have a filibuster in the House of Representatives. The gentleman from Florida [Mr. GIBBONS] filed the President's bill, that is true.

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In the subcommittee we had one or two hearings, that is true. The bill never came to a markup. It was never presented to the full committee. We never had a hearing in the full committee. This simply did not happen.

And where the filibuster occurred, I have no earthly idea. But I do know that the minority side has chosen not to introduce the President's bill this year, for some reason unknown to me. Now, the President does not have any bill that is before the House of Representatives, and I feel that the President should, because the President did advance this debate 2 years ago in his campaign. In fact, last summer in Florida the President asked me if I thought we could get welfare done last year, and I said, "Only if you tell the people on the Committee on Ways and Means that that is exactly what you want."

But instead, all we found was that the whole process was stonewalled. We never got a bill to the full committee. We never got a bill out of the subcommittee, and we never got a bill to the floor. Nothing happened. Nothing happened the year before, the year before, the year before, the year before. For the last 40 years, nothing has happened. The Democrats have blocked and blocked and blocked anything to be done to change welfare as we know it today, to genuinely reform welfare.

Now, we have heard speakers come down. One speaker compared the Republican bill to the Holocaust. Read the bill. You want to know where the work provision is? It starts on about 23 and goes on. You want to know where it is in the Deal bill? The Deal bill says if you are looking for a job, you have to get cash benefits. You know, there are some States that will require work in the first 2 years. You talk about State flexibility. The Deal bill will destroy that.

Massachusetts has a plan where they try to put people to work during the first 2 years. I think Michigan either does or is working on such a plan, and the States should have that flexibility. The Deal bill said, huh uh, huh uh, you cannot do that, you cannot require them as long as they are looking for a job. That is making out a resume, that you have to give them their benefits.

These are just some of the things that have been misstated.

Talk about mean to children, this bill has a 40-some-percent increase in the funding, a 40-percent-something increase in the funding, and the gentleman from Florida [Mr. GIBBONS] said something about well, what about inflation. Forty percent? My goodness, that is over 5 years. That is way above the level of inflation, the anticipation of inflation.

I would ask the committee, read the bills. Do not listen to just the rhetoric, because the rhetoric is just simply wrong. Support the Responsibility Act. Support the Republican bill.

The CHAIRMAN. All time which is dedicated to the Committee on Ways and Means has expired.

Under the rule, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 45 minutes, and the gentleman from Missouri [Mr. CLAY] will be recognized for 45 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, today we begin debate over one of the most important issues that will face this Congress, the debate over the future of the welfare system—or what might better be called our country's "despair" system. For although the current welfare system was built, I believe, on compassionate intentions, it has in fact helped to create a system of despair for far too many people. It has become a system that fosters dependence on Government and rewards behaviors destructive to individuals, to families, and to our society. We must change if we are to move from a system of despair to one of hope. A former chairman on several occasions said "Bill, these programs are not working the way we intended." To change we must first make the admission they are not working.

A survey of the public conducted last year showed that 71 percent of the public believe that the current welfare system "does more harm than good." An overwhelming majority of the public believes the system could be improved or has some aspects that need to be fixed. The public understands, and with good reason, that a system for which it is paying billions of dollars each year actually does more harm than good. That is not a matter of "not getting your money's worth." That is paying for the wrong thing.

And when we are talking about the welfare system, then "paying for the wrong thing" is promoting tragedy for people. Those of us who talk about changing the system are accused of being uncaring, of lacking compassion. But what is caring, what is compassionate about a system that fails to demand personal responsibility? And how is it that a "caring" system is by definition one run by "one size fits all" regulations and programs issued by distant bureaucrats in Washington?

I said at the very first hearing which the Committee on Economic and Educational Opportunities held on welfare reform this year, I do not believe that there will be any quick fixes or easy answers, but neither can we nor should we continue down the same path of simply adding programs and spending more money. We need to change the direction. Today's welfare system destroys families and the work ethic and traps people in a cycle of Government dependency. We need to replace a failed system of despair with reforms based on the dignity of work and the strength

of families, that move solutions closer to home and offer hope for the future.

During most of the past 30 years, the answer to every problem and the meaning of every reform provided by Congress had been to create another Federal program. Today we have literally hundreds of Federal programs intended to "help" people of limited incomes. Of course, each one requires separate regulations, separate applications, separate eligibility rules, separate reporting. Each one requires additional personnel—in Washington, at the State level, and by the people actually providing the services—to administer the program, to check the paperwork, to write and interpret the regulations. There are good intentions behind these programs, but much of the good intentions is lost in the maze of red tape and one-size-fits-all regulations. That is part of what we are trying to change in H.R. 4.

Mr. Chairman, title III of H.R. 4 contains most of the legislation reported by the Committee on Economic and Educational Opportunities. Title III consolidates programs in three areas: child care, school based nutrition programs and family nutrition programs.

With regard to child care, the bill consolidates the Federal Child Care Programs into the existing child care development block grant. The present system of separate entitlement programs based upon the parent is on AFDC, has just left AFDC, or is determined to be at-risk of going on AFDC, has resulted in an administrative nightmare for states and administrators, and a maze of child care programs and eligibility rules for parents and children. Among others, the National Governors Association has urged the Congress to consolidate the Child Care Programs into the child care development block grant, and we have done so in H.R. 4.

Under H.R. 4 the child care development block grant would be funded at the level that the four major child care programs received in fiscal year 1994. However, the bill increases by about $200 million the money available for actual child care services, by eliminating mandatory State planning set asides and limiting administrative costs.

The school based nutrition block grant will allow States to create a single school food program for their schools, and allow schools to operate food programs under a single contract with the State. The school based nutrition block grant would be increased by more than 4 percent per year, and the school lunch portion would be increased by exactly 4.5 percent per year.

We have heard a lot of false information from the other side over the past few weeks about the School Lunch Program, and I'm afraid we will hear some more during this debate. Let me simply say it as clearly as I can: H.R. 4 does not eliminate the School Lunch Program. H.R. 4 does not cut spending on the School Lunch Program. It increases spending by 4.5 percent per year.

Every State and every area receives more money in 1996 than they get in 1995. Every State but five receive more money under our program in 1996 than they do under the existing program.

Let me give you some indications here. California gets $5 million more. I just pick certain States, of course. Michigan gets $3 million more. Missouri gets $2 million more. Indiana gets $2 million more. Montana, sparsely populated, gets $650,000 more. New Jersey gets $2 million more. New York gets $5 million more. Ohio gets $2 million more. Rhode Island gets $250,000 Texas $2 million more. Illinois, $2.5 million more. That is more than they would receive if the existing program were in effect in 1996. So every State gets more than they got in 1995, but the States I am mentioning, in most of the States, receive more than they would under the existing program. It is also above, well above, President Clinton's budget. I want to take a moment to point that out on this chart. When the President makes a show of going out and having lunch with some school kids, and says that somebody is trying to cut the School Lunch Program, well maybe he needs to check his own budget. H.R. 4 funds the School Lunch Program above the President's own budget.

Mr. Chairman I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I yield myself 4 minutes.

(Mr. CLAY asked and was given permission to revise and extend his remarks.)

Mr. CLAY. Mr. Chairman, I rise in opposition to this bill.

We must reject the cynicism, the greed and the brutality that inspired it, that permeates it, that drives it.

No one would argue that the current welfare system does not need reform. However, in reforming the system, our actions must reflect our sense of fairness and our concern for those who, through no fault of their own, need Government assistance.

The process for consideration of this bill in committee was deeply flawed. After three hurriedly called hearings with limited participation by expert witnesses, the committee marked up its bill just one day after it was introduced. No subcommittee markup was ever held.

In their haste to carry out this part of the Contract With America within the first 100 days, the majority insults this great institution. In their haste to shred 60 years of social safety nets, the majority places millions of children and their mothers at risk.

This bill is not about welfare reform. It is a giant money laundering scheme designed to write blank checks to governors while imposing no standards or accountability. Block grants constitute a political conduit for transferring Federal dollars to curry favor with State executives.

The Republican welfare reform proposal promotes an extremist agenda that does little to ensure meaningful jobs at livable wages for those on welfare. An agenda that abdicates the Federal responsibility to protect poor children from the ravages of hunger and homelessness. An agenda that prescribes a reduced Federal role against abuse, neglect, and abandonment.

At a time when studies tell us that more and better child care is critically needed, this bill would cut resources for child care programs already seriously underfunded. It would allow governors to transfer already precious child care funds to other programs.

Mr. Chairman, there is no guarantee that the Appropriations Committee will fully fund the child care block grant. The appropriators are already decimating domestic programs to finance tax cuts for the rich.

Mr. Chairman, the nutrition provisions in this bill violate all sense of human decency. The Republican assault on the school lunch and breakfast programs, which successfully promote the health and educational performance of more than 25 million children, is frightening.

The Republican proposal to eliminate WIC and allow the State to develop WIC-type programs is an appalling gamble with the lives of the 7 million women, infants, and children served by the program.

The WIC Program is one of the most effective national social programs ever instituted. WIC has reduced the rate of very-low birth weight infants by almost 50 percent and has nearly eradicated iron-deficiency anemia among participants. WIC participation greatly decreases the incidence of premature births. WIC also saves money for the Federal Government.

Mr. Chairman, the Contract with America should have made it illegal to utter the words welfare and reform in the same sentence. In most cases, politicians who use the phrase neither believe in the fundamental concept of welfare nor the meaning of reform. What is happening in the name of welfare reform borders on criminality.

Welfare dependency can only be reduced by providing education, training, adequate child care services, and most importantly, by providing stable jobs that pay a living wage.

Mr. Chairman, today's minimum wage is not a living wage. Later in the proceedings, I will offer an amendment to increase the minimum wage to $5.15 an hour. My amendment will restore the purchasing power of millions of working families. If we really want to end welfare as we know it, we should keep working families out of poverty by paying an adequate wage.

Finally, Mr. Chairman, in recent days our Republican colleagues have admitted that they expect savings from this bill to finance tax cuts for the rich. The goal of welfare reform should be about one thing, and one thing only: and that is to have the most humane

and effective welfare system possible. Let us begin today with an honest debate, not rhetoric. Let us show compassion, not vengeance. Let efficiency be our means, not our end.

This bill is a bad bill and should be defeated.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I thank the chairman for yielding time to me.

It is, to me, a tremendous opportunity to be able to be here to take part in what I think will prove to be a very historic event in the history of our Nation. For 40 years we have had more and more spending on these programs, and what we have been getting is more poverty, more illigitimacy, and more social problems in our Nation.

Bill Clinton ran on a lot of promises in 1992, and one of them was that he was going to end welfare as we know it, and he did not. It has just continued.

Indeed, in 1993, the Census Bureau reported that poverty in America had reached an all-time high under Bill Clinton. Indeed, at the end of the first year of the Clinton administration there were 39.9 million poor persons, the highest since 1962. The number had been going up ever since Ronald Reagan left office. Indeed, it was only during the Reagan years that those numbers came down.

And now, for the first time in 40 years, the Republican Party is in control of this Congress and implementing policies that will, indeed, attempt to end welfare as we know it.

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And the reason why we need to implement these changes, particularly the changes in this particular welfare bill, is because it is more compassionate. Indeed, the American people have been very compassionate and very patient, but they want change and they want real change that will end the cycle of poverty and despair.

The gentleman from Oklahoma [Mr. J.C. WATTS], a member of our class, was quoted as saying,

> We can no longer measure compassion by how many people are on welfare. We need to measure compassion by how many people are not on welfare, because we have helped them climb the ladder to success.

Today in this Congress we are beginning that change, and I thank the gentleman again.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Puerto Rico [Mr. ROMERO-BARCELO].

Mr. ROMERO-BARCELÓ. I thank the gentleman for yielding this time to me.

Mr. Chairman, today the majority in this House is ravaging a series of sensible programs that have served well the needs of the Nation. Programs that have assisted many in need, particularly disadvantaged children and mothers at risk, are under attack.

In an effort to score political points with the very popular notion of welfare reform, Republicans have refused to discuss sensible approaches to real reform. Of course we need to reform many areas of the existing welfare system; but there is no need to wage war against current programs that work well, such as school nutrition programs and the Special Supplemental Food Program for Women, Infants, and Children [WIC]. These two programs have a proven positive track record.

To compound the unnecessary assault on these programs, the majority has lashed out against two constituencies that have no political clout in Washington because they do not vote: that is, poor children and legal immigrants.

Republicans, touting the banner of savings, are slashing programs and directing large amounts of the so called savings not for deficit reduction, but for special tax breaks for wealthy individuals and corporations.

You want savings? You want to reduce the deficit? Then have some courage and take aim at the greatest of all welfare programs—corporate welfare.

Various Washington think tanks, both liberal and conservatives ones, as well as the media have identified billions and billions of dollars in tax giveaways and special provisions for rich corporations and special interests. Why has this Congress opted to protect these interests instead of investing in people, in education, in health, in affordable housing, in decent meals for low income students?

Why are the regular folks in America, our middle class, taking a back seat to the interests of a very select powerful group that defends corporate welfare at all cost?

In my own district, Congress condones giving over $3 billion per year in special tax breaks to multinationals while at the same time it deprives millions of U.S. citizens from participating in programs that can assist in improving their quality of life. I call this the Reverse Robin Hood policy, whereby the Federal Government takes away from the elderly, the children, the handicapped and the middle class, in order to give to the rich. There are plenty of Federal policies that illustrate this point. Take a look at section 936 of the Internal Revenue Code, look at some agricultural and mining subsidies.

In section 936 you will find a program that has cost taxpayers over $40 billion in 20 years, the primary beneficiary being foreign and American pharmaceutical firms with hundreds of millions of dollars in annual net profits while low wage working families are denied the earned income tax credit; while children, handicapped and other citizens in need are deprived of adequate medical and hospital care and needy children are denied a first class education.

The President genuinely wants to work with this Congress to end welfare as we know it. But Republicans insist in targeting just about every conceivable Federal program notwithstanding the merits that they may have. Take aim at corporate welfare and stop blaming the poor and legal immigrant communities for the fiscal mess. We need to balance the budget and everyone needs to share the burden, but with this bill, children, the elderly, the handicapped and middle income families are financing the special tax giveaways for the rich.

Start with corporate welfare, then bring all the other programs to the table, so that Congress can craft, in a bipartisan way, sensible restructuring moves which will prove to be true reforms that will benefit the Nation, not hurt it.

I urge our colleagues to defeat this bill. Put people first! Consider the substitute bill that our colleague from Hawaii [Mrs. MINK] has put forth.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. I thank the gentleman for yielding this time to me.

Mr. Chairman, Nearly 30 years ago, President Johnson initiated the war on poverty. Today, after decades of losing the war, we begin Operation Restore Trust—trust in our State and local leaders and communities to care for their own.

H.R. 4, the Personal Responsibility Act, would eliminate many Federal regulations and policies that have hamstrung States and local governments for decades. Under H.R. 4, Washington will not be telling State's what is best for their citizens. The States will get the credit, or the blame, for enacting policies and programs that will take people off welfare, into jobs, and out of dependency.

For the last few weeks we've seen many of the opponents of H.R. 4 go through all kinds of statistical contortions on what H.R. 4 will do to our children and families.

Case in point are the changes we seek to make to the School Lunch Program. Basically, we offer two changes while maintaining the Federal commitment to providing meals for needy children.

First, by maintaining a 4.5-percent annual increase, eliminating Federal paperwork, and better targeting of Federal dollars, H.R. 4 will allow States to feed more children.

Second, we given State and local communities, which know best the needs of their States and towns, the ability to tailor-make programs that can serve the nutritional needs of children.

H.R. 4 would also continue to provide support for the Food Stamp Program. This program, which has been racked with abuse, is significantly reformed while allowing for $131 billion in additional funding over the next 5 years.

By having the Food Stamp Program as a Federal safety net, people will be

able to supply their families with food and keep their dignity in the process.

Mr. Chairman, I cannot say that H.R. 4 isn't risky. But the risk of maintaining the status quo, by far, greatly jeopardizes our children and our future. H.R. 4 begins the battle of Operation Restore Trust—trust in our States and communities to do what is best.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. I thank the gentleman for yielding this time to me.

Mr. Chairman, for nearly 50 years Congress has shown a bipartisan commitment to alleviate the worst of human suffering in our Nation, especially hunger. Today we begin debating a proposal that would end this commitment.

The Nation's nutrition programs are cost-effective and target the truly needy.

Study after study shows that children who get a school meal perform better academically.

I am puzzled as to why we would want to fix a program that works so well.

The National School Lunch Program came into being for a strong national purpose in 1946. Many recruits failed physical examinations for the draft because they were found to have been malnourished during their formative years.

Republicans claim that they are increasing funding. But everyone recognizes that compared to current law there will be less money for each child who receives a school lunch. The bottom line is either less money for each child or fewer children eating.

Why are we putting this program into a block grant? To save money? To reduce the deficit? No; it appears that the savings will be used to pay for tax cuts for those who are not as needy as our children.

If the motive of this bill is to save money—why does it remove the requirement in the WIC Program for competitive bidding for infant formula?

Most States were not using competitive bidding before Congress required them to do so in 1989. When we enacted this law we found that it saved over $1 billion a year.

What can the savings be used for? That billion dollars can be used to serve 1½ million more women and children per month in the WIC Program.

It bewilders me, in this time of budget crunching, why we would want to give the three infant formula companies $1 billion if our purpose is to better serve women and children.

For the richest nation on Earth to deny food to its own children is a shortsighted betrayal of our values and our future. It is also unnecessary.

In the name of our Nation and its children, we call upon reason to prevail in Congress. The 104th Congress should not be remembered as the Congress that abandoned our Nation's most vulnerable—our children.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 4, the Personal Responsibility Act of 1995.

Mr. Chairman, the American people are convinced that the welfare system is out of control. As one prominent citizen of New Jersey, a Democrat at that, said to me last week: "No other civilized nation in the world pays young girls to have babies. But that's what our welfare system does."

You know, he is not far from wrong. And that is the perception among many other good, generous, caring people who are deeply concerned about this country.

They worry that we are wasting billions upon billions in hard-earned taxpayer dollars to support a system that promotes unhealthy, unproductive, dysfunctional families that sentence children to a lifetime of economic, social, and emotional deprivation.

In a system like this, it is the children who are the first victims. But the taxpayers are not far behind.

We must act now. We need welfare reform based on the notion of individual responsibility. Reform must restore public assistance to its original purpose: a temporary safety net for those in need—not a permanent way of life for generations of families.

H.R. 4 makes a number of important changes.

First, this plan requires that 50 percent of welfare recipients must be working.

There is no good reason why able-bodied welfare recipients cannot, and should not, be required to work for their benefits.

Second, this bill allows States the flexibility to terminate a family's welfare benefits after 2 years, and it requires States to terminate a family's welfare benefits after 5 years.

It is clear. Some people take advantage of the current welfare program's lax bureaucracy and simply live off welfare—generation after generation—by skillfully gaming the system.

We all saw the article last month in the Boston Globe about four generations of one family—one mother, 17 children, 74 grandchildren, and an unknown number of great-grandchildren—living in Massachusetts on welfare of some kind or another.

Is it any wonder that the American taxpayers are enraged?

Also, H.R. 4 clearly denies welfare benefits to illegal aliens and legal immigrants, thereby limiting welfare eligibility to only citizens of the United States.

While the exclusion for legal aliens has received quite a bit of criticism, I want to make sure that everyone realizes an often-overlooked, but essential component of our immigration laws—for decades, our immigration laws have required immigrants to stipulate that they will be self-sufficient once they arrive in America, as a condition of their being allowed to immigrate in the first place. Consequently, receiving welfare has been grounds for deportation for these very same immigrants for generations.

H.R. 4 only makes explicit what has been implicit for so long. The United States of America welcomes immigrants of all kinds to our Nation. However, an important prerequisite has always been that immigrants will not become wards of the State, but rather self-supporting members of our society.

Mr. Chairman, I serve on the Economic and Educational Opportunities Committee and I support the committee-reported package of welfare reforms.

I am a strong believer in the block grant approach and feel that this is the most effective means for administering the array of services available to those who are eligible. Block granting nutrition program funds will give States the necessary flexibility to target programs which demand the greatest amount of services as a result of increased eligibility and participation.

However, I do have some concerns about certain aspects of this bill's impact on nutrition programs. Members of the committee have heard me say this before and I will say it again: Children will not go hungry and homeless. Not on my watch.

Our committee adopted my amendment prohibiting the States from transferring money from the nutrition block grants unless the State guarantees it has enough money to meet food needs.

But this is not enough.

However, I do have concerns about our responsibility to monitor maintenance of effort by the States and the need to maintain accountability standards. In these respects, I do have some concerns about certain aspects of this bill's impact on nutrition programs.

We must be certain that we are not just writing the States a blank check. We have a fiduciary responsibility to assure the taxpayers that the programs are being honestly administered.

During committee markup, concerns were raised over questions of establishing minimum nutrition standards and allowing for a 22 percent transfer provision. I believe that it is critical for this country to have uniform minimum nutrition standards because children across the country, whether they are participating in school lunch or WIC, should all be provided with foods comparable in nutritional content.

To me, this seems like a practical and straightforward approach—providing equally nutritious meals to all low-income children who are eligible. However, many oppose maintaining minimum nutrition standards established

by the USDA because they believe that keeping such requirements would be a mandate on the States. I find this charge perplexing since there are numerous mandates in this bill already.

I would also argue that, if this is considered a mandate, then it is a necessary one. We all agreed that there should be some set of standards established by the Federal Government, no matter how broadly defined. What do we accomplish by allowing 50 States to devise 50 different sets of nutrition standards? Children participating in the various nutrition programs available should have access to meals that are equal in nutritional value because all children need the same essential nutrients to develop both physically and mentally during the critical years of early childhood.

The amendment I offered which passed and is included in the bill requires the National Academy of Sciences to establish voluntary model nutrition standards for the States to follow is a small step forward in reinstating minimum national nutrition standards. However, I would like to see H.R. 4 go much further and maintain the standards already in place. Indeed, I believe it will not be too far in the future when we will evolve back to updated standards based on the academy research.

The 20-percent transfer provision clause is a second area of concern that I feel needs to be addressed. My fear, both during committee markup and presently, is that, if up to 20 percent of block grant funds can be transferred to other titles in H.R. 4, then certain programs, particularly those under the school-based nutrition block grant and the family nutrition block grant, would not be able to carry out services to those low-income children participating. Moving funds from one program to another is not a solution. Instead, it only creates problems permitting political decisions to take precedence over the nutritional needs of children.

For this reason, I offered an amendment during markup which prohibits the transfer of funds from either of the food assistance block grants unless the appropriate State agency administering this money makes a determination that sufficient amounts will remain available to carry out the services under the two nutrition block grants. While this establishes an important safeguard against depriving children of free and low-cost meals, I believe that we must do more.

Therefore, I submitted to the Rules Committee an amendment to H.R. 4 that prohibits the transfer of funds outside of these nutrition block grants when States experience unemployment above 6 percent.

Those who support the 20-percent transfer provision claim that it gives States additional flexibility during times of recession to address increases/decreases in demand for different programs. However, I would argue that this does not happen. Instead, as I have already mentioned, a decision to transfer funds only shifts existing problems to new programs, creates entirely new problems, and makes no sense.

During economic downturns, participation in various nutrition programs, such as school lunch and WIC, increases. It is critical to ensure that during such periods, these vital nutrition services continue to be provided both to those who become eligible and to those who already qualify. The argument that not less than 80 percent of the family nutrition block grant funds must be use to carry out WIC services holds no water during times of recession. Therefore, we must make sure that all low-income people participating in the numerous nutrition programs receive healthy and nutritious meals despite fluctuations in the economy.

The second of three amendments I submitted to the Rules Committee also deals with unemployment as it affects changes—in particular, increases—in nutrition program participation. This amendment would establish a trigger to increase a States funding for both the school-based and family nutrition block grants when that State experiences an economic downturn. More specifically, it would allow up to a 1.5 percent increase in funding of both block grants for each fiscal year through fiscal year 2000 to address this problem.

Under the Opportunities Committee bill, now folded into H.R. 4, block grant money under the two aforementioned block grants is distributed quarterly. My amendment says that for every two-tenths of 1 percent that a State's quarterly unemployment level rises above 6 percent, that State will receive an additional 1 percent of the total block grant money that it received for that quarter. And, because of the funding difference between the two food assistance block grants, the additional money is authorized for the family nutrition block grant, and it is appropriated for the school-based nutrition block grant.

Many Governors, including Governor Whitman from New Jersey, have strongly endorsed a trigger-based safety net as a necessary mechanism for ensuring that States can meet participation increases.

Common sense and experience show that the needs for free and low-cost lunches, breakfasts, WIC and other nutrition services increase during times of unemployment. This additional money will help to make sure that States have the ability to administer current levels of service during such a time period while also being able to accommodate those who currently qualify. Moreover, this funding helps to prevent children from losing their eligibility to school meals and reduces the possible reduction in quality, portions, and frequency of meals being served.

Those who argue that we can always vote for supplemental appropriations are ignoring the needs of children and the added stress to State treasuries. States will end up tapping into their own treasuries and subsequently draining State resources during the many months that it takes Congress to draft, approve, and enact supplemental appropriations bills.

My last area of concern was also brought up during the Opportunities Committee markup, and it deals with the issue of cost containment.

Under current law, States are required to participate in competitive bidding for infant formula provided to WIC-like programs, or some other system of cost containment that yields equal to or greater savings than under competitive bidding. As a result, States achieve considerable savings, which is reliably estimated to be $1 billion annually, which in turn is used to provide additional services to WIC participants. However, under our block grant proposal, while States are encouraged to continue these systems, they are not required to.

Therefore, my third and final amendment under review by the Rules Committee would require that States implement cost-containment measures for infant formula included in food packages under the family nutrition block grant. In addition, it would require that a State use all savings achieved under this system for the purposes of carrying out services for all programs under this block grant. And, the amendment also has the State report annually on the system it is using as well as how current savings compare to that of the previous fiscal year.

Cost containment is a fair way for infant formula producers to compete for the WIC recipient market which accounts for roughly 40 percent of the entire infant formula market. The objective of this type of cost containment is to provide the maximum savings for the State so that it can in turn use this savings to provide additional WIC services for those who are eligible. Infant formula producers still have free access to 60 percent of the market. If we increase that to 100 percent, then we jeopardize the ability of a State to provide the necessary WIC nutrition services to those who qualify.

It is also important to point out that this amendment would allow a State's cost-containment savings to go toward providing services under the other programs within this block grant: Child & Adult Care Food, Summer Food, and Homeless Children Nutrition. As a result, the State is given the flexibility to use savings where it sees the greatest need.

I support the Opportunities Committee block grant approach, but the program will be greatly enhanced with my amendments. They will make the States accountable for their administration and maintenance of effort. And, most importantly, we will maintain the safety net to assure that in this land of plenty—no children will go hungry.

And finally, I want to conclude my statement with some remarks about the Child Support Enforcement title of H.R. 4.

Let me make clear one unequivocal fact: effective child support enforcement reforms must be an essential component of any true welfare reform plan. In fact, nonsupport of children by their parents is one of the primary reasons so many families end up on the welfare rolls to begin with.

Research conducted by Columbia University and the U.S. Department of Health and Human Services has found that anywhere between 25 and 40 percent of mothers on public assistance would not be on welfare if they were receiving the child support they are legally and morally entitled to.

It's a national disgrace that our child support enforcement system continues to allow so many parents who can afford to pay for their children's support to shirk these obligations. The so-called enforcement gap—the difference between how much child support could be collected and how much child support is collected—has been estimated at $34 billion.

Remember, we are addressing the problems of deadbeats who are willfully avoiding their legal obligations under the divorce edicts of their individual States. They are avoiding both their legal and moral obligations.

Failure to pay court-ordered child support is not a victimless crime. The children going without these payments are the first victims. But, the taxpayers who have to pick up the tab for deadbeat parents evading their obligations are the ultimate victims.

Strong, effective child support enforcement is welfare prevention. The single best method to reduce welfare spending is to ensure that custodial parents with children get their child support payments on time, every month.

I've been a leading voice in this debate for 10 years now, having helped draft both the Child Support Enforcement Amendments of 1984 and the Family Support Act of 1988. In addition, I served as a member of the U.S. Commission on Interstate Child Support Enforcement, which issued a comprehensive report, and recommendations for change, of our interstate child support system in August 1992.

I am very pleased to see that the Ways and Means Committee included many of my legislation's provisions in its child support enforcement title. In 1993, I authored legislation, H.R. 1600, that sought to enact the Commission recommendations, and I reintroduced that bill as H.R. 195 on the first day of the 104th Congress earlier this year.

Perhaps the most salient fact we must keep in mind as we seek to improve our child support enforcement system is: Our interstate child support system is only as good as its weakest link. States that have made enforcing and collecting child support payments a priority are penalized by those States which have failed to reciprocate. In other words, the deadbeat under the existing loopholes can slip over the State line or just across the Delaware River and escape his legal obligations to his kids.

That is precisely what we need—comprehensive Federal reform of our child support system—to ensure that all States come up to the highest common denominator, not sink to the lowest common denominator as has happened all too frequently in the past.

There are, however, two important and effective get tough reforms which I have long endorsed and supported, which the Ways and Means Committee has chosen not to include in its bill. Consequently, I have asked the Rules Committee for permission to offer them as floor amendments to H.R. 4.

The first amendment, which has been cosponsored by Congresswoman CONNIE MORELLA of Maryland and Congressman MAC COLLINS of Georgia, requires that States adopt a program that revokes or restricts driver's licenses, professional/occupational licenses, and recreational licenses of deadbeat parents.

The second amendment would require that States enact criminal penalties, of their own design and choosing, for those parents who willfully fail to pay child support.

In both cases, I expect that once deadbeat parents realize exactly how serious we are about ensuring that they pay their child support, the overwhelming majority will do so, rather than lose a driver's license, a professional license, or face the prospect of a jail sentence.

It's funny how, when the sheriff knocks on their front door, how many delinquent parents who previously claimed they had no money, miraculously find some money and begin making child support payments.

Mr. Chairman, in conclusion, I believe that H.R. 4 contains the kind of reforms to our long-broken welfare system that the American people have been expecting. In general, this bill has earned my support, and I look forward to the amendment process where I believe that this important measure will only be improved upon, prior to House passage. I urge all of my colleagues to join me in supporting this bill.

Mr. CLAY. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the Democratic substitute, what they will offer as reform, and in opposition to the bill before us now.

Mr. Chairman, there are none of us, I think this has been said before by several people, that we are all for welfare reform, and we are. But this bill is misnomered. I think it should be called the Lack of Responsibility by the Congress Act. Sure, there are a lot of welfare abuses, and we all know it. But this begins with a society that breeds several generations of welfare recipients. There are a lot of social problems that contribute to these factors. In no way is this bill addressing any of those problems.

To put people into productive employment I thought was the goal of this bill rather than destructive dependence. But I do not see it in this bill. I am afraid this bill under consideration presently does not achieve any of the things it should try to achieve to eliminate the abuse of welfare.

There are some States doing a tremendous job in this area. Maryland is a good example of cutting out the abuse from the sale of food stamps, et cetera, et cetera, by going to a system with a nonforgery identification card in terms of goods and supplies that families might need.

If you go back to the original reason why we created welfare, it was for the children, not the parents, not the abusive parents. It was to protect the children. It was at the time only for widows because we understood that widows of the men who had died would be terribly into poverty because the times were tough. That was back during the Depression. There are a lot of us here who are recipients of the programs that were established then, and we did not turn out so bad. But there are a lot of other factors in our society that exist today which did not exist then that we have to deal with. The fact is that right now conditions are very much like the Depression-type conditions with regard to the availability of work in many areas and neighborhoods. That is something that we have to realize if we are going to focus on making sure that we take care of the children.

This misnamed bill, as I have said, does not contain, as far as I am concerned, a job creation in it, which is terribly important if we are going to take these people off welfare and put them to work. It does not contain any provisions that make sure that the people we put here, especially in a single-parent home where the mother is the single parent and that parent needs child care for these children, where they can leave them at home, where they can be relatively sure these children are going to be safe.

You know, the bill as it is constructed, they do away with the child protections that are in the law now. They say they do this by a provision in the bill that says it will allow the States to certify.

□ 1845

Let me tell my colleagues what is wrong with that. The States will only be certifying those that are licensed. Over 40 percent of the people that provide day care are not licensed, and so that leaves a whole group of people.

There are so many things that, as we get into the rest of the bill, we will debate, but I really want to tell my colleagues this, to those on the other side, those of my colleagues who have, I think, no less compassion than those of us on this side. I wish they really

would rethink what they are doing here because together we can form a welfare reform package that deals with the abuses that are out there and make sure that we provide opportunities to succeed to people that are on welfare. That is what happened during the Depression, and that is why a lot of us that are of the Depression age are here today in this House, because there were programs that did in a bipartisan way address the societal problems that we have.

Mr. GOODLING. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, the American people widely support maintaining a strong social service system which provides for children, the handicapped, the elderly and those who truly cannot find employment. At the same time, Americans have come to believe that the system now in place, not only fails to foster self-reliance, but may actually promote out-of-wedlock births.

While we must maintain a compassionate social safety net, I am convinced that we can do a better job of instilling self-reliance and discouraging irresponsible behavior within our welfare system.

H.R. 4 offers the first comprehensive package of welfare reform measures in nearly half a century. Its fundamental tenets are: (1) those welfare recipients who are able-bodied must work in exchange for benefits; (2) programs must be designed to discourage—not facilitate out-of-wedlock births: and (3) the States, which already operate their own welfare programs, will receive blocks of Federal money to provide additional social services within Federal guidelines.

The media has done a less than complete job of informing the general public about the nutrition and child care portions of H.R. 4. It is time that they know all of the facts.

First, we are not reducing funds for school lunch. The truth is this measure increases funding for school lunch by $1.1 billion over 5 years.

Second, we are not reducing funds for women, infants, and children. The truth is the bill increases WIC funding by $776 million over 5 years.

Third, we are not reducing funds for child care. The truth is the bill makes $200 million more available for direct child care services.

I care about the future of our Nation's children. However, if the Federal Government continues to add hundreds of billions of dollars to the national debt each year, our children won't have a future. Establishing flexible, State-based programs that promote personal responsibility and self-reliance is a necessary step toward developing a sound fiscal policy.

As a former social worker and the father of four, I know the importance of ensuring the safety and health of all children. H.R. 4 offers compassionate, fiscally sound solutions which allow us to effectively help those in greatest need. As a former State Legislator, I am confident that the States and localities can effectively administer welfare programs without the Federal Government micro-managing their efforts.

Mr. CLAY. Mr. Chairman, I yield 2½ minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I thank my ranking member for yielding me this time.

As the only Member of Congress who has actually been a single, working mother on welfare, my ideas about welfare do not come from theory or books. I know it, I lived it.

Make no mistake, I know the welfare system is broken. It does not work for recipients or for taxpayers, and it needs fundamental change.

But I also know that H.R. 4 will gut the welfare system and shred the safety net that enabled my family to get back on our feet 27 years ago.

I will never forget what it was like to lie awake at night worried that one of my children would get sick, or trying to decide what was more important: new shoes for my children or next week's groceries.

Even though I was working the entire time I was on AFDC, I needed welfare in order to provide my family with health care, child care and the food we needed in order to survive. So my colleagues see I know about the importance of a safety net, and I also know about the importance of work.

That is why, as cochair of the House Democratic Task Force on Welfare Reform, I can tell my colleagues that the Democrats are committed to getting families off welfare and into work. We do this by helping them with education, with training, by providing the child care they need so that they can go to work.

Mr. Chairman, the choice comes down to this. We could punish poor families by voting for H.R. 4, or we can invest in our children and their families so they can lead strong, productive lives. I beg my colleagues to vote against H.R. 4 that would put people on the streets and vote for putting people to work.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. FUNDERBURK].

Mr. FUNDERBURK. Mr. Chairman, this is the most important week of the 104th Congress. It is more important to the future of America than all the weeks we will spend on term limits, the line item veto, and the balanced budget. This week we decide if we will continue down the morally bankrupt path the liberal/left has led millions of Americans or will we blaze a new path for hope, responsibility, and freedom.

This debate is also about two visions. The first is offered by the same people who created the welfare nightmare. Their view of the world begins and ends with big government. In their world, government regulates and dominates every walk of life, it replaces the family, the church and the neighborhood. They promise you happiness in exchange for a check and the loss of your liberty. The second view—our view—begins and ends with the individual. Our view of society is one in which people have the right and the opportunity to work, invest, and raise their children as they see fit. We have faith in the American spirit; the liberal Democrats have faith in Washington, DC.

I have had enough of the Democrats' big lie about welfare reform. Day after day they come to the floor and repeat the lie that Republicans are waging war on children. It is offensive because it comes from those who have trapped millions of American children in a never ending cycle of despair and dependence. Who are they to lecture to anyone about taking care of our children after they spent decades destroying the American dream for the poor.

Mr. Chairman, for the last thirty years we watched them create a national tragedy. Since 1965 we spent $5 trillion on welfare. What do we have to show for it; disintegrating families, children having children, burned out cities, a thirty percent illegitimacy rate, and three generations of Americans who do nothing but wait at home for the next government check.

Bill Clinton promised to "end welfare as we know it." What happened? His first "reform" expanded welfare spending by $110 billion and gutted what was left of workfare. It was business as usual; more government, more taxes, more bureaucrats. But, the American people said, "enough is enough." They understood that the liberal/left's "reform" is to spend more of other peoples' money. They know the left is happy with the "poverty" industry and those churning out more of the perverse regulations and programs which have turned so many of our people into a mass of "favor seekers."

Mr. Chairman, we came to Washington to put people to work and get government's hands out of the peoples' pockets. Let me tell you where we will be if we do not stop the runaway welfare train. Today federal welfare spending stands at $387 billion, by 2000 we will spend $537 billion on welfare entitlements. The madness has to stop.

Our bill eliminates the federal middleman and cuts the heart out of the Washington bureaucracy. It says the real innovators are in the states and the counties.

Mr. Chairman, the best welfare program is a job. By cutting government, taxes, regulations, and bureaucrats we can create a new era of opportunity that will make it easier for poor Americans to get back on their feet and share America's promise. Mr. Clinton is right about one thing, it really is past time to end welfare as we know it. We had better get on with it because time is running out.

Mr. CLAY. Mr. Chairman, I yield 2½ minutes to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Chairman, I listened carefully to the last speaker, and I have to agree that the debate this week over welfare reform does come down to one thing, the well-being of the American family. But I would just simply have to disagree that this is not about replacing the American family. We have known for a long time that parents who finished school and who work at real and meaningful jobs are more likely to have kids who do well in school themselves and who go on to become productive citizens and raise families that are strong in their own right.

Families that function well must have access to a network of affordable support services to help them balance the demands of work and parenting. That is probably truer of families and young people today than it has ever been before. For many parents, the lack of affordable, safe child care prevents them from pursuing additional education or taking a worthwhile job; that very pathway toward solving the problem, nurturing the family, is cut off.

Now, we hear that we want to cut federal funding for child care by 20% over 5 years, providing no provision for additional funding when demand increases during difficult economic times.

We know that too many children are receiving inadequate care while their parents work, and yet this bill eliminates current health and safety standards for child care. It eliminates the requirement that states use funds to improve the quality of child care.

Mr. Chairman, we cannot have it both ways.

If we want people to move from dependence on welfare to long-term, gainful employment, we have to provide the options that make that possible.

There is nothing more important than making sure that children are in safe and healthy settings while their parents work.

We would not want anything less for our own children. We should provide nothing less for all children.

So, I would urge my colleagues to keep this in mind as they vote against H.R. 4 in its current form.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

(Mr. GUNDERSON asked and was given permission to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Chairman and Members, I think it is important we understand exactly what this debate has become all about.

This debate is about whether my colleagues want to defend the Washington bureaucracy or whether they want to be advocates of real reform and change. It used to be that we were all for a bipartisan commitment to children, but now our defense of the bureaucracy has taken precedence over that. I do not know of any area wherein child nutrition is part of the school lunch debate which has been more intentionally misrepresented and where children have been used as pawns for political purposes than they have in this particular area.

Let me give my colleagues some facts:

For all of those who say that the school lunch program is a wonderful program without any problems I would point out that according to the General Accounting Office in the last 4 years that they have kept records, over 302 schools have developed out of the Federal school lunch program, and their No. 1 reason for doing so was the rules, regulations and paperwork required by Washington. Second, I would point out that 46 percent of all non-poor or full-priced students voluntarily choose not to participate in America's school lunch programs today. Finally as a part of the administration's attempt last year to increase the regulations on the school lunch program through their nutrient standards, even Washington, even USDA in their budget request, say they will have to ask for at least 25 million plus to assist schools in meeting the computer requirement of this particular provision just in fiscal year 1996.

So, we have come forth with a proposal for change, a proposal that increases funding, that increases flexibility and that decreases Federal rules, regulations and paperwork. Our proposal recognizes that there is a need for increased funding. So we provide a 4.5-percent increase through fiscal year 2000.

□ 1900

We cap State administrative expenses each year at 2 percent, so 98 percent of that money goes not to States to balance their State budgets, but right to that local school to provide school nutrition. And we eliminate the Federal bureaucracy at a projection of over $300 million in savings over the next 5 years.

In addition to that, second, we provide flexibility at the State and local levels, so they can take our resources and combine them with their own State innovation and create something new and different, a creative and interesting and appetizing and appealing school lunch program.

Third, we do establish minimum Federal safeguards. We establish voluntary national nutrition guidelines available for every State established by the National Academy of Science in concert with the school dieticians.

Second, as I said earlier, we require that 98 percent of that money go to the schools and 80 percent of that money go to the low-income students.

Now, there is something that has been missing in this discussion. I would like to challenge my Democratic friends, if they believe that in an era of deficit reduction we ought to continue providing the 11.3 million students, the sons and daughters of the bankers and rich people in this country, whether we ought to provide them with a school subsidy for every meal they take at a cost to the Federal Government of $556 million a year. There is not a Member in this Congress who believes that that $556 million would survive our efforts to balance the budget, and there is not a person who understands the school lunch program who knows that if you eliminate that $556 million, that you can continue the school nutrition programs or the school lunch program as it exists today.

So there has to be reform. We are the leaders in advocating that reform. But we are not cutting school lunch by $556 million. What we are doing is increasing it 4.5 percent for every year for the next 5 years.

Mr. CLAY. Mr. Chairman, I yield 4½ minutes to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the legislation that we will be debating this week in the House that will be offered to us by our Republican colleagues is the most comprehensive and the most focused assault on poor children in this country that we have witnessed in the past 30 years. It is not that the press has got it wrong, it is that the press has started to explain it to the American people, and as the American people have started to understand it and started to see its components, they are starting to reject it. Because, while all of us agree about welfare reform, and every Member has said that on the floor and clearly the public agrees with welfare reform, the public is starting to ask what is it about welfare reform that requires you to take severely disabled children who suffer from cerebral palsy and other disabling diseases, what is it that requires you to take them off of the rolls so that their parents, many of whom are single parents, who are struggling to work and to keep their children at home and out of an institution, what is it about welfare reform that requires you to abandon these children?

What is it about welfare reform that requires you to repeal the child welfare protection for abused children, who need protective foster care so that they can be rescued from families that are dysfunctional and disabled in terms of their ability to take care, and many times lash out and injure these children and in some circumstances kill these children? What is it about welfare reform that required the Republicans to do that?

What is it about welfare reform that required the Republicans to rip away from working poor parents who have struggled to get off of welfare but now need child care to stay off of welfare so they can contribute to the well-being of their family, and with a little bit of

assistance and child care and maybe some food stamps lighten the load on the Government and retain their dignity? What is it about welfare reform that told the Republicans to rip that away from those working parents?

What is it about welfare reform that asks them to rip away $7 billion from the child nutrition programs; in our child care programs; in our school lunch programs; in our women, infants and children's programs? I appreciate that they say that all of these programs are there, but none of them are mandated. None of them are provided to these children who need these programs, who are enabled to have these programs, because of circumstances beyond these children's control.

What is it about welfare reform that says that if a child happens to live in a State that suffers from an economic downturn, that they may not get their school lunch because there will be no entitlement for that child, a child who finds himself in a family that is now, because of an economic downturn, unemployed, and yet the family seeks to hold itself together?

What is it about welfare reform that demanded these kinds of harsh actions? What is it about welfare reform that no longer provides an entitlement to a pregnant woman at nutritional risk to protect her pregnancy for the healthy birth of her newborn infant and to care for that infant when they have been medically certified at nutritional risk and the likelihood of giving birth to a low-birth-weight baby, babies that have a 30 or 40 percent greater frequency of coming back and needing help later with special education, with remedial education, because of the brain development they suffered? What is it about welfare reform that demanded that?

You talk about people who spend generations on welfare, and yet you are creating the very children who are going to be candidates for welfare because of your inhumanity, because of your callous nature, and because of the war you wage on the poor children of this Nation.

What is it about welfare reform that requires you to treat the children, to punish the child of a young woman who has a child out of wedlock under the age of 18, to punish that child and to rip away the resources? Sixty percent of all of the pregnancies in this country, no matter what your class, your status, no matter what your financial well-being, 60 percent of all of the pregnancies in this country are unintended. Half of them are resolved by abortion. Half of them are resolved by abortion. So what do we do? We tell individuals if you have an unintended pregnancy, we are going to make your life more desperate, more complicated, more hostile to bringing that child into this world.

That is not welfare reform, that is a war on America's children, on the poorest of America's children.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, that was a very impassioned speech that we heard, but one thing needs to be kept in mind when we hear these kinds of comments that all of the terrible problems that this gentleman spoke of have actually increased over the past 30 years with all of these programs that we have seen emanating from Washington. They have not decreased. What we are trying to do here with our welfare reform program, Mr. Chairman, is reinvigorate the family, reinvigorate personal responsibility, do something about the terrible problem of illegitimacy.

I as a physician worked in inner-city obstetrics clinics and I saw 15-year-olds coming into the clinic pregnant. I would ask them why they are doing this? And they would tell me they want to get out of their unit, they want to get out from under their mother, they want to get their own place in the project, and they want to get their own welfare check.

This system that has been created over the past 30 years is broken. We need to strengthen families. We need to deal with this problem of illegitimacy.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, there is almost 100 percent agreement that welfare as we know it should be reformed. We all want to reform welfare, make the necessary adjustments to allow it to accomplish what it is supposed to accomplish in terms of helping victims.

We help victims of earthquakes, we help victims of floods, we help victims of hurricanes. We should help victims of a mismanaged economy which produces a situation where there are no jobs for men and families as a result are forced to go on welfare.

All big government programs should be reviewed occasionally. We should certainly look at all programs and look at ways to reform them. We should try to reform programs like the farmers home loan mortgages, which were so badly repaid that the Department of Agriculture decided to just forgive $11.5 billion in loans over a 5-year period. We gave away $11.5 billion in loans for the farm welfare program.

We also have welfare for electric power users out in the West and Midwest, where they are using Federal power at within half the rate that we have to pay in the big cities. So that is a welfare giveaway we ought to take a look at and see if we can reform it. We have enormous amounts of welfare for the farmers, and we ought to take a look at that. We are spoiling America's farmers by smothering them with socialism, and we ought to take a look at rich farmers as well as poor farmers receiving welfare.

Aid for dependent children is a welfare program for poor children that costs $16 billion. Aid to rich farmers through the farm price subsidy program is not means tested. Rich farmers can get that as well as poor, and there are very few poor farmers left. Less than 2 percent of the American population lives on farms, so most of the $16 billion goes to the welfare program for farmers just as $16 billion goes to needy children.

That $16 billion that goes to farmers, we need to look at how to reform that. We need to be serious about that. We should not demonize poor children and poor families suffering as a result of economic dislocations that are perpetrated by people making decisions far beyond their control. Welfare for farmers is not means tested. Millionaires receive government checks.

Two recent articles, one in the Washington Post and one in the New York Times, said that city dwellers, they listed the names of people who are city dwellers who never set foot on a farm, who are receiving welfare farm checks. So I hope we are going to reform that as well, because in order to make the budget balance and in order to do things that need to be done, we need to reform that.

We need to go back and take a hard look at the savings and loans debacle and the unfortunate steps we took there which did not reform that system. Two hundred billion dollars of the taxpayers' money went down the drain as a result of our not paying attention to reform. Reform is very much needed.

The Republican welfare reform program, unfortunately, shows contempt for work. At every level, it refuses to deal with job training, it refuses to make some kind of pledge to provide work for people, it refuses to deal with minimum wages that are necessary in order for people to get off welfare, to make enough money to live on. They have a great contempt for work. It is a big lie that they are interested in having people get off welfare and go to work. They have abandoned the goal of work.

It is the Democrats who now carry the goal of work, as we did in 1988. This is not the first time we have tried to make adjustments to the welfare program. In 1988 we attempted to make an adjustment in terms of job training and jobs for people on welfare.

The Republican welfare program swindles poor children through the block grant mechanism. It swindles poor children in two ways. When you take away the entitlement for aid to dependent children, it means you are swindling them, because they do not have a right if they are poor, they do not have the Federal Government standing behind them. They do not have the power of the Federal Treasury, which guarantees that no matter how bad the economic conditions may be and how many people may be forced on welfare the money will be made available to meet their needs. They are

swindling poor children through the school lunch program. You are taking away an entitlement, so as the numbers increase, we expect 20,000 more youngsters to enroll in New York City schools next year. Enrollment is skyrocketing. Just enrollment alone produces a greater need, so that the block grant will not take care of that increasing need by enrollment.

But when economic conditions get worse, the number of people goes up who are eligible. Block grants place the poor at the mercy of State and local governments, and the history of State and local governments is they have been very mean-spirited and very cruel and some of the worst and most corrupt government in the country has been at State and local government levels. We are not helping people by placing them at the mercy of State and local governments. School lunches were created in the first place because State and local governments refused their needs.

Mr. Chairman, now we are saying to the children of America, Children of America, there is a fiscal crunch; this great Nation now needs your lunch.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I rise to respond to some of the remarks made by my colleague, the gentleman from California [Mr. MILLER], who talked about the inhumane and callous nature of those of us on this side of the aisle. I have to tell you I take a little bit of umbrage at that.

I am a former child welfare worker. I have spent a number of years of my life in the homes of some of the most abused and neglected children in my community. I met my wife while she was a child protective worker there and she is still a social worker. I am the founder of the Pennsylvania Children's Coalition, a caucus that we formed in the Pennsylvania legislature, and I have been a child advocate for 20 years.

□ 1915

When I was a social worker trying to spend all of my time protecting children, I had to take away from my time at least a day and a half each week to fill out the Federal forms so the bean counters in the bureaucracy in Washington could account for my time. I was not able during that time to go out and protect the children in my community.

What we are doing is simply taking this program of child protective services, giving it to the States who have been operating it for years, increasing the funding from $4.4 billion to $5.6 billion over the next 5 years. And I will tell you from my personal experience, that is a smart and that is a compassionate thing to do.

The gentleman also made reference to the notion of punishing teenage girls who have babies. What punishes teenage girls who have babies who are 14 and 15 years of age is to say to them, you and your little baby live in a tenement somewhere. We will send you this meager allowance and pretend that you can survive, and we know that they do not survive and we know that they are the most likely young people to abuse their own children. And what we are simply trying to say is, you do not become an adult by having a baby. If you are 14 or you are 15 and you are 16 and you have a baby, you still need more than ever the care of responsible adults, and we want to make sure that those teenage girls and their babies are cared for in proper settings where there are rules and there are limits and there is safety and they can be taught to raise their children properly and help to become successful as adults.

Mr. CLAY. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I want to refute what was just said by the previous speaker. I think he ought to know, even though he worked in this kind of a position, that most of the teenage pregnancies under 15 years of age take place in the home where that kid comes from. It is a violation of that kid's personal self-esteem.

Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman from Missouri for yielding time to me.

I am not a member of a committee which has had under consideration this welfare reform bill so, when I got the bill finally on Friday of last week and it was finalized, I went rushing through that bill, looked and spent an awful lot of time reviewing the provisions of that bill. And two things jumped out at me.

No. 1, I had heard my Republican colleagues talk about how they were going to get people off the public dole and make sure they went to work. And I looked and I looked and I looked, and I did not find anything in this bill that would provide jobs for people who want to work at the end of their welfare stay or any time during their welfare stay. So that is the first bogus promise that I found.

No. 2, I went looking and I found that this bill punishes children for the conduct of their parents. If your parent is poor, the children get punished. If the parent has a child out of wedlock, the child gets punished. No Federal benefits for children or mothers under age 18, if they are unwed.

If the parent is on welfare, has another child, the child gets punished. No benefits for that child because he or she was born to a mother who was on welfare.

If the parent will not work, the child gets punished. After 2 years, whether they can find work or want work or will work, if they do not have a job, the child will be punished and the child will be off of welfare. If the parent cannot find a job, who, the child gets punished. Cut off the parent and the innocent child.

This is a mean, mean, mean bill. We should be nurturing, encouraging, supporting our children, not punishing them for their parents' shortcomings. We should be providing jobs for those who want to work, not calling a cutoff after 2 years welfare reform.

Mr. Chairman, this bill is a hoax. It does not provide any jobs. After we heard so much about jobs to get people off the public dole, no jobs. And it is mean spirited and mean to children.

They did not do anything to deserve this. Why would we punish children in the name of welfare reform?

Mr. GOODLING. Mr. Chairman, I yield myself 1 minute.

We have heard all this about whether there is workfare, whether there is not. H.R. 4 eliminates the Job Opportunities and Basic Skills Jobs Program. Why? Because it failed. Success in this program is an exception to the rule. Although it is billed as a welfare to work program, after 7 years in operation, Jobs boasts a mere 26,000 recipients in work. The GOP bill in the first year alone will ensure 180,000 welfare recipients will be in work. By 2003, 2.25 million welfare recipients will be working a minimum of 35 hours per week in exchange for the benefit; 90 percent of the American people support this.

The Clinton proposal would not have placed any recipients in work for the first 2 years. At its peak, it would have moved only 394,000 recipients into work.

So it is very, very clear that there are strong work requirements in the bill that will really make the difference.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. TANNER. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I just simply want to find out where in this bill those jobs are. It is not in this bill. You can protest all you want. There is nothing in this bill that provides any jobs. If you can tell me where that is, I would be happy to hear it.

Mr. TANNER. Mr. Chairman, in this general debate, I am going to remain general, but I know that over the next 2 days there will be a lot of specifics.

I have been in the Congress for 6 years. I have been aware and working on welfare reform for that time, particularly the last 3 years. And I want to thank the Members who have brought this bill to the floor because I think Republicans and Democrats can both agree that the time for welfare reform is now.

I come to speak tonight as one of the original cosponsors of the so-called Nathan Deal bill. I believe that we have the best approach, the Contract With America notwithstanding.

The Deal approach, and our approach, is for a stronger work requirement to bring the dignity of work to the American people. We also, unlike any other proposal, make sure that the value of a welfare dollar is no more than a dollar earned by the sweat of the brow. And our final bottom line in our approach is simply this, if you want something from the Government, then you must be willing to do something for yourself.

Let me talk just a minute generally about the Deal substitute to the Contract With America. All of us any many Members have said tonight and this afternoon that the present welfare system, Federal welfare system is broken. Its evolution has trapped many in broken families and generational dependence with little, if any, hope. That is wrong and we know that.

In the present system all too often the emphasis is on how to receive a welfare check rather than how to return to work. The present system has built in disincentives against two-parent families. It has a powerful incentive, actually, for young unwed motherhood. That is also wrong.

There is nothing in the present system really requiring personal responsibility for one's own future. This is our fault. This is the fault of the American people and the policymakers.

The Federal system is broken. We all know that. We must fix it, in my opinion, here, before we take the Republican approach and block grant it and dump it in the hands of the States and their Governors and their legislatures. That is not the way we need to fulfill our obligation as Federal legislators. We abdicate it by just saying we will block grant it and our hands are clean.

The Nathan Deal bill has a way, I think, to address this problem and give the States the flexibility they need to address the problem. In our bill, the Deal substitute, is work in exchange for assistance with a 2-year time limit. If you are offered a job and do not take it, benefits end. And if you find a job and refuse to accept it, the same is true.

We encourage families by ending the disincentives in the present system to favor marriage. We end the incentives that lead to unwed teenage motherhood by demanding liability from parents and requiring minor mothers to live with a parent or guardian and remain in school. Personal responsibility is demanded in our bill and, unlike any other proposal here, we make benefits from AFDC and food stamps subject to taxable income, ensuring, as I said at the outset, that a welfare dollar is not worth more than a dollar earned by work.

John Kennedy once said,

Our privileges can be no greater than our obligations. The protection of our rights can endure no longer than the performance of our responsibilities.

Let us exercise our responsibilities as Federal legislators and fix the Federal system before we dump it on the States. I think that is the responsible thing to do. I think the Deal substitute will do that, and I would encourage all of my colleagues, as this debate continues, to give it great consideration, great weight and put aside partisan differences and consider voting for it.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Texas, [Mr. SAM JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Chairman, Democrats are scared of losing 40 years of tight-fisted control over the States. This scares them so much they have embarked on a big lie campaign to defeat a bill that gives the States and individuals the power to create solutions. They still believe Washington knows best.

This example is best illustrated by the Republican proposal to improve the school lunch program. This bill does not cut lunches. It does not cut funding. We increase funding for the program by 4.5 percent per year. Let me repeat, 4.5 percent every year. We are not taking away food from anyone.

Republicans believe in change, and this bill represents it. The Democrats continue to believe in the status quo. This was shown by their event last Sunday. And would you believe they used children as props to help their special interest friends raise money, big labor unions, welfare state bureaucrats and extremist organizations?

Mr. Chairman, I ask my colleagues to vote for the real change. Vote against big government. Vote for this bill.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I rise tonight in strong support of Mr. DEAL's alternative welfare reform proposal. Like most Americans, I feel that the time has come to seriously evaluate the structure of our system and provide constructive solutions to problems within it. Our current system is broken. It must be fixed.

I come before you today in strong support of a plan that transforms our current system into the type of program that it should be—a temporary helping hand for those who need a chance to get back on their feet again. I think we all agree that the focus of welfare reform should be getting people off of the welfare rolls and into work. It has become very obvious, however, that while we may agree on the goal, it is not as easy to agree on how to get there. Having said that, I feel that the welfare reform proposal we have developed provides a centrist approach to intelligently reforming our welfare system, without hurting those who need a helping hand. We must not take the more limited view that welfare reform simply means cutting the cost of welfare. Welfare reform is not simply cutting services and denying benefits in order to find a budgetary fix. Welfare reform involves real people with real needs, which do not just disappear once the funds are cut. Their needs will continue, the same as before, unless we provide some of the necessary assistance to move them off of welfare into jobs.

The welfare reform proposal that we have developed addresses these basic problems by, first, emphasizing work over welfare. One of the basic tenets of the proposal is the establishment of the Work First Program, which fundamentally reforms the JOBS Program of our current welfare system. The new Work First Program requires participants to begin job activities as soon as they enter the program, providing individuals with the opportunity to immediately begin working their way toward self-sufficiency.

Second, we change the focus of welfare from a seemingly endless hand-out to a temporary hand up. The perception of our welfare system as a permanent way of life has evolved through years of providing benefits to recipients without a sensible plan for moving them off of the welfare system. Therefore, we propose a time limited assistance program that would empower individuals to move from welfare to work. As an incentive to work, the plan would provide transitional assistance to make work pay more than welfare. We extend the transitional medical assistance from 1 year to 2 years so that individuals do not have to fear losing health coverage if they take a job. We also provide child care assistance for moms so that they are able to take a job and begin working toward self-sufficiency. After 2 years in a work program, States also would be allowed to deny AFDC benefits to recipients who do not have jobs.

Third, we propose changing the perception that Government bears all of the responsibility for those in need. Individuals also must accept their share of responsibility in providing for their families. In order to do this, we require recipients to develop an individual plan for self-sufficiency, which would include the tools needed to get the individual off of welfare and into work. We also strengthen child support enforcement and hold the parents of minor mothers and fathers liable for financial support of their children. The proposal allows States to deny increases in AFDC funding to mothers who have additional children while receiving these benefits and requires minor mothers to live with a parent or a responsible adult.

Finally, we realize that a one-size-fits-all approach to welfare reform is impractical, if not impossible, because it does not take into account the wide range of needs and programs that exist. Therefore, we have provided States with the flexibility necessary to develop effective programs that meet their own specific needs. While the Federal Government has a role to play in setting broad guidelines in order to maintain a level playing field, State

flexibility is the key to reforming our welfare system.

In addition, I believe it is very important to include local communities in the process, as well. To that end, we have provided Federal grant assistance to community-based organizations for coordination of services. The one-stop shop idea is already being explored in many communities and many others could streamline services with some additional assistance.

As a participant in the current welfare reform discussion, I have heard many times that we should get rid of fraud and abuse in our welfare system and I agree. As the former chairman of the Agriculture Subcommittee on Department Operations and Nutrition, I have worked tirelessly to correct deficiencies in the Food Stamp Program and I am well aware of the need for continued improvement. That is why I am pleased to say that we have incorporated a very tough food stamp fraud and abuse provision in our proposal. We have also made additional improvements to the current Food Stamp Program while maintaining the basic food safety net for people in need.

Finally, I strongly believe that we should not fund tax cuts with welfare reform, particularly considering the enormous deficit problem we are currently facing. Our substitute, therefore, specifically designates any additional savings from the welfare system for deficit reduction purposes. We are already threatening the future of our children with the unbelievable responsibility of financing our current spending behavior. I cannot justify adding additional responsibility to our children by requiring them to finance a tax cut before we control our deficit.

□ 1930

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. CUNNINGHAM], one of the leaders in helping to put this bill together as far as our committee is concerned.

Mr. CUNNINGHAM. Mr. Chairman, I have a book for my colleagues on the other side. I have gone to town hall meetings. They understand the lie about whether we are adding or cutting nutrition programs. That book is called basic mathematics, or the DICK ARMEY syndrome that says "If you add more money the following year than you have this year, that is an add. If you have less, that is a cut."

I have also prepared a book in here and it is called "How to tell the truth." I think our colleagues need to take a look at both of those books.

The real reason for why are we doing welfare reform, Mr. Chairman, why would we tackle this after the other side of the aisle has the rhetoric that they want to reform the system, they want to reform it, and they have done nothing for 40 years but create the system that we are under today.

The current welfare system, Mr. Chairman, is not compassionate. Look at the problems that we have across the country. Nothing could be more cruel to welfare recipients and children than the system we have today. We as a policy have created that system. That is an effort to change that particular system.

Look at the children's nutrition program. Who are we trying to feed with those programs? We are trying to make sure that our poorest children are fed, but yet we continue the policies that would create those poverty children living in poverty.

Mr. Chairman, I have the utmost respect for my colleagues, and many of them on the other side in the Black Caucus: the gentleman from Georgia, JOHN LEWIS, who walked in Alabama. However, the Members are wrong in this.

When we look at the welfare systems in the communities with Federal housing that persist, with crime-ridden, with drug-ridden, with black children, two out of three, being single parents, and to perpetuate that system, when they talk about cruel and unusual punishment, to foster that kind of a program, Mr. Chairman, is more than comprehension.

The real reason why my colleagues on the other side of the aisle, the socialists, the Clinton liberals, we have added money in the nutrition programs, but the real reason they are fighting this, and I went to great efforts, and the one thing that we cut is the big Federal bureaucracies. They cannot stand it. That is what they are fighting, over and over and over again.

Mr. Chairman, the system traps recipients in an unending cycle. It hurts those, the children, and those that we are really trying to help. This brings deadbeat dads for responsibility, a system that encourages fathers that have run away from their responsibility to get back together with the family.

The gentleman says there is no creation of jobs. If I can bring a family together by not penalizing the father that comes with that welfare recipient mother and child, and have one of them work, that is better. That is compassionate. What is incompassionate is the current system, where we have disincentives to bring those families together. We have disincentives to break out of the Federal housing programs.

The personal responsibility, illegitimacy, we have to attack it, because it also ties in with child abuse and it ties in with the nutrition programs. We have increased the nutrition programs by 4.5 percent. President Clinton in his first budget increased it by 3.1 percent. In this budget just a few weeks ago, the President stood up here and only allowed for a 3.6-percent increase in the nutrition program. We increased it by 4.5 percent. Why?

There was a movement on our side to cut it, not to zero, but to cut it 5 percent, to actually go in and cut the program. I went to the gentleman from Pennsylvania [Mr. GOODLING] and said "If you do that, I will resign my chairmanship of the committee," because at that point we will hurt those nutrition programs.

Let me read what is really wrong with the system: "Cash benefits going for drugs, generations of dependency, children having children, killing children." Nothing could be more cruel to the kids that exists than the welfare systems that we have today.

I look in Chicago, and police found 19 children living in squalor in a cold, dark apartment. Two children in diapers were sharing a bone with the family dog. Why? Because the parents were living on cocaine and drugs.

Child abuse services need to be brought in, and yes, we need to provide services for those kids, but we also need to eliminate the systems in which those people are not held accountable.

Karen Henderson of Bakersfield, CA, was charged for murder after breastfeeding her baby while she was on crack cocaine.

In August 1994, a couple was sentenced to 6 years in prison for neglecting their 4-month-old son. He bled to death after being bitten 100 times by rats because they took the money and stuck it up their noses in cocaine. That was in a Federal housing project, which breeds that kind of contempt.

While an 8-year-old brother screamed in vain for help, 5-year-old Eric Morris was dropped to his death from a 14-story public housing project by two older boys, aged 10 and 11. That is what is cruel, Mr. Chairman.

Mr. Chairman, I ask my colleagues on the other side of the aisle, let us embrace personal responsibility. Let us embrace where we take deadbeat dads. I applaud the President for what he has done in following suit. I embrace you, to take care and make sure that we have the responsibility of parents, so that we can draw less and less for those programs, because we have less people that need it because their economics are better. We can do that by encouraging families and increasing the nutrition program for those children that need it. That is what we have done, Mr. Chairman.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to express my support for the mandatory work requirements contained in H.R. 4. Consistent with 90 percent American voters, H.R. 4 requires that recipients of welfare work in exchange for their benefits.

Under H.R. 4, every welfare recipients is required to participate in some form of work activity within a minimum of 2 years. After 5 years, recipients face the ultimate work requirement, the end of all cash welfare, period.

In addition, we require States to have a minimum of 50 percent of adults in one-parent welfare families working by the year 2003 and require that 70

percent of two-parent families work by 1998.

Under this bill, with limited exceptions, all work participants must be in real private-sector jobs, paying real wages, and they must work for a minimum of 20 hours per week, rising to 35 hours per week by 2003.

Under the GOP proposal, 2.25 million welfare recipients will be participating in work by the year 2003. In the first year alone, 180,000 recipients will be working. How do other welfare-to-work proposals fare under these guidelines? The current program, the Job Opportunities and Basic Skills Act, while boasting a 20-percent participation rate, has a mere 26,000 recipients working. The Clinton proposal would have had zero recipients working in the first 2 years, and at its peak would have had just 394,000 participants in a real job. Mr. Chairman I beg the question, who's serious about work?

Mr. Chairman, in closing, I just want to add that work provides more than a wage, it provides a sense of being, increases self-esteem, and provides a role model for the societal value of self-sufficiency, reducing the pattern of dependence which currently is passed from one generation to another.

Mr. CLAY. Mr. Chairman, I yield 10 seconds to the gentleman from New York.

Mr. OWENS. Mr. Chairman, I just want ask the gentleman, at what wage rate would people get work under this bill? Would they be paid less than minimum wage? Would they go back to slavery?

Mr. CLAY. Mr. Chairman, I yield 1½ minutes to the gentleman from Louisiana [Mr. FIELDS].

Mr. FIELDS of Louisiana. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to this legislation. The issue is, first of all, distorted. The issue is not about the irresponsible mother in America. The issue is what is in the best interests of the child, what is in the best interests of our children in America.

We talk about in 2 years a mother will be off of welfare and will not receive the benefits. First of all, the benefits we send to these so-called mothers is not money for the mother. This money is for the child. The reason we send it to the mother is because the last time I checked, an infant cannot wake up in the morning, grab a check out of a mailbox, and go to the bank and cash it, so that is why we send the money to the mother. It is for the child. It is in the best interests of the child.

Mr. Chairman, we talk about "Two years and you are off." That sounds real good, but who is going to suffer? Children are going to suffer. In 2 years, children are going to be dying of malnutrition in this country, because they will not have milk to drink.

We say they have to work. If they do not work in 2 years, that parent is off. Why not mandate that the States provide job training? Mothers cannot get up and work in the morning if they do not have day care. If Members will take some time and think about this proposal, they will know that in order for a mother to go to work and learn a skill, she has to have somebody to take care of that baby. We have to talk about what is in the best interests of the children in this country.

Lastly, child nutrition. The gentleman from California said we did not cut money in child nutrition. That is absolutely incorrect. The proposal was 5.2 percent. This proposal is 4.5 percent. Anybody who is not even a mathematical wizard knows that is a cut.

Not only that, under this block grant proposal, 20 percent of the money could be used for other purposes and not child nutrition.

□ 1945

Mr. GOODLING. Mr. Chairman, I yield myself 5 seconds, just to say that Louisiana gets $1.5 million more under our proposal.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. I thank the gentleman from Pennsylvania, the distinguished chairman, for yielding me the time.

I would like really to point out to my colleagues and fellow Americans that this is one of the most consequential debates not only of the first 100 days or even of this Congress but one of the most consequential debates that this House will hold in decades. Very few Americans would disagree that our welfare system no matter how well-intentioned at its inception is a complete failure today. However, there are many people in this town who have a vested interest in maintaining the status quo, and they will argue stridently as we have heard tonight and as we will continue to hear over the next few days, and often misleadingly against our efforts. So it is important that every Member of this Chamber understand the bill that we are bringing to the floor, why it is important, and why defenders of the status quo are wrong.

Toward that end, I want to talk about just some of the myths that have already been suggested regarding our welfare reform efforts and provide a little reality check for each one of those myths.

Myth 1. Your pro-family provisions are cruel to children. Reality. It is the current system that is hurting children by encouraging self-destructive behavior, dependency, and out-of-wedlock births. Our bill does not end assistance to children, only cash assistance. No responsible parent would reward an irresponsible child with cash payment for an apartment. No responsible employer would give workers a raise simply because they have additional children. Taxpayers should not do those things, either.

Another myth. Your bill is weak on work. Reality. Our work requirements are tough on work. We require that States make cash welfare recipients go to work after 2 years or less at the option of the States. After 5 years, recipients face the ultimate work requirement, the end of all cash welfare.

We require States to have 50 percent of adults in one-parent welfare families, which is about 2.5 million families today, working by the year 2003. We require States to have 90 percent of two-parent families working by the year 1998. And we define work as real private sector work for pay. States that do not meet these standards lose part of their block grant, and that is tough on work.

Mr. Chairman and my fellow Americans, we are embarked on a tremendous debate on historic significance. We are going to replace a failed system of despair with more compassionate solutions that encourage work and families and offer hope for the future.

Mr. CLAY. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman, the ranking member of the committee, for yielding me the time.

Mr. Chairman, we are considering the Personal Responsibility Act and it is an easy bumper sticker name and people will hear for the next few days some of the easy names, that this bill was going to solve out-of-marriage births. I would hope that we have some reality checks on the other side of the aisle, also, because what this bill does, it is a transfer of power to the Governors of the country. This bill allows Governors to deny legal immigrants State-funded assistance. The bill allows governors to remove 20 percent in the 3 block grants for child care, family, and school nutrition. That is where we would see the cuts on the State level. The Governors could do that. Congress should provide a great deal of latitude for State governments, but we also need to make sure that the food actually gets to those children instead of saying, well, we're guaranteeing it to a Governor but we're not guaranteeing it to that child.

I wish to make it clear that that is what we are doing. We are guaranteeing funding to that Governor but not to that child. Welfare reform is requiring for work, requiring transitional assistance, requiring going to job training. We can reform food stamps. Those are all goals that we should have and I think we should have on this side of the aisle but I am on the committee that this bill was considered and we did not have a bipartisan bill. This was laid out and literally rolled over in two days' time. That is why a lot of us are opposing it, because it will cut children's nutrition, because the only guarantee it is to the Governors of the States and not to the children of our country.

The House of Representatives is debating the Personal Responsibility Act.

A bumper sticker name for a bill which will place sweeping powers in the hands of Governors to reform welfare.

What are some of powers that Governors will be given?

The bill before us will allow Governors to deny legal immigrants and State funded assistance based on economic needs.

The bill also allows Governors to move 20 percent of funds from the three block grants for child care, family and school nutrition programs.

Congress should provide a great deal of latitude to State governments to be innovative and imaginative, but Congress must also ensure Federal assistance is used by the people who most need that help.

This bill provides a guarantee to Governors for the funds included in the block grants.

I wish to be very clear on this point: A Governor is guaranteed funding but not a child.

Welfare reform is called for, requiring work requiring transitional assistance, reforming food stamps are all goals which must be obtained but not at the cost of school children, and nutrition.

The fatal flaw in the school breakfast and lunch block grant is it does not guarantee a child a meal but just as important it does not take into affect that foods costs increase along with school population.

Without increasing the funds as a result of food cost inflation and increased population, a local school district will be forced to increase local tax rates to make up the short-fall.

We will hear on one side that funding is increased and on the other side there are cuts.

The simple fact is we are all guessing because this bill has been rushed through the Congress like a runaway train.

Mistakes have been made. At one point 57,000 military children were left out.

We must be diligent in reforming welfare but when we are forced to take up legislation which has been run through with little discussion, mistakes are made.

Earlier, A fellow Texas colleague states that we should not take away someone's dream, and I agree but we should also not take away a helping hand.

Reform is needed, but informed reform is real reform.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentlewoman from Hawaii [Mrs. MINK].

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentlewoman from Hawaii [Mrs. MINK] is recognized for 4 minutes.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman my ranking member for yielding me time.

I rise today to decry the punitive measures contained in the Republican bill which would desert the most impoverished and youngest citizens in our country during their time of great need.

The drastic changes proposed by the Republican bill would devastate communities in every State by eliminating vital programs as you have heard discussed this afternoon that these communities have relied on for many, many decades.

This shortsighted and intolerant legislation does not put forth the constructive agenda to reform. It is to punish people merely because they are poor.

Although most welfare mothers try hard to support their families and try to find a decent job that pays a living wage, the Republican bill makes no effort to help them. Instead, the Republican bill gives every recipient family a ticking time bomb by putting time limits on the amount of time that they can receive benefits and cutting them off even if they have tried hard and cannot find a job and they do not even provide child care while the woman goes out to hunt for work. This bill turns a cold shoulder also on legal immigrants that have been lawfully admitted into the country by denying them many of the programs, and they came to America in search of opportunity and they are being cut off arbitrarily, in my view unconstitutionally.

There are 9 million children in a total of 14 million people who are receiving welfare benefits today. The Republican bill would arbitrarily cut these children off from cash benefits because of what their parents did or would not do. If their parents are unable to find work, if their mother is teenaged, if they cannot locate their fathers, they would be cut off arbitrarily. It would destroy the frail chances these children would have to survive by relegating them and their families to the status of second-class citizens in this country just because they are poor, because their mothers were teenagers or because they were born out of wedlock.

Republicans say that the answer is that welfare parents must go to work. We agree. I believe that the working potential of welfare recipients is very high. I have studied this issue for years. The average recipient already has 4½ years of work experience when they come on to welfare. They want to work. Their problem is some personal problems have affected their ability to hold down a job. Perhaps someone is ill or they do not have adequate child care. 56 percent come into welfare with a high school diploma or more. Most of the recipients stay on only for 11 months. The problem with the current system is it has not offered a helping hand to the women. If they had the help they probably would have gone off welfare much sooner.

So the help that the Democratic substitutes provide is the help of finding a job, giving them adequate education, and providing the essential child care which cannot be left out of the program. This is what the Republicans do not seem to understand. You cannot simply block-grant money to the States without mandating the essentials, which is education, training and a good child care support program.

What the Republicans have done in their bill is to repeal the jobs program. Yet they say their bill is for work? How can you provide a work ethic or incentive if you do not have a jobs program which can do the training and education with the supportive child care?

The Republicans completely ignore the child care aspects of it. The current law today requires and guarantees that every welfare recipient who finds work must be provided with child care. That has been repealed.

The AFDC families are willing to work, want to work, need the help, and the Democratic substitute is the bill that must pass this Congress.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. RIGGS]. Then I will close the debate.

Mr. RIGGS. I thank the gentleman again for yielding me the time.

I just wanted to respond since the question of immigrants came up and make clear again, reality check, we are not bashing immigrants, we are giving strength to the longstanding Federal policy that welfare should not be a magnet for immigrants, legal or illegal.

To accomplish this, we do 4 things: We prohibit legal aliens from the big 5 magnet programs, cash welfare, food stamps, Medicaid, title 20, and SSI which has been an especially egregious source of abuse by legal aliens. We make the alien sponsor's affidavit legally binding and enforceable. We apply the existing deeming rule to all Federal means-tested programs so that in these programs the income of an alien sponsor is deemed to be the alien's.

Lastly, we authorize Federal and State authorities for the first time to go after deadbeat sponsors. We are strengthening current immigration policy, not bashing anyone.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 5½ minutes.

Mr. GOODLING. Mr. Chairman, at least I am glad to hear as I have heard all evening that everyone now has a welfare reform program. I am also happy to hear that everyone now believes that the system is broken and needs fixing. We have come a long, long way. If nothing else, we have gotten that far.

It was interesting to hear a good friend of mine say, at least on two occasions on the other side this evening, he had this welfare program but they filibustered it to death. I did not know we had such an opportunity. I thought 5 minutes and you object and that is the end of anybody speaking, and I am sure he was talking about the House of Representatives.

What we are trying to do is take these people out of slavery, not put them into slavery. That is where they are at the present time, because we have denied them the opportunity to ever get a piece of the American dream. For 30 or 40 years, the situation keeps getting worse and worse, and we

deny more and more an opportunity for a piece of that American dream. We have to admit the failure, which we are doing this evening on both sides of the aisle, and now do something to change it.

Let me talk just a few minutes about the provisions from our committee. I am sure everyone knows that the Personal Responsibility Act which was part of the contract included a proposal for a single food and nutrition block grant. To that I said, "No way, Jose," which is the same thing that I said in the early 1980's. The leadership then said, and I think using good judgment, "Okay, then you, as the majority members of the committee, come up with your program." And we did.

We have also heard many times this evening how wonderful the program is working when you talk about school lunch and child nutrition. No one has defended it more than I have. But there are problems, folks. It can be a much better program. If you only have 50 percent of the free and reduced-price people who are eligible participating, there is something wrong with the program. And you can look at the statistics and that is exactly what it tell you. If only 46 percent of the paying customers who are eligible are participating in the program, something is wrong with the program.

Secondly, the American school food service people have told us over and over again, the rules and the regulations and the red tape are killing them. They are taking money out of the children's mouths to do all of the paperwork that is required by the Federal Government. So we can change that.

And then there is some fraud, because we encourage some of it the way it is set up, because it is much more advantageous to count as many as you can possibly get away with as free, because the reimbursement is far greater if you do that.

So as I indicated, we are trying to set up programs that will meet the local areas' needs. What might work in Flint, Michigan may not work in Kansas, or in York, Pennsylvania. We have to allow some flexibility so that we can get more people participating in these programs. We know you cannot educate a hungry child. So what is happening to that 50 percent that are not participating? They are probably not doing too well in school. We get reports from parents who say, "We're not going to send that money to school, or sign up for them to participate if they are going to not participate or they're going to throw the food away."

Again, I say over and over again, we positively owe it to the millions that we have enslaved in this welfare system that has been created well-meaningly over a 40-year period, we owe it to those people to have an opportunity, like I have had and everyone in this Congress has had, to get a part of the American dream.

They are not getting it at the present time. We must make change and change I realize upsets everyone. But change is necessary. It is also inevitable.

I would hope when we come back and begin the amendment process, and there are a couple of amendments that will deal with a couple of issues that I heard mentioned tonight, which I have concerns about, and they will be taken care of in that process, but I hope when we finish, we will no longer go on saying, "Well, the system doesn't work and we ought to do something about it." We will take the bold step to make the necessary changes to free the millions who are now enslaved with the existing system.

□ 2000

Mr. Chairman, I would encourage all to support those changes.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

To control debate from the Committee on Agriculture, the gentleman from Kansas [Mr. ROBERTS] and the gentleman from Texas [Mr. DE LA GARZA] will each be recognized for 45 minutes.

The Chair recognizes the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4, the Personal Responsibility Act of 1995. We all know the hour is late, but we also know that the debate in regards to welfare reform, if it is a late-burner topic, it is also a front-burner topic in this town, and all throughout the Nation.

Last November, the American public spoke very decisively on wanting change, and welfare reform was a central theme in the election, was a central theme 2 years ago in the President's election. The component in regards to food stamp reform that comes under the jurisdiction of the House Agriculture Committee is in reference to food stamps.

I would inform my colleagues that food stamp spending has increased almost every year since 1979. We are all familiar about the good work that the food stamp program has done in terms of workers who have been unemployed or of families that have had real tragedy.

The food stamp program provides that needed bridge during a time of hardship and when the economy slipped into recession. We must maintain that bridge, and H.R. 4 does just that. It provides a Federal safety net, but it eliminates food stamps as a way of life.

However, I would point out that during the last 15 years the economy has not always been in a recession, and we have had record growth in regards to the economy. But food stamp spending kept increasing.

Now common sense would suggest that food stamp spending should go down when the economy is strong, but that has not been the case. Why? Because our Congress kept expanding the benefits, and the American taxpayer, who really foots the bill for the program, has said enough, and that is why welfare reform strikes a chord with the American public.

The food stamp program provides benefits to an average of 27 million citizens in this country, upward of maybe 28 million each month at an annual cost of more than $25 billion on an annual basis. For the most part, these benefits really go to families in need of help and are used to buy food to feed these families, and there is no question in my mind that the food stamp program helps poor people and those who have temporarily fallen on hard times. However, there is also no question in my mind that it is in need of reform.

Recently, I reviewed a September 22, 1981, subcommittee hearing. Let me repeat that, 1981. And the hearing was on fraud in the food stamp program. I reviewed that 14-year-old record with some degree of concern and dismay.

In both hearings, and we just held a hearing in the Committee on Agriculture as of this year on February 1, and in both hearings the reports were almost identical, the one in 1995 and the one in regards to 1981. There were reference to food stamps as a second currency, food stamps being used to buy guns, drugs and cars. It is discouraging that these events have not changed.

On September 3, 1981, the TV investigators and the news reports talked about the great food stamp scandal. In January of 1995 and again in March of 1995 various news teams did similar stories and picked up on the film, the tape we have from the new Inspector General from the Department of Agriculture. As I said, it is very discouraging.

The good news is we have a very strong fraud provision, anti-fraud provision. It is bipartisan. It is backed by the administration and by the minority and the majority.

However, the situation is much worse today in 1995 than it was in 1981. Abuses in the food stamp program involve selling food stamps at discount grocery stores. They are not grocery stores. It is a sham. They are set up to launder food stamps, even abuse of the Electronic Benefit Transfer system.

Also, the Department of Agriculture reports that for the most recent year $1.8 billion in food stamps was issued in error, meaning that the eligible families receive too much in food stamps or people who are not eligible receive these benefits. That is $1.8 billion. That is a combination of errors, some on the part of States that administer the food stamp program, some on the part of the participants receiving food stamps and some, unfortunately, willful and intentional violations of the act. That is $1.8 billion of taxpayer money lost to fraud and error.

It is also lost to the recipients, the true recipients of the food stamp program. Unfortunately, the food stamp program does not always really deliver the benefits to eligible people, and

those who are eligible do not always use their benefits for food, and so others really participate in this activity including grocery store personnel, middlemen and criminals involved in illicit behavior.

Let me quote from one report. "In September, 1994, the U.S. Justice Department indicted a couple on charges they used their restaurant supply business to illegally acquire and redeem $3.5 million in food stamps." $3.5 million, one couple. "Undercover agents say they watched family members carting shopping bags of cash to the banks in $2,000 bundles of $20 bills. Once deposited, the money was almost immediately transferred to accounts in Hong Kong," Mr. Chairman, "where it was withdrawn, usually by relatives within 24 hours."

Or another report, "a USDA undercover officer got a taste of how complacent the big-time traffickers can get when he investigated an Orange, NJ, family that used their little store to fence stolen goods and traffic in food stamps. And the undercover officer used the food stamps to buy cars, TV sets, children's toys, cocaine, microwave ovens, and a video camcorder from the family. Then he used the video camera, one to test it, then filmed the roomful of stolen goods and the agreeable family of crooks."

This bad reputation has undermined the public support for the Federal food stamp program and for welfare. It is unfortunate. It is wrong. Polls indicate that half of the American public support cuts in the food stamp program, and I believe this is due to the flagrant abuses that are seen on the street almost any day. We don't want this.

As I indicated before, the food stamp program is a bridge. It is a needed program. It has helped the poor. And so the commitment in regards to the antifraud provision is a good one, and it is bipartisan.

After careful deliberation, the Committee on Agriculture determined that the food stamp program for the present should remain a Federal program for the following reasons: First, States will be undergoing a transition to State-designed welfare programs. During this period, the food stamp program will remain the safety net program and able to provide food as a basic need while this transition is taking place. The food stamp program will be reformed, costs will be controlled, and we will ensure that every American in need will have access to food.

Now, given the hearing record, the lack of public support and the dollars involved, the committee could not continue the program without significant reforms. Our five hearings held between the 1st of February and February 14 of this year dictated the course of the changes needed in the food stamp program. The food stamp program is taken off automatic pilot, and control of spending for this program is returned to the Congress.

We are going to hear a lot of rhetoric, have heard a lot of rhetoric. It has been said in the press over and over again and by certain critics of reform that, for goodness sakes, there might be a problem with food stamps down the road because we only allow for a 2 percent increase. Used to be before we had it as an entitlement program and before 1990 when we had a spending cap that the Congress had that responsibility, we would come back every year and determine whether or not additional funds were needed. That is the responsibility of the Congress.

The food stamp deductions are kept at 1995 levels instead of being adjusted automatically. Again, it is off of the automatic pilot for increases in the Consumer Price Index. Food stamp benefits will increase, increase, not a cut, increase, increase up, not down, not a cut, at the rate of 2 percent per year to reflect increases in the cost of food. Food stamp spending will no longer grow out of control.

Oversight from the committee is essential so that reforms are needed or the committee will act. And, yes, if we would have a recession and, yes, if food prices would go up and, yes, if in fact it were needed I am sure the Congress would support a supplemental appropriation.

States are provided the option of harmonizing their new AFDC programs with the food stamp program for those people receiving assistance from both programs. Since 1981, the committee has authorized demonstration projects aimed at simplifying the rules and regs for those receiving assistance from AFDC and food stamps. States have complained, recipients have complained for years about the disparity between AFDC and food stamp rules.

We need one-stop shopping, one-stop service. This bill provides them the opportunity to reconcile these differences. It is now time to provide all States, all recipients with this option.

H.R. 4 contains a tough work program. We have heard a lot about that. Able-bodied persons between the age of 18 and 50, with no dependents, no dependents, will be able to receive food stamps for three months. Eligibility, however, would cease at the end of the 3-month period if they are not working at least 20 hours per week in a regular job.

This rule will not apply to those who are in employment or training programs, such as those approved by a governor of a State. A State may request a waiver of these rules.

Let me repeat that. A State, a governor, may request a waiver of the rules if the unemployment rates are high or if there are a lack of jobs in the area. We have that waiver. We just expect able-bodied people between 18 and 50 years who have no one relying upon them to work at least half time if they want to continue to receive the food stamps. It is essential to begin to restore integrity to the program.

Abuse of the program occurs in three ways: fraudulent receipt of benefits by recipients, street trafficking in food stamps by recipients and trafficking offenses made by retail and wholesale grocers.

H.R. 4 doubles the disqualification periods for food stamp participants who intentionally defraud the program. For the first offense the period is changed to 1 year. For the second offense the disqualification period is changed to 2 years. Food stamp recipients who are convicted of trafficking in food stamps with a value over $500, they are permanently, permanently disqualified.

Also, H.R. 4 requires States to use the Federal tax refund offset program to collect outstanding overpayments of food stamp benefits. The trafficking by unethical wholesale and retail food stores is a serious problem. Benefits we appropriate for needy families are going to others who are making money illegally from the program. That is wrong.

Therefore, H.R. 4 limits the authorization period for stores and provides the Secretary of Agriculture with other means to ensure that only those stores abiding by the rules are authorized to accept the food stamps.

Finally, H.R. 4 includes a provision that all property used to traffic in food stamps and the proceeds traceable to any property used to traffic in food stamps will be subject to criminal forfeiture. Big step in preventing fraud.

The Electronic Benefit Transfer systems have proven to be helpful in reducing the street trafficking in food stamps and to provide better administration of the program. They have provided law enforcement officers a trail through which they can find and really prosecute. The EBT systems do not end the fraudulent activity, but they are instrumental in curbing the problem.

Additionally, the EBT is a more efficient method to issue food benefits for participants, States, food stores and banks.

For all of these reasons, H.R. 4 has included changes in the law to encourage States to go forward with the EBT systems.

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Mr. Chairman, this bill and the contribution of the Committee on Agriculture to the bill, I think, represent a good policy decision. We have kept the Food Stamp Program as a safety net for families in need of food. We have taken the program off of automatic pilot and placed a ceiling on spending. We save approximately $20 billion over 5 years.

Congress is back in control of spending on food stamps on a periodic basis. If additional funding is needed, as I have said before, Congress will act to reform the program so that it operates within the amount of funding allowed, or it will provide the additional funding as necessary. States are provided with an option to really harmonize

food stamps with the new welfare reform programs, the AFDC programs.

We take steps to restore integrity to the Food Stamp Program by giving law enforcement and the Department of Agriculture additional means to curtail fraud and abuse. We encourage and facilitate the EPT systems. We begin a tough work program so able-bodied people with dependents who are between the ages of 18 and 50 can receive food stamps for a limited amount of time without working.

I think this represents good food stamp policy. I urge my colleagues to support this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and my colleagues, I would like to first express to all of my colleagues the fact that I do not consider this entire legislation in any part welfare reform, although we have a strong section on fraud and abuse. Otherwise, it is merely a reduction in funding over $21 billion, and it will cause hungry people to no longer be able to attain a nutritionally adequate diet.

I know there is great controversy about the Food Stamp Program in the abuses, in the fraud, but the fact is that the average, or more than 40 percent of the recipient households have income below 50 percent of the poverty guideline and only 20 percent have significant earnings.

The program has always been responsive to the needs, and in this year of our lord, 1995, in the United States of America, the most powerful country in the world, we should not have to admit that there is hunger in the countryside, that there is hunger in the cities. I know that there is great policy debate and disagreement, but the fact that you cannot deny is that there are hungry people. There are children who go to bed hungry at night. That cannot be denied. That cannot be covered by policy. That cannot be covered by saying Democrat or Republican. That is a fact. That is a fact that cannot be denied.

And my concern here this evening is that we go solely on cutting. We should not have to do that, because this committee, and the distinguished chairman has worked on this effort, has reduced by over $65 billion in the past 12 years, more than our share of responsibility in the budget. Had every committee in this House done what the Committee on Agriculture has done, you would not have to worry about a deficit. You would not have to worry about deficit reduction if everyone had done what we have done.

So our concern here is that each year the size of a household food stamp allotment is adjusted to reflect any changes in the cost of food. This goes back to the old policies for 40 years. We have not had the Food Stamp Program for 40 years, but nonetheless, the old policies, the old policies took care to see that this was accommodated for.

Under the present bill, it cannot be. It cuts 2 percent annually of increase, but if the food prices go beyond that, then it does not cover. Then you will have a problem, and there are those who would say, well, you can always come back and ask for more.

Under the Budget Act and the atmosphere around here today, you cannot come back for more. What this bill does, it places a cap on annual food stamp expenditures, and that gets into some, and I have never seen it before, and I feel maybe that we may be yielding to outside factors, but the way that the dollar levels would be arranged in that will be the CBO projects low unemployment, assumes no recession in the next 5 years. But if that assumption is not correct, then we have a problem that we have here somehow that we will act according to what the CBO projects, and that figure, that CBO gives, will be the figure used, and I do not know how that works. That has never been tried before.

That does not mean that you do not do something that has never been tried before. That would not be right to say that. But in this case, we know how it has worked, and it would be virtually impossible under the Budget Act since to get an added expenditure you would have to have offsetting tax increase or offsetting cuts someplace.

So the fact is that you have to go take from the poor to help the poor. And those that would lose jobs during a recession will not have food benefits adequate for their families to have a healthy diet. We do not accept the majority's assumption that there are plenty of jobs available, and if hungry people are denied food benefits, they will get a job.

The fact is that there is little welfare reform in this bill. There are no job-training requirements in the bill. It only says that States will provide employment and training to food stamp families. That is deleted, and funding for this activity is eliminated, and so we have to look at what it is that we are doing, and if given adequate job training and employment counseling, I know people will work. I know that they will work.

There are those that say, "Well, they don't want to work. I can't find anyone to cut my lawn." There are people who would like to work even if it is cutting a lawn, but if you only have one of those in a month, what would you do? And in my area, I see a lot of people doing that with this help.

In other areas, also, AFDC, the WIC, school lunch, we are making radical reforms that, when coupled with changes in the food stamp provision in H.R. 7, greatly compromise our Federal food safety net. Reason argues for leaving one program as a backstop in case reforms in other programs falter or fail.

We have now learned that the CBO estimates that the reduction in food stamps, as I have said before, will equal over $21 billion over 5 years. If this savings was the result of people moving from welfare into jobs, this bill would have the support of every Member of this House, I am sure. However, 4 saves money simply by reducing benefits and kicking people off the program who cannot find jobs on their own.

And let me tell you, I can categorically state to you, because I hear this at home, I mean, these moneys that we use are hard-earned dollars paid to the U.S. Government in taxes, and we have a moral responsibility, we have a sacred responsibility to see that these funds are used adequately, and there is no way to reform a program that is designed to keep our children from going hungry.

How do you reform that? Make more people go hungry?

But we are responsible. We have been responsible. But you do not do your responsibility, as we have done, to the tune of $65 billion for 12 years, a little over 12 years. We have done it, but not by reducing benefits and kicking people off programs where they get food or in some other areas attention for their needs.

So the reduction in spending resulting from implementation of this bill, also, we insist if it is to be done, it should go for deficit reduction. That is what people are speaking on throughout the countryside, "Reduce the deficit." I just heard it before I boarded the plane this morning, "Reduce the deficit." This we must do, that the reduction be used to address the deficit.

And I urge my colleagues to commit themselves to true welfare reform. Welfare reform does not mean saying it. Welfare reform does not mean 30-second sound bites. Welfare reform does not mean saying there are no-account, lazy people out there. Welfare reform is what we have been doing, what we have done before there was a contract, before there were many of the new Members that are here. We have done that. We have been doing that. We did it in 1977, we did it in 1981, we did it in 1985.

We have addressed these issues, not necessarily only in the Food Stamp Program. But we have. We have had chairmen of the subcommittee that have worked diligently and throughout that process. The distinguished chairman, our colleague, the gentleman from Missouri [Mr. EMERSON], has been a part of this.

So no one can say that we did not address the issue. Not one can say that we were not responsible. No one can say that in any way we reduced simply for the sake of reduction. We reduced because it was the right thing to do. We went to areas where the program needed change. We have made those changes.

So what we do today is for other reasons besides welfare reform. It is for other reasons besides doing the right thing. It is for other reasons, and you, all of my friends, know what the other

reasons are. and this is no way to legislate.

Mr. Chairman, the food stamp provisions of H.R. 4 cause me great concern. Although I am relieved that the Food Stamp Program, unlike the National School Lunch Program and other child nutrition programs, including the WIC program, will not be immediately turned into a block grant by this bill, the enormous reductions in funding, over $21 billion, will cause hungry people to no longer be able to attain a nutritionally adequate diet. As we strive to find the most effective ways to help poor parents achieve self-sufficiency, there is no excuse for limiting their ability to adequately feed their children.

The Food Stamp Program is the country's largest provider of food aid and one of its most extensive welfare programs. In fiscal year 1994, it helped feed more than 1 in 10 people in this country. Half of the beneficiaries are children, and over 15 percent are elderly or disabled. More than 40 percent of the recipient households have monthly income below 50 percent of the poverty guideline, and only 20 percent have significant earnings.

The program has always been very responsive to changes in the economy in two major ways. In the first instance, each year, the size of a household's food stamp allotment is adjusted to reflect any changes in the cost of food. Here is how that works: Maximum monthly food stamp allotments are tied to the cost of purchasing a nutritionally adequate low cost diet, as measured by the U.S. Department of Agriculture, plus 3 percent. Food stamp benefits are based on 103 percent of the Thrifty Food Plan to acknowledge the fact that food prices usually have increased between the time that the cost of the TFP is determined and the time that benefits are adjusted and distributed. (The cost of the TFP is determined in June, and benefits adjusted beginning the following October. Those adjusted benefits are not adjusted again until the next October, 15 months after the TFP adjustment.) This formula helps assure that families receive benefits reflective of the cost of food at the time they are purchasing the food. This diet is called the Thrifty Food Plan [TFP], and it is the cheapest of four food plans designed by USDA. USDA determines the cost of a market basket of low cost food items necessary to maintain a nutritious diet. The TFP is priced monthly, and food stamp allotments are adjusted, up or down, each October to reflect the cost of the TFP in the previous June. The October adjustment in 1995 is expected to be an increase of approximately 3.5%, reflecting the percent of increase in the cost of food. This mechanism assures that no family will get less than what it needs to maintain its ability to purchase a nutritionally adequate, albeit low cost, diet.

H.R. 4 will limit any increases in the food stamp allotments to 2 percent annually, even if food prices increase nationally more than 2 percent. While the majority can argue that nominal benefits will not be reduced under their bill, benefits will no longer keep pace with the cost of food. Given current estimates of what will happen to food prices in the future, it is expected that in 2 years food stamp families will no longer receive benefits adequate to purchase a nutritionally adequate diet. Allotments will have fallen below 100 percent of the Thrifty Food Plan. Each year thereafter, under the majority's bill, benefits will be further eroded. We cannot stress enough the importance of maintaining a nutritionally adequate diet. It is the linchpin upon which this program is based and upon which all changes to the program must be measured. This bill completely abandons the principle that poor and hungry families deserve, at minimum, a nutritionally adequate diet. I am submitting for the record a chart showing that in two years H.R. 4 will begin to deny hungry families the chance to purchase a healthy diet.

In the second instance, the bill becomes even more unresponsive to economic fluctuations by making it extremely difficult for the program to respond to increases in need during recessions. H.R. 4 places a cap on annual food stamp expenditures at the exact dollar levels that the Congressional Budget Office estimates the program will cost given implementation of the provisions in the bill. The CBO projects low unemployment and assumes no recession in the next five years. We hope that this assumption is correct, but if it is wrong and the Nation faces a recession, benefits to poor and hungry families will be reduced. There is no provision for an upward adjustment of the cap if the number of beneficiaries rises during a recession. Any effort under those circumstances to raise the cap, under the 1990 Budget Enforcement Act, would be virtually impossible, since it would require an offsetting tax increase, a cut in another entitlement, or an emergency designation. At exactly the time when poor people need help most, they will receive less food assistance. The working poor, those most likely to lose jobs during a recession, will not have food benefits adequate to feed their families a healthy diet.

Everyone can agree that we need additional budgetary controls on our federal budget. However, this is a most inhumane way to achieve such control. Hunger cannot be capped. We must allow the one program that provides a minimal safety net to keep hunger at bay to respond to recessionary times.

We must conclude that the majority's bill is a cost savings bill, nothing more. There is little welfare reform in this bill. For example, there are no job training requirements in this bill. The current requirement that states provide employment and training to food stamp families is deleted, and funding for these activities is eliminated. Instead, the same level of funding is provided to states that choose to operate a program requiring that families work in public service jobs in return for their food stamp benefits; but, only 6 states operate such programs, and none of them are statewide. We do not accept the majority's assumptions that there are plenty of jobs available, and if hungry people are denied food benefits they will get a job. People do not prefer poverty over self-sufficiency. If given adequate job training and employment counseling, and if jobs are available, people will work. This bill provides no such incentives.

This process has not produced true welfare reform. Merely cutting the Food Stamp Program at some arbitrary level is not reform and no one should mistake it as such. This bill simply goes too far in undermining our federal food assistance safety net and leaves our poor families vulnerable to hunger. In other areas, AFDC, WIC, school lunch, we are making radical reforms that when coupled with the changes in the food stamp provisions of H.R. 4 greatly compromise our federal food safety net. Reason argues for leaving one program as the backstop in case reforms in the other programs falter or fail.

For those who have worked on far-reaching and comprehensive legislation in the past, the process of reforming welfare in this Congress has been most disturbing. The frantic pace at which we are required to move has assured that very little thoughtful consideration and deliberation can take place. The Committee on Agriculture, over Democratic objections, marked-up this bill without a CBO estimate. It is impossible to know the full implication of the bill's benefit reductions on the poor and hungry of this country without the CBO estimate. The majority many times during mark-up stated that the bill they presented for approval was believed to save $16.5 billion over 5 years. We have now learned that CBO estimates that the reductions in food stamp benefits that will result from the food stamp title of H.R. 4 will equal over $21 billion over 5 years.

The concerns of the minority over $16.5 billion in benefit reductions are magnified several times when the reductions exceed $21 billion. If these savings were the result of people moving from welfare into jobs, this bill would have the support of every member of Congress. However, H.R. 4 saves money simply by reducing benefits and kicking people off the program who can't find jobs on their own. This is no way to reform a program that is designed to keep our children from going hungry.

Finally, the minority is pleased that the committee approved a Sense of the Committee provision that the reduction in spending resulting from implementation of this bill must go toward deficit reduction. This policy must now be adopted for H.R. 4. There should be only two reasons to seek reductions in the Food Stamp Program—(1) to reduce the deficit, and (2) to reallocate resources in such a manner that allows the participants to achieve self-sufficiency (such as employment and training). Any attempt to use the savings to finance tax cuts must be roundly denounced. We cannot stand by and allow an erosion of food benefits for the poor to provide tax breaks for those who are far better off.

I urge my colleagues to commit themselves to true welfare reform, not to this bill that does little more than deny and reduce benefits to hungry families in the name of welfare reform.

Mr. Chairman, I reserve the balance of my time.

Mr. ROBERTS. Mr. Chairman, there is one man in the Congress who probably knows more about food stamps and has contributed more of his time and effort to food stamp reform and the problem of hunger and malnutrition in America than any other. and that gentleman is the gentleman from Missouri [Mr. EMERSON]. The gentleman from Missouri [Mr. EMERSON] has served with distinction on the Select Committee on Hunger and has served with distinction on the House Committee on Agriculture. He is the distinguished gentleman who has been the leader in food stamp reform and is the chairman of the appropriate subcommittee.

Mr. Chairman. I yield 11 minutes to the gentleman from Missouri [Mr. EMERSON].

(Mr. EMERSON asked and was given permission to revise and extend his remarks.)

Mr. EMERSON. Mr. Chairman. I rise in support of H.R. 1214. the Personal Responsibility Act. For the past decade this topic of reforming welfare has been an abiding interest of mine and I am guided and motivated by the words of Abraham Lincoln "The dogmas * * * of the * * * past are inadequate to the present. We must think anew and act anew."

The present welfare system cannot be defended. It is a disgrace. The people who receive the assistance do not like it; the people who run the system do not like it. and the taxpayers will not stand for continuation of the present welfare maintenance system.

There are welfare programs that provide public assistance directly to individual families through cash benefits for food coupons; programs providing work or training to get able-bodied people to work; programs that provide meals in schools and other institutional settings; programs that provide distribution of commodities to hungry people, and programs linking health and food. The actual number of programs available to needy families is in excess of 125. with 80 of these programs considered major programs with a cost in excess of $300 billion per year in Federal, State. and local tax dollars. There are more programs now for providing public assistance to poor families than any time in the past. serving more people and costing more money. There must be a better way to help low-income people become taxpayers. We currently have a welfare maintenance system, not one designed to provide temporary assistance and help people reclaim or gain a life.

Most needy families coming in to seek public assistance need help in at least three categories: cash and the accompanying medical assistance, food. and housing. The rules and regulations for these programs are different and in many cases conflicting. It does not make sense for the Federal Government to set up programs for poor families and then establish different rules for eligibility. We need one program that provides a basic level of assistance for poor families; sets conditions for receipt of that assistance. including work. and then limits the amount of time families can receive public assistance.

Over the past 12 years I have served either as ranking Republican on the Nutrition Subcommittee of the Agriculture Committee or the Select Committee on Hunger. I have looked at these welfare programs in depth: I have visited scores of welfare offices, soup kitchens, food banks; I have spoken to those administering the welfare programs and the people receiving the assistance.

I learned during my years serving on the Select Committee on Hunger that any one program does not comprehensively provide welfare for poor families; it takes two or more of the current programs to provide a basic level of help. When there are two or more programs with different rules and regulations people fall through the cracks in the system and also take advantage of the system. This must stop. How anyone could defend the present structure and system is a puzzle to me: unless it is persons who benefit illicitly from the fractured welfare mess we find ourselves in today, be they welfare recipients who take advantage of the system or advocates who thrive on the power derived from establishing new programs. Advocates of the humane system, a cost-effective System. an efficient system, a system that helps people up. off and out could find little solace in the current system.

Over the past years I have come to the conclusion that an effective welfare system is one that encompasses what I refer to as one-stop-shopping. We need a lot of integration, consolidation, and automation and none of these "tools" is much a part of the system at this time. This concept takes the multiple welfare programs now in place and tries to bring some cohesion to them.

States have sought or are seeking waivers from the Federal rules and regulations to establish some type of reform of the present welfare system. Governors in particular recognize that the system is broken and needs to be fixed. Thirty States have sought or are seeking waivers from the Federal Government to reform all or a part of their respective State welfare systems.

It is amazing to me that this many States have sought to change the welfare system, thereby recognizing the failure of the present system, without any action on the part of Congress to change the system as well. There has also been a recalcitrant bureaucracy, and there is a turf program in the bureaucracy that probably exceeds the turf problem in Congress. How many more States might try to institute reforms but for the maze of bureaucracy they must go through to achieve waivers? What we have now is not a welfare system aimed at moving families off of welfare and onto the taxpayers rolls, but a maintenance system that thwarts State initiative and diversity and poorly helps poor families, exasperates the front line administrators running the programs, and is a frustration and burden to the people paying for this disastrous system.

I want to help reform the system; I want to change the way we deliver this help to poor families, and, I want to do it in an efficient, compassionate, and cost-effective manner, and I believe that with this legislatiin we are on that path.

The subcommittee that I chair held four hearings last month on the issue of reforming the present welfare system. We heard from the General Accounting Office on the multitude of programs that are now operating. We heard from a Governor who operates a welfare system that is dependent upon Federal bureaucrats for waivers; a former Governor who had to devise a system to provide one-stop-shopping for participants, and State administrators who must deal with the day-to-day obstacles that are placed in their way by Federal rules and regulations. Witnesses traveled from all over the United States to tell the subcommittee of their experiences operating programs to help poor families. Two of the members of the welfare simplification and coordination advisory committee told us of the experiences deliberating the complexities of the present system. Others provided the subcommittee with their ideas on how to improve the system.

I believe the debate on reforming the welfare system has truly begun. In the past we were only dealing with reform at the margins. We have now started on the path to real reform.

This reform will not be accomplished in one sitting. with one bill. It is a process that will take from 3 to 5 years.

The Committee on Agriculture, with jurisdiction over the Food Stamp Program and Commodity Distribution Programs, is a part of that process. The committee, along with the Republican leadership, determined that the Food Stamp Program will remain a Federal program for the present time. It will serve as the safety net for needy people. Food is fundamental and we provide access to food for these families.

We consolidate four Food Distribution Programs into one and provide for a $100 million annual increase in authorizations for the new program. Remember, food is fundamental. The food distribution programs, such as the Temporary Emergency Food Assistance Program or TEFAP, which I might add. at this juncture the administration would like to zero out, are the front line of defense against hunger for needy individuals and families. Food banks, soup kitchens, churches and community organizations are always there with food when it is needed. The Federal Government provides a portion of the food that is distributed through these programs. But it is an essential part and acts as seed money for food contributions from the private sector. If we did not have food distribution programs we would have to invent them. The committee bill consolidates these programs and increases the money to buy food so that these worthwhile organizations, most of which are made up of volunteers, can continue the fine work they now do.

We do reform the Food Stamp Program and it is in need of a lot of reform. The states are provided with an option to reconcile the differences between their new AFDC Programs with the Food Stamp Program for those people receiving help from both programs. This has been one of my goals and I believe that we are on the road to a one-stop—shopping welfare system. Complete welfare reform will come. This is the first step in the long road to reform.

States are encouraged to go forward with an electronic benefit transfer system. EBT is the preferred way to issue food stamp benefits. This bill provides States with the ability to implement the EBT system they deem appropriate and the problems with the notorious regulation E are eliminated. The committee views EBT as a means to effectively issue food stamp benefits and as a means to control and detect fraudulent activities in the program. I am especially gratified that EBT can become an integral part of the Food Stamp Program and other welfare programs.

The committee has taken steps to restore integrity to the Food Stamp Program by instituting criminal forfeiture authority so that criminals will pay a price for their illegal activities in food stamp trafficking. We double the penalties for recipient fraudulent activities and we give USDA the authority to better manage the food stores that are authorized to accept and redeem food stamps.

We include a tough work program. We say that if you are able-bodied and between 18 years and 50 years with no dependents, you can receive food stamps for 3 months. Following that you must be working in a regular job at least 20 hours a week—half-time work—or you will not receive food stamps. The American people cannot understand why people who can work do not do so. We say you will not receive food stamps forever if you do not work.

The committee determined that the unconstrained growth in the Food Stamp Program, due to the automatic increases built into the program and the changes made to the program over the past years, cannot continue. We restrain the growth in the program by limiting the indexing of food stamp income deductions and providing a 2-percent increase in food stamp benefits. We place a ceiling on the spending in the program. It will be up to Congress to determine whether increases above the limits placed on the program will take place. This is the appropriate way in which to manage this program. If a supplemental appropriation is needed, it will be Congress that decides whether to provide the additional money or institute reforms in the program to restrain the growth.

Mr. Chairman, this is a good bill, with sound policy decisions incorporated. Remember, we have not ended the process of reforming welfare with the action we take today. We are beginning the process of real reform. I urge my colleagues to support this bill and take this first step along with me. We cannot continue as we are today with a welfare system that is despised by all involved. The status quo is unacceptable. Let us think anew and act anew.

□ 2030

Mr. ROBERTS. Mr. Chairman, I thank the gentleman from Missouri [Mr. EMERSON] and would point out to the Members and to all who are paying attention to this debate that the gentleman from Missouri has spent more time in regards to personally visiting feeding programs and soup kitchens. It is his amendment that consolidates many of the feeding programs and adds $100 million to that effort.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in strong opposition to H.R. 4, the Personal Responsibility Act of 1995 from the Republican Contract With America.

Among the most troubling provisions of the bill are those dealing with food and nutrition, deep cuts in food stamps and block grants for the School Lunch Program, and Supplemental Nutrition Program for Women, Infants, and Children. To add insult to injury, the money saved will fund tax cuts, not address the debt or deficit.

While keeping the entitlement nature of food stamps, the majority have placed a cap on the program and cut spending by $23 billion over 5 years. The food purchasing power of millions of recipients will diminish over time, and fall below the amount needed to purchase the bare-bones minimum.

In my home State of Maine, history shows us that during down swings in the economy, the number of people turning to food stamps increases. The rigid cap on food stamp expenditures would allow for no adjustments for economic changes.

The majority would mandate that certain recipients work for their benefits, yet they provide no funds for the State to create jobs or to provide training.

All told, Maine would lose $88 million over the next 5 years, nearly 20 percent from the budget of a program that serves 160,000 people monthly.

I spent time talking to parents and students at a school in Bangor ME, yesterday. They could not believe that Congress was going to cut the School Lunch Program to pay for tax breaks. It rankled them to no end.

In Maine schools, more than 48,000 students a year gain a substantial share of their daily nutrition from free and reduced lunches. That is nearly a quarter of Maine's student population. In providing the School Lunch Program, Federal, State and local governments spent $44 million in Maine last year.

This is not a welfare program this is an education program, a nutrition program. How many times have each of you heard, "A hungry child can't learn?"

Then there is WIC, a program that ensures adequate nutrition for pregnant women and nursing mothers. More than 70 studies have proven its effectiveness at preventing low-birthweight babies and other complications. It saves money in the long run.

For $17 million a year 44,000 women, infants, and children in Maine reap the benefits of the sustaining food provided by WIC funds.

Despite the obvious benefits of both programs, the Personal Responsibility Act creates block grants, rolls back nutritional standards, and generally fails to give States enough money to do the job properly.

Titles 3 and 5 of the act, those covering WIC and school lunches, cap the block grants at less than the rate of inflation. Maine would lose $37 million over the next 5 years.

Food programs are the ultimate safety net. The changes contained in the Contract With America would leave the net threadbare and unable to break the fall of those who most need it. I urge my colleagues to oppose H.R. 4.

Mr. ROBERTS. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. GOODLATTE], who has authored many strengthening amendments to the antifraud provisions of the food stamp reform package.

Mr. GOODLATTE. I thank the chairman for yielding this time to me.

Mr. Chairman, I commend the gentleman from Kansas [Mr. ROBERTS] for what I think is a very fine bill, a very fair bill, and a bill that I think is going to lead us in the right direction here. You know, I am one who strongly supports the idea that this is something that eventually should be turned over to the States to run. I think government closer to the people is a government that runs a better program. We have set up a mechanism to accomplish that in this legislation by setting up a method by which States that go to the electronic benefit transfer system can eventually qualify to have the program administered through a block grant system. I think that is the right direction to take.

In the meantime, measures need to be taken to tighten up this program, and I think this bill does just that.

Before I address those, I would like to first respond to those on the other side who claim that this bill lacks compassion. I think that is utter nonsense. Compassion is not measured by the size and complexity of the bureaucratic program that has been established over the years. Compassion is not measured by the billions upon billions of dollars that we keep throwing at this program without results, but instead, making more and more people dependent upon the program.

Compassion is measured by taking people by the hand and helping them where they need to be helped, but also setting them on their own and asking them to go ahead and take some responsibility for their own lives. That is what is ultimately the thing that will build back into peoples lives the dignity that is needed.

□ 2045

Mr. Chairman, those who suggest that the work requirements here are unfair I think are completely off track. We have a situation here where anyone who is between the ages of 18 and 50 is required to work 20 hours a week, not 40 hours a week, as many people strive to do, merely 20 hours a week. If they have a dependent child at home, and they are the primary care giver, they are not required to comply with that. I

think ultimately we are going to have to change that and require that.

Today most young American families, both members of the household work, and I think that ultimately we need to expect that everyone should contribute something for the benefits that they receive, and to suggest that we are the ones who are lacking in compassion when the President's plan would have gutted the ability of food programs, food banks all across this country, to assist people with basic needs, and this plan preserves that, again I think it is very misleading to suggest that somehow we are being lacking in our compassion.

The second problem we have with this program is that it has historically been beset by all manner of fraud. Food stamps are trafficked on the street, traded for drugs, used in a multitude of methods.

I point out that we have done that by requiring that State and local governments and the Department of Agriculture verify the existence of stores that are trading food stamps because we have had problems with them being traded through post office boxes and through the trunks of cars, and we have tightened up the requirements that, if somebody is found guilty of trafficking in food stamps, and it involves more than $500, they can be barred from receiving food stamps.

Mr. Chairman, I urge support of this bill.

Mr. ROBERTS. Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, I thank the gentleman from Texas [Mr. DE LA GARZA] for yielding me time.

Mr. Chairman, the Republican welfare bill that we are debating has one clear result, save $69 billion over 5 years by creating block grants to the States with fixed, capped funding.

The proposed legislation does little to assist individuals to become self-sufficient by helping them find work. It has no guarantees that it will reform the welfare system. Instead, this is a package geared toward reducing the deficit and guaranteeing that the affluent receive a capital gains cut, by cutting benefits and resources to our children.

On February 23, the National Governors' Association sent a letter to the chairman of the House Ways and Means Committee signed by the Governor of my State, Mel Carnahan, and Republican Governors Tommy Thompson of Wisconsin and John Engler of Michigan. The letter states: "The Governors view any block grant proposal as an opportunity for Congress and the President to provide needed flexibility for States, not as a primary means to reduce the Federal budget deficit." They continue in this four-page letter to list other objections they have with the bill in its current form, including provisions that limit State flexibility or shift Federal costs to States. With that, Mr. Chairman, I ask that the full text of the letter appear in the RECORD after my remarks.

I understand the need to reform the welfare system. I do not understand, however, why we need to forge ahead with legislation that is so poorly thought out that it simply abdicates our legislative responsibility to the Senate, whom we hope will take the time necessary to craft a bill that truly reforms the welfare system. Those of us who have extensive understanding of State welfare programs feel we have not been given adequate opportunity to help shape the welfare debate going on today.

Because of the way this legislation has been rushed through this body and in light of the fact that the bill does not meet the fundamental principle of moving people from welfare to work, I cannot support H.R. 1214 in its current form.

The letter referred to is as follows:

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, February 23, 1995.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to express our views on the Personal Responsibility Act, as amended by the Subcommittee on Human Resources. The Governors appreciate the willingness of the subcommittee to grant states new flexibility in designing cash assistance and child welfare programs. We are concerned about a number of the bill's provisions, however, that limit state flexibility or shift federal costs to states.

The Governors believe Congress has at this moment an enormous opportunity to restructure the federal-state relationship. The Governors urge Congress to take advantage of this opportunity both to examine the allocation of responsibilities among the levels of government and to maximize state flexibility in areas of shared responsibility. We believe, however, that children must be protected throughout the structuring process. In addition, although federal budget cuts are needed, the Governors are concerned about the cumulative impact on the states of federal budgetary decisions. The Governors view any block grant proposal as an opportunity for Congress and the president to provide needed flexibility for states, not as a primary means to reduce the federal budget deficit.

The Governors have not yet reached consensus on whether cash and other entitlement assistance should remain available, as federal entitlements to needy families or whether it should be converted to state entitlement block grants. We do agree, however, that in either case states should have the flexibility to enact welfare reforms without having to request federal waivers.

FEDERAL STANDARDS FOR BLOCK GRANTS

If Congress chooses to pursue the block grant approach proposed by the Human Resources Subcommittee, the block grants should include a clear statement of purpose, including mutually agreed-upon goals for the block grant and the measures that will be used to judge the effectiveness of the block grant.

CASH ASSISTANCE BLOCK GRANT

The Governors believe that a cash assistance block grant for families must recognize the nation's interest in: Services to children; moving recipients from welfare to work; and reducing out-of-wedlock births.

Although the Governors recognize the legitimate interest of the federal government in setting broad program goals in cooperation with states and territories, they also believe that states should be free from prescriptive federal standards.

We appreciate the flexibility given to states in the bill to design programs, to carry forward program savings, and to transfer funding between block grants. We must oppose, however, Title I's prohibitions on transitional cash assistance to particular families now eligible for help and ask instead that states be given the authority to make these eligibility decisions themselves. Some states may want to be more restrictive than the bill—by conditioning aid on work, for example, sooner than two years—while other states may decide it is appropriate to be less restrictive.

The federal interest should be limited to ensuring the block grant is used to aid low-income children and families. In the past federal restrictions on eligibility have served to contain federal costs given the open-ended entitlement nature of the Aid to Families with Dependent Children program. Such restrictions have no place, however, in a capped entitlement block grant where the federal government's costs are fixed, regardless of the eligibility and benefit choices made by each state.

Similarly, while Governors agree that there is a national interest in refocusing the welfare system on the transition to work, we will object strongly to any efforts to prescribe narrow federal work standards for the block grant. The Governors believe that all Americans should be productive members of their community. There are various ways to achieve this goal. The preferred means is through private, unsubsidized work in the business or nonprofit sectors. If the federal government imposes rigid work standards on state programs, such standards could prove self-defeating by foreclosing some possibilities, such as volunteering in the community, that can be stepping stones to full-time, private sector jobs. A rigid federal work standard would also inevitably raise difficult issues about the cost and feasibility of creating a large number of public jobs, and the cost of providing child care for parents required to work a set number of hours a week in a particular type of job.

CHILD PROTECTION BLOCK GRANT

Governors view the child protection block grant as overly prescriptive and urge Congress to refocus it on achieving broad goals, such as preserving families, encouraging adoption and protecting health and safety of children. We also oppose the mandated creation of local citizen review panels. We believe that it is inapprorpiate for the federal government to dictate the mechanism by which Governors consult the citizens of their state on state policies.

BLOCK GRANT FUNDING

We appreciate the subcommittee's willingness to create block grants whose funding level is guaranteed over five years rather than being subject to annual appropriations. It is essential, however, that block grants include appropriate budget adjustments that recognize agreed-upon national priorities, inflation, and demand for services. The cash assistance block grant does not include any such adjustments for structural growth in the target populations. While some growth is built into funding for the child protection block grant, it is not clear whether it will be adequate especially given that states are likely to be required by the courts to honor existing adoption assistance contracts. Governors will continue to protect abused and

neglected children by intervening on their behalf and we believe that federal funding must continue to be available for these services.

Governors also ask that any block grants include funding adjustments to provide for significant changes in the cyclical economy and for major natural disasters. An additional amount should be set aside each year for automatic and timely distribution to states that experience a major disaster, higher-than-average unemployment, or other indicators of distress. While the bill does include a federal rainy day loan fund, we are concerned that this loan fund will prove to be an inadequate means of addressing sudden changes in the need for assistance. States experiencing fiscal problems will not be able to risk taking out federal loans that they may not be able to repay. Furthermore, one billion dollars over five years may not be sufficient if many states experience economic downturns or natural disasters at the same time, as was the case with the last recession or with the midwestern floods. Finally, an unemployment rate in excess of 6.5% may not be a sufficient proxy for identifying increases in need and should not be the sole trigger for increased aid.

We also urge the committee to change the funding base year and formula for the two block grants. We believe that initial allotments to states for the cash assistance and child protection block grants should be the higher of a state's actual funding under the consolidated programs in fiscal 1994 or a state's average funding during fiscal years 1992 through 1994. This change would help protect states with recent caseload growth from receiving initial allotments far below actual need.

ACCOUNTABILITY IN BLOCK GRANT PROGRAMS

We believe that block grants should include a clear statement of purpose, including mutually agreed-upon goals for the block grant and the measures that will be used to judge the effectiveness of the block grant. We are concerned, however, that the reporting requirements in both the cash assistance and child protection block grant go far beyond what is necessary to monitor whether program goals are being achieved. We encourage the committee to restrict reporting requirements to outcome and performance data strictly related to the goals of the program, and hope that those reporting requirements can be mutually agreed upon by Congress, the administration, and ourselves.

We agree that states should be required to use the block grant funding to provide services for children and their families. We do have questions, though, about how broadly the bill's audit provisions would be applied. Would the audit process be used, for example, to determine whether the block grant goal of assisting needy children and families was being achieved? We would also suggest that rather than the federal government reclaiming audit exception funds, that these funds remain available to a state for allowable services to families and children.

IMPLEMENTATION

Governors also ask Congress to recognize that moving to a block grant structure raises many implementation issues. Almost every state is operating at least one welfare waiver project. We believe that states with waivers currently in effect should have express permission either to continue their waiver-based reforms, or to withdraw from the waivers, and be held harmless for any costs measured by waivers' cost neutrality provisions. Savings from individual state's waivers should be included in the state's base. Some states have negotiated a settlement to retain access, subject to state match, to an agreed upon dollar amount of waiver savings. Legislative language converting AFDC to a block grant should not terminate these agreements and thereby preclude states from drawing down the balance of these previously negotiated amounts.

Implementation of block grants would also pose enormous difficulties for state information systems, and we are concerned that there may not be sufficient funding or lead time to allow states to update these systems as necessary to implement the legislation. While states that are ready should be able to implement any new block grants as soon as possible, other states should be allowed at least one year after enactment to implement the new programs. We also believe that a consultative process between Governors, Congress and the administration would be necessary to ensure that the transition to a block grant system is made in an orderly way and that children's needs continue to be met during the transition.

FEDERAL AID TO LEGAL NONCITIZENS AND FEDERAL DISABILITY BENEFITS

The Governors oppose the bill's elimination of most federal services to legal noncitizens. The elimination of federal benefits does not change any state's legal responsibilities to make services available to all legal immigrants. Policy adopted by the Governors clearly states that since the federal government has exclusive jurisdiction over our nation's immigration policy, all costs resulting from immigration policy should be paid by the federal government. This bill would move the federal government in the opposite direction, and would shift substantial costs to states.

The Governors also oppose the bill's changes to the Supplemental Security Income (SSI) program. We recognize that the program is growing at an unacceptable rate, and that serious problems exist regarding the definition and diagnosis of disabilities. The changes in the bill go far beyond addressing those problems and represent a substantial and unacceptable cost shift to states. The Governors believe that Congress should wait for the report of the Commission on Childhood Disability before acting to change eligibility for disability to children. We also ask that Congress allow last year's amendments regarding the substance abuse population to be implemented before enacting new changes in that area. If changes in SSI are enacted that deny benefits to hundreds of thousands of families and children, the result may be a sharp increase in the need for aid from the new cash assistance block grant at a time when those funds would be capped.

Thank you for your consideration of our views on the first four titles of Chairman Shaw's bill. We are also reviewing the child support provisions and will be forwarding our comments on them to you separately.

Sincerely,

GOV. HOWARD DEAN,
Chair.
GOV. TOMMY G. THOMPSON.
Vice Chair.
GOV. TOM CARPER,
Co-Lead Governor on Welfare.
GOV. JOHN ENGLER,
Co-Lead Governor on Welfare.
GOV. MEL CARNAHAN,
Chair, Human Resources Committee.
GOV. ARNE H. CARLSON,
Vice Chair, Human Resources Committee.

There is one last point I would like to make. Last week my staff received an invitation to attend an all-expense-paid trip to visit Navy bases in the Pacific. Now Mr. Speaker, I do not know how many staffers are going to take this trip—I know mine isn't—and for all I know the Navy may need to have staff review their operations in the Pacific. However, my question is this: If budgets are so tight that we have to cut school lunch programs for children and energy assistance programs for the elderly, then why do we continue to allow funding for these types of trips, which strike me as completely unnecessary? If we are going to cut the deficit, why don't we look to end these types of trips that are paid for by U.S. taxpayers.

Mr. DE LA GARZA. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Chairman, discussion about welfare reform is not new. This issue has been debated over the years. We have come a long way.

But, as we stand, prepared to vote on welfare reform legislation, I am struck by the feeling that, as far as we have come, we seem to be going a long way back.

A minister in my district tells the story of what school breakfast was like, before we had a Federal school program.

Scolded by her teacher, an embarrassed little girl discarded her breakfast. She had been eating it during class. The noise when the item landed in the wastebasket was revealing and disturbing. That little girl's school breakfast was a raw sweet potato. Without it, she would not eat.

That, Mr. Chairman, is where we have come from. I am worried, however, that we may be going back to that same place in time.

The majority has offered a welfare reform bill that cuts eligibility without work program funding, reduces spending and gives wide flexibility to the States.

My party will offer two substitute bills that offer less radical reform but provides for funding for work. I rise to encourage my colleagues to think America. This issue is not about party and politics. It is about people.

It is about sound bodies, strong minds and sturdy spirits. This issue is about moving forward in the future. It is not about wallowing backward to the past. We should shape a bill that is neither Republican nor Democrat, that hurts neither the rich nor the poor—a bill that joins us, not one that divides us.

We are not 50 States. We are the United States. We do not need fifty standards for nutrition in this Nation. We need one standard.

Regionalization and sectionalism hurts us. We fought a Civil War to bring this Nation together. The place of one's birth should not determine the quality of one's life. Every child in America should have a hearty breakfast and a healthy lunch. At the end of the first 100 days of this Congress, the current debate on welfare reform will be finished. But, where will America be on the 101st day?

Will there be more people with jobs? Will we show improvement in education? Will there be less crime in the streets?

More specifically, will there be more or fewer hungry children? Will infant mortality rates rise or fall? Will our seniors be better off at that time than they are now? What, if anything, will a young school girl have for breakfast?

Children are not driving the deficit. Senior citizens are not the cause of our economic problems. Programs for poor people do not amount to pork.

In fact, AFDC constitutes just 2 percent of all entitlement spending and 1 percent of all federal spending.

The average American taxpayer spends only about $26 on AFDC. Child nutrition programs represent only one-half of 1 percent of total federal outlays. And, the average food stamp benefit is 75 cents per person, per meal. Only 75 cents.

That is why I am deeply troubled by the proposed cuts. Cuts have occurred, and more are proposed in the WIC Program, for example. WIC works.

It is a program that services low-income and at-risk women, infants, and children.

Pregnant women, infants 12 months and younger, and children from 1 to 5 years old, are the beneficiaries of the WIC Program.

For every dollar this Nation spends on WIC prenatal care, we save up to $4.21 cents.

The budget cutting efforts we are experiencing are aimed at reducing the deficit. The deficit is being driven by rising health care costs. When we put money into WIC, we save money in Medicaid. The equation is simple.

Those who have a genuine interest in deficit reduction can help achieve that goal by investing in WIC and the other nutrition programs now targeted for cuts.

Mr. Chairman, the story is told of a rich man, while dining at his table of plenty, he noticed a ragged, poor, old woman, outside his window, begging for food. "Go", he said to his servant, "It saddens me to see that poor, old woman," he lamented. "Get her away from my window. Tell her to go away," he said.

As this debate goes on, many charts and numbers will be displayed. Republicans and Democrats will claim that theirs is the truth. Let's not forget the people.

When we conclude this week, we must each look in the mirror and ask ourselves, what have we told the poor, old women and men, and the pregnant women, and the infants and children, and the little school girls and little school boys?

Have we told them to get from our windows? Have we told them to go away? Or have we told them to come inside and join us at America's table of plenty?

The issues are clear. The choices are plain. I ask my colleagues. Where do you stand? The Personal Responsibility Act, as currently written, is mindless and senseless and should be rejected.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, I rise today with those who over the years have been, and continue to be, truly concerned about the citizens of America who need us the most.

Currently H.R. 4 will substitute block grant funding for Federal nutrition programs. This block grant procedure would probably eliminate federally sponsored nutrition programs such as; (WIC) and the School Lunch and Breakfast programs among others, and substitute a single Federal payment to the States.

Based on Congressional Budget Office data, funding for the school nutrition block grant would be $170 million less than the levels that would be provided under current law. The proposed block grants would end the entitlement status of the school lunch and breakfast programs. Thus, during recessions, States and school districts with rising unemployment could be forced to choose between denying free meals to newly poor children and raising taxes, or reducing other programs to secure more resources in the middle of a recession.

We need a bill that maintains nutrition programs for children and the elderly, including WIC and school lunch program. These programs have produced significant and measurable outcomes among children who participate in them. The block grant structure proposed by H.R. 4 can't respond when the economy changes and place children at risk by eliminating nutrition standards responsible for improved children's health.

We need a bill that has strong anti-fraud and abuse provisions for the Food Stamp program. We need a bill that has work requirements for able-bodied food stamp recipients, that also helps States provide work placement and job training for food stamp recipients. We need a simplified food stamp program, revising administrative rules and simplified determination of eligibility. We need a program that retains the annual inflation adjustments for the cost of food, a program that provides a basic benefit level. We do not need a bill, such as H.R. 4, that underfunds real welfare reform by cutting spending while giving States block grants which do not increase even if the State is in recession, or has a drastic increase in its poor population.

The Republican welfare reform bill talks about work but does little to achieve it. It does not have meaningful work requirements for moving people from welfare to work. It does not provide the necessary education and training to prepare people for work.

We need a bill that provides tough, meaningful work requirements for welfare recipients. Real welfare reform must be about replacing a welfare check with a paycheck. The Deal substitute provides work requirements for welfare recipients, requiring states to place 16% of recipients in work in the first year and 20% in the second year. HR 4 does not reach the same work participation rate.

I am interested in the positive health effects that these nutrition programs have on our poor children, needy elderly, and handicapped in our country. I have heard testimony which clearly outlined the negative impact of block granting to the states of commodity distribution programs in lieu of the current nutrition program funding mechanisms.

In addition, a discretionary block grant would eliminate the entitlement status of nutrition programs and subject each year's nutrition program funding to the Congressional appropriations process. There is talk that compromises were made in H.R. 4 which allowed the Food Stamp program to remain an entitlement program but at the same time placing a cap on benefits for the Program. The compromises also provided that all other nutrition programs could be block granted to the states. I want to commend the leadership of the Agriculture Committee for this effort, but I believe that the block granting with limited funding goes too far.

In the Mississippi delta, in the coal fields of Appalachia, in the red clay hills of Georgia, 25 years ago one could see large numbers of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition. Such children are not to be seen in such numbers today.

The need for nutrition assistance has not diminished. We must not give up the accomplishments our nutrition programs achieved in the past decades. We must find ways to improve our programs. We must have flexibility at the State level, reducing excessive administrative requirements, and encourage innovation in the delivery of services to the needy. Mr. Chairman, I reject H.R. 4 and support the Deal substitute for commonsense welfare reform.

Mr. DE LA GARZA. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, the American people want a welfare system which provides a hand up, not a hand out. The deal plan provides individuals with the assistance necessary to break the cycle of poverty and to ensure that welfare recipients are better off by working than by remaining on welfare.

But they also believe that no one in America should go hungry. That has been the American tradition, a bipartisan commitment to ensuring adequate nutrition for our citizens—especially our children and the elderly. The Republican welfare plan chops away at this tradition. Americans who care about their neighbors should be concerned.

Let me just explain what is at stake so we all understand the magnitude of what the Republicans are proposing and who will be sacrificed for the sake of lowering the capital gains tax rate.

The program always has been a safety net for the working poor who—despite working 40 hours or more a week, do not earn enough to feed their families. Food stamps help families who lose their jobs during economic bad times and the elderly who cannot stretch their fixed incomes to meet all their needs and wind up choosing between food and medicine. Finally, food stamps help the millions of innocent children who, through no fault of their own, are growing up in poverty.

Last year, food stamps helped feed more than 1 in 10 people in this country. Families with children receive 82 percent of food stamp benefits. Elderly and disabled households receive 13 percent of food stamp benefits. In 1992, more than half of households receiving food stamps—56 percent in fact—earned less than half of the government-established poverty level. For a family of three, this is $6,150.

The food stamp proposal in the Republicans bill would lead to sharp reductions in food purchasing power.

The U.S. Department of Agriculture estimates that 2.2 million food stamp participants would become ineligible under the bill.

The Congressional Budget Office says that the bill would reduce the food stamp program by $21.4 billion over the next 5 years. The savings do not come from reducing fraud or administrative costs, they come from taking food out of the mouths of children who desperately need it.

The Republican plan reduces basic food purchasing power. In a few years, food stamp benefits will fall below the amount needed to purchase the Thrifty Food Plan, the bare bones food plan that was developed under the Nixon and Ford administrations and has served as the basis for the food stamp program since 1975.

Instead of keeping pace with food prices, as food stamp benefits always have in the past, benefits could rise by only 2 percent a year. Even if food prices jumped 8 percent in a year, food stamp benefits would increase just 2 percent. Fact—food prices have risen about 3.4 percent a year, even in these periods of low inflation.

Under the Deal substitute, which I helped write, savings are made. However, we guarantee that benefits never drop below the cost of the thrifty food plan.

These savings in food stamp benefits, and several other provisions of the Deal substitute, were painful cuts to make. But we made them, in order to pay for education and training programs and deficit reduction. Republicans, in contrast, reduce benefits for the sole purpose of paying for tax breaks for people making more than $100,000 a year.

The Republican bill also ends benefits after 90 days to able-bodied persons without children, unless these individuals are working at least half-time or are in a workfare or other employment or training program regardless of whether jobs are available. More than one million people will be kicked off food stamps because of this provision.

This provision does not reflect the reality of downsizing and loss of work without warning. These realities are all too familiar in America.

What about Americans, who live in small towns all over the country, who are laid off from factory jobs. These people know it takes time to find a new job. If these individuals use most or all of what little cash income they can scrape together for food, some may not be able to afford to pay rent. Homelessness and hunger would be a likely consequence.

Many members of this group have strong attachments to the work force and turn to food stamps for temporary periods when they are out of work. Most leave the program within 6 months.

The Deal substitute addresses the fact that most of these people re-enter the job market within 6 months instead of denying benefits after just 90 days. Under the Deal substitute, to continue to receive benefits a recipient must work at least half-time, participate in a public service program, or participate in an employment and training program in order to qualify.

The strength of our nation depends on how we raise our children today. We must commit as a Nation to raising strong, healthy children who will grow up to realize their full potential. To do this, we cannot abandon our commitment to successful nutrition programs. We know they work.

□ 2100

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise tonight to support H.R. 938, the Individual Responsibility Act of 1995. I am proud to be a cosponsor and want to commend the coalition, the gentleman from Georgia [Mr. DEAL], the gentlewoman from Arkansas [Mrs. LINCOLN], the gentleman from Tennessee [Mr. TANNER], and others that worked so hard to put this legislation together.

We have a bill here that I think responsibly reforms the welfare system and, more importantly, coordinates the welfare system with food stamps and other aspects.

When it comes to welfare reform, I think we all agree that the system is broke and needs to be fixed. I think we all agree that in some respects we need to get tough. But we also need to reform the system with a package that makes sense. I think the Republican bill in some areas is too extreme and does not fix the problems. In fact, I think in some areas it actually probably causes some problems.

We have a bill that we have put together that makes work pay. The Deal substitute would ensure that welfare recipients will be better off economically by taking a job than by remaining on welfare. Our bill emphasizes work first. It has a definite end to benefits, time limits, and it gets tough on deadbeat dads and does a number of things that we have been asking for for years.

I think one of the things that we are proud of in the coalition is that we have done a considerable amount of work in the food stamp area, and we want to commend the gentleman from Missouri [Mr. EMERSON] and others for the work they have done in this area. But I think we have done some things that are going to make the bill somewhat better.

Mr. Chairman, I, along with the gentleman from California [Mr. CONDIT], the gentleman from Kentucky [Mr. BAESLER], the gentleman from Texas [Mr. STENHOLM], and the gentlewoman from Florida [Mrs. THURMAN], have done considerable work on this bill, trying to coordinate the food stamp program with the changes that we have made in the AFDC program in the Deal bill. In fact, this bill includes 19 specific provisions to bring the food stamps and the AFDC programs together on applications, deductions, eligibilities, income, resources, and certification.

I heard earlier the Honorable chairman talk about the fact that their bill is going to give the States the opportunity to coordinate in these areas. We have a bill here where we have done the work, we have already coordinated it, and I think it makes the Deal bill a stronger bill. In the end, I think the Deal substitute is going to be very close to what happens in this Congress.

Our bill in the food stamp area we believe is also tougher than the Republican bill on fraud and abuse. We think we have done a better job to get at those issues. We recognize that there is a lot of good provisions in the Republican bill as well.

Mr. Chairman, I again strongly support the Deal substitute, and look forward to having a vote on that in the near future.

Mr. ROBERTS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. FOLEY], a valued member of the committee.

Mr. FOLEY. Mr. Chairman, I thank the gentleman for his leadership on this issue.

We continue to hear about the people of America that will suffer under Republican leadership. We have debated a food stamp bill for over 13 hours in committee, discussing what is right and what is wrong about it. The other side can vote against this bill. They can continue to support over $3 billion of waste in the Food Stamp Program. People buying crack cocaine, trading food stamps for prostitution, exchanging it for cash, buying liquor, cigarettes.

I felt so bad for the woman I followed in the store the other day who brought 100 dollars' worth of food stamps and bought microwave popcorn, ice cream, soda pop, pork rinds. I grew up in a home where my mother was working at an eye doctor's and my father was a high school coach. She used to get the powdered milk and mix it with a full

gallon of milk and stretch it to 2 gallons. We did not buy sodas at home.

The Food Stamp Program needs reform. What we are doing in this Congress is providing reform for a very, very valuable program, but one that in 1979 spent $6.9 billion, this year $26.5 billion. Is that something to be proud of? Have times gotten that tough from 1979 to 1995, that the program should have grown by that amount of money?

They say what happens if there are no jobs in the State. Well, in our bill if the Governor or State certifies that unemployment exceeds 10 percent and there are not enough jobs, that 90-days-and-you-are-off provision is waived. There are provisions to protect in extreme unemployment times. There are safety nets. I keep hearing the "safety net" term. I have to call this program a trampoline. People are jumping on it and they do not want to get off. They do not want to change their behavior. They do not want to change their way. People do not want to work. I spoke about this earlier this evening, not enough job training in the programs.

The food stamp program is growing rapidly out of control. I have to suggest that when we talk about the real changes in this program and the real reforms, they are in fact in this bill. And they are tough. We are curbing trafficking in fraud with increased penalties. We are going after people that use these food stamps illicitly and illegally and profit by their use. We are promoting real jobs with new incentives. We want people to work. We want America to work. But we do not want people waking up and growing up and these children we talk about in the abstract who are sitting at home while their parents sit at home watching Opra Winfrey or Jenny Jones or some other talk show, when they could be out in fact working, and inspiring their children to participate in the American dream.

I appreciate the chairman's leadership on this vital issue, and I believe when the American public sees what is in this bill, they will urge people on both sides of the aisle to support it in its entirety.

Mr. DE LA GARZA. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I strongly support welfare reform, but one thing we must not do is rush through changes that hurt children. It is not the kids who have the responsibility for the flaws in our present system; it must not be the kids that pay the most painful and lasting price for the welfare reforms we debate tonight. Unfortunately, it is the kids who bear the brunt of the impact of the Republican welfare reform proposals because of the deep, in fact devastating cuts, they direct at programs which provide for the nutritional needs of these children.

The reform bill does serious harm to child nutrition in two critical areas. First, the present programs are capable of dealing with future events that impact costs. These include increases in grocery costs, higher school enrollments, or an influx in the food stamp program brought about rescission, which like the last recession can thrown literally millions out of work and into a situation where they critically need food stamps for that family.

Capping programs and not sufficiently allowing for growth in enrollment and costs means that by the end of the decade, children will not have the nutrition available that they have had or that they have today. When it comes to feeding our children, under their plan we will be going backwards instead of forward.

Second, eliminating minimum nutrition standards for our states is terribly troubling. Now, I am all for State flexibility, State discretion. But for goodness sake, nutritional needs do not vary State by State. A kid in your State has the same nutritional requirements as a kid in my State. By eliminating national requirements and cutting available funds, we are setting in motion the inevitable deterioration of the nutritional values in our school lunch and breakfast programs. Goodbye milk and hello Koolaid for our kids in the years ahead.

The Republicans cry foul over these charges. They adamantly deny they are cutting anything. But the numbers speak the truth. A total of $26 billion is cut from WIC, child nutrition and food stamps over the next 5 years, more than a third of the cuts in the entire Republican welfare reform package.

You do not come up with $26 billion, Mr. Chairman, by reducing paperwork, eliminating waste, fraud and abuse. You get this much money only if you come directly at the meals our kids are presently receiving and reducing them dramatically in the future.

There seems to me something terribly hypocritical about this, because you can bet your bottom dollar as Members of Congress our diets will not suffer in the years ahead. If groceries go up, we will pay it, because we have the financial resources to do so.

But there are kids all over the country who depend on these programs for their basic nourishment, and they will not be able to keep up with rising costs in the future. Kids like the little Will boy I heard about in Grand Forks, ND, Friday. The person responsible for the School Lunch Program told me lots of kids depend on the school lunch and breakfast programs for their basic nourishment, and that in one little grade school in Grand Forks, the poorest section of town, you will find on any given Monday more than 100 kids in line waiting for the school breakfast, perhaps their first balanced meal since the Friday school lunch.

She heard a little boy one day jumping up and down saying, "That smells so good, that smells so good." The breakfast that morning was cold cereal and toast. Even toast to this little fellow smelled that good and caused that excitement. Now, this school district is going to have eliminate the School Breakfast Program if the cuts proposed by the Republican majority are enacted, and that little boy will not lose his breakfast; he will also lose his ability to listen and learn in class. Maybe even his edge in being able to fight off childhood illness. As a dietician told me this week, child nutrition is not welfare; it is health care.

Mr. Chairman, I owe it to that little fellow to vote against this harsh and unfair legislation, and I urge all of my colleagues to join me in rejecting these cuts for kids.

Mr. DE LA GARZA. Mr. Chairman, I yield three minutes to our distinguished colleague, the gentleman from Kentucky [Mr. BAESLER].

Mr. BAESLER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I support the Deal and the coalition bill, the alternative to the Republican bill, for several reasons. First is because it does, as does the Republican bill, simplify the administration of all the programs. Second, it acknowledges that we want people to go to work, but to require them to go to work we have to have child care and in some cases case transportation. I think the Deal bill provides that, whereas I do not think the Republican bill does.

The third reason I support the Deal bill and the coalition bill is because it does acknowledge sometimes people need transition from welfare to work, and in that transition they might need a 2-year period until able to retain their Medicaid card, which I think is important.

The fourth reason is it specifically encourages local communities to get involved to complete the cycle of self-sufficiency. We talk about work, we talk about child care, we talk about other things, but very seldom do we talk about self-sufficiency, and I think that is what we need to be talking about, and the Deal bill provides for that very succinctly.

Regarding food stamps, the Deal bill and the coalition bill, thanks to the work of the gentleman from Texas, Mr. STENHOLM, Mr. PETERSON, Mr. CONDIT, and others, provides very strict penalties for those who, much more strict than even the bill proposed by Mr. EMERSON and our honorable chairman, which was very good at the time I thought, but ours is much more strict, particularly on the recipients and also on the violators, much more strict even than the Republican proposal.

The final reason I support the Deal bill is we all know that two words that are sort of underlying this discussion are responsibility and accountability.

□ 2115

I think the Deal bill destroyed the responsibility and accountability, and it does so I think in keeping with the contract with our own conscience here in America and not just with the Contract With America.

Mr. ROBERTS. I yield 4 minutes to the distinguished gentleman from Michigan [Mr. SMITH], a valued member of the committee.

Mr. SMITH of Michigan. Mr. Chairman, I think the point needs to be made that welfare in this country is not working.

For 40 years, we have been trying to solve the problems of poverty. Politicians created many well-meaning programs designed to transfer wealth to the poor. Over this period the Government has borrowed $5 trillion and spent $5 trillion on welfare programs. And what has happened?

Illegitimate births have grown from 5 percent to 30 percent of births; single parent families have gone from 4 per cent of all families to 29 percent; teenage pregnancy has doubled; and violent crime has arisen fivefold. We have shown that simply transferring taxpayers' money to poor people doesn't work.

H.R. 4 will reform traditional welfare programs that have robbed people of self-respect by giving them something for nothing. These handouts too often breed a complacency that prevents people from helping themselves. They create a culture of irresponsibility by subsidizing bad behavior.

The current welfare system pays unwed mothers to have babies. It tells women that if they bear an illegitimate child, the government will pay them a monthly allowance and give them a place to live. The resulting explosion in illegitimacy and the breakdown of the family shouldn't surprise us.

Let me read a few excerpts from the February 27th U.S. News and World Report to emphasize the importance of two-parent families:

> More than virtually any other factor, a biological father's presence in the family will determine a child's success and happiness. Rich or poor, white or black, the children of divorce and those born outside marriage struggle through life at a measurable disadvantage. * * *
>
> The absence of fathers is linked to most social nightmares—from boys with guns to girls with babies. No welfare reform plan can cut poverty as thoroughly as a two-parent family. * * *

Raising marriage rates will do far more to fight crime than building prisons or putting more cops on the streets. Studies show that most state prison inmates grew up in single-family households. A missing father is a better predictor of criminal activity than race or poverty.

H.R. 4 helps promote families. Too often, welfare discourages traditional families. Benefit formulas have discouraged marriage and encouraged women to have illegitimate children. Government can't create two-parent families, but we can stop encouraging one-parent families. I hope Congress has the determination to make needed changes by: (1) ending payments to teenage mothers who decide to have a baby without a husband; (2) requiring all welfare mothers to identify the father; (3) making deadbeat parents live up to their child support obligations; and (4) in the next couple weeks, passing legislation to get rid of the marriage penalties in the tax code.

This bill H.R. 4 also makes needed changes in our food and nutrition programs. The food stamp program costs $26.5 billion; the school lunch and other child nutrition programs cost $7 billion; WIC costs about $3.5 billion. H.R. 4 block grants the WIC and child nutrition programs to the states. The food stamp program, which is the most abused and wasteful program, is tentatively being kept a the federal level. We are making long-overdue changes to improve the program. We also need to stop food stamps from being used for candy, chewing gum, soda pop, and other junk food. If hard-working Americans are going to pay taxes for this program, it should be for nutritious food for individuals who might otherwise go hungry.

States should have the flexibility to modify the eligibility criteria for food stamps. Right now, national standards make a couple with four children eligible for food stamps if they earn less than $26,692 a year. But $26,000 goes a lot further in different areas of the country. We need to give states the authority to vary these eligibility requirements, making limited funds better serve their citizens.

H.R. 4 ends many welfare abuses. For too long, we have allowed alcoholics, drug addicts, and those with dubious "functional disabilities" to collect for disability payments. We need to end these abuses and this bill will help to do that.

H.R. 4 is not a perfect bill, but it is a good bill that starts to replace a failed system of despair with more compassionate solutions that encourage work, strengthen families, and offer hope for a brighter future.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I intend to vote for real welfare reform that puts people to work. The Deal substitute does that—it demands more responsibility of welfare recipients by requiring that they go to work after 2 years, and it provides more opportunity by making sure that work pays more than welfare. The Deal substitute is real welfare reform.

But the bill before us, the Personal Responsibility Act, is not welfare reform at all. This bill is more intent on punishing our children than in putting welfare recipients to work. This bill would destroy the School Lunch program and other federal nutrition programs in order to pay for a tax cut for the wealthiest Americans. That is wrong, and we must defeat this bill.

The School Lunch program works to provide many of our children with the one balanced meal they eat all day. But this bill would cut $2.3 billion from the School Lunch program over the next 5 years, according to the Congressional Budget Office. The Children's Defense Fund estimates that 2 million children will be thrown out of this program—20,000 in my home state of Connecticut alone.

That is only the beginning of the assault on children. Altogether, this bill cuts $7 billion from important federal child nutrition programs. And it immediately eliminates Social Security benefits for 250,000 low-income children who are severely disabled or blind.

Supporters of this bill have come up with all kinds of creative excuses to defend these cuts.

First, they claim they are cutting bureaucrats, not food for kids. But the entire administrative budget for all U.S. Department of Agriculture feeding programs is just $106 million per year—just 1.5 percent of these programs' total budget. The Republican plan would cut eight times that amount—$860 million—in child nutrition programs in 1996 alone. That's cutting kids, not bureaucrats.

Then supporters of this bill claim they are increasing funding for the School Lunch program by 4.5 percent annually. Even if that was true, this increase falls far short of keeping up with inflation, increased enrollment, or a downturn in the economy. This program grows 6.7 percent each year.

Therefore, we are 2 percent short, but the fact is, this promise of a 4.5-percent increase is just that—an empty promise. And the odds are, it is a promise that will never be kept. That is because this bill lumps the School Lunch program in a giant, underfunded block grant, with no guaranteed levels of funding for any specific program.

I intend to vote for real welfare reform that puts work first, but I cannot vote to punish children. I urge my colleagues to join me in opposing the Personal Responsibility Act. Our children are our future—let's not abandon them.

Mr. ROBERTS. Mr. Chairman, I yield 2 minutes to a very valued member of the committee, the gentleman from Illinois [Mr. LAHOOD].

(Mr. LAHOOD asked and was given permission to revise and extend his remarks.)

Mr. LAHOOD. Mr. Chairman, I first want to congratulate the chairman of the sometimes powerful Agriculture Committee, the gentleman from Kansas [Mr. ROBERTS], who has done a magnificent job providing the leadership on this important bill and also to the gentleman from Missouri [Mr. EMERSON] for his leadership.

I have a very limited amount of time. I have not met one Democrat or one Republican in all of this House that wants to gut or cut the School Lunch Program. I do not know of anybody who wants to gut or cut the School Lunch Program. For anyone to stand here in the House and proclaim that is just simply not true.

Our proposal will reform the School Lunch Program, will feed hungry children, will provide the nutrition necessary for hungry young people, but it will not gut or cut the program. So I

want that message to go out around the country. It is simply not true.

Our proposal will also reform the Food Stamp Program. Americans know that we have a lousy welfare system. It is fraught with abuse and fraud, and Americans want a change.

And we are going to carry out one of President Clinton's campaign promises. We are going to reform welfare as we know it, and we are going to do it by giving back to the people in local communities and States the responsibility and the financial resources to really deal with the problems. We are going to give back to them not only the responsibility but the resources to carry out these programs. Who knows better than people in local communities who the most needy are? Local people do. I ask support for this important legislation.

Mr. DE LA GARZA. I yield 1½ minutes to our distinguished colleague, the gentlewoman from New York [Mrs. MALONY].

Mrs. MALONEY. Mr. Chairman, the current welfare system has created a culture of dependency. It is not working and needs to be changed. The system offers several incentives for welfare clients to shun independence and stay on the dole.

You might ask what could possibly be worse. The answer is the Republican bill before us tonight. It is a harsh, heartless, extremist proposal. It would worsen poverty and hunger for innocent children by making deep cuts in benefits that provide food and shelter. It is weak on work and long on punishment of children. It would cut back the very child care funding that would allow welfare recipients to go to work.

Simply saying no more welfare is not welfare reform. It is a recipe for disaster. A real reform plan would get welfare recipients to go to work. A real reform plan would provide child care and skills, training to move people off the dole and on a payroll.

Reason and compassion demand a "no" vote on the extreme Republican plan. Let us pass a bill that rewards work and protects our children: the Democratic substitute, the Deal plan.

Mr. ROBERTS. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LATHAM], a valued member of the committee.

Mr. LATHAM. Mr. Chairman, I thank the chairman of the Agriculture Committee for his leadership.

Mr. Chairman, I am holding in my hands a 700-page document just released by the Clinton administration that purports to contract Federal EBT services and equipment through a little-known procurement process called IEI or Invitation for Expression of Interest. It is my understanding that only financial institutions, large banks are able to apply. It totally eliminates current electronic transfer companies from bidding.

I am deeply concerned that this document would create a Federal EBT system that will inhibit the individual States from setting up their own EBT systems. As I understand it, 6 States have already set up EBT systems for themselves, and over 20 States are currently moving to do the same.

With all the efforts we have made to give more flexibility to the States, I am deeply concerned that the Clinton administration is moving to develop a new Federal bureaucracy to deliver benefits to recipients, and I wish to commend the chairman of the Committee on Agriculture, Subcommittee on Department Operations and Nutrition, for including in the welfare reform package language that will prohibit the Federal Government from doing anything that would stand in the way of States creating and implementing their own EBT systems.

□ 2130

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I agree with the gentleman that this IEI raises some very disturbing questions. With all the attention and action we have had this last few weeks in terms of sending block grants and returning responsibilities and accountability to the States, I am concerned that that document could well throw out the efforts that we have had in trying to return this and allow Federal bureaucrats to block and restrain individual States. I am concerned this will block our ability to allow States to develop programs for their own eligible citizens.

Mr. Chairman, my understanding of the intent contained in the legislation that we are talking about now is that the Federal Government is prohibited from doing anything that would stand in the way of States creating and implementing their own EBT systems. Section 556 of this bill states:

(B) Subject to paragraph (2), a State is authorized to procure and implement an online electronic benefit transfer system under the terms, conditions, and design that the State deems appropriate.

Mr. LATHAM. Mr. Chairman, I yield to the gentleman from Missouri [Mr. EMERSON], the chairman of the subcommittee.

Mr. EMERSON. Mr. Chairman, I thank the gentleman from Iowa for yielding to me.

Mr. Chairman, the gentleman has been an extremely constructive member of the subcommittee throughout these deliberations. I want to thank him for his participation, and for raising the subject, as he has.

Let me say, Mr. Chairman, that the gentleman from Oklahoma is correct in his understanding of the language and intent of section 556.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the bible says; "suffer the little children and forbid them not." The word "suffer" here is used to mean to bear, to support, maintain, abide and sustain. This passage does not imply that we cause suffering on children, but that we are supposed to support them. Somehow, some way, too many of my Republican colleagues have got the real contract all wrong.

Yes, the system needs fixing, but what system? If this House passes this distorted and destructive legislation, it is not welfare that needs reforming, but Congress, and those who currently regard themselves as its leaders. This bill is flagrantly flawed and poignantly punitive. It falsely assumes that welfare recipients are some lazy, rip-off artists who don't want to work. The reality of course is that 70 percent of all recipients are children, our Nation's children, and the 30 percent adult population is largely made up of those who want to work. And yet, this bill does not guarantee work. No, this is no reform. This bill guarantees nothing, except that after 5 years of benefits, recipients must be cut off regardless of a lack of jobs. This bill does not guarantee job training and education resources. This bill only guarantees that there will be no guarantees. No more entitlements for AFDC, for foster care, for school lunches for WIC.

Twenty-five million of our children are recipients of school lunches. This program ain't broke an we don't need to fix it. The result of the Republicans block granting to the States is either that nutrition standards will suffer, or less children will be fed in times of economic downturn. This bill causes suffering to children of mothers under age 18. This bill does nothing to solve the problem of out of wedlock pregnancies. It does nothing to make welfare dependents whole and productive. This is the most mean-spirited, irresponsible attack on the poor and the youth that our house has ever seen. No matter how my colleagues try to move their contract forward and pay for a tax break for the rich on the backs of the children, there still remains a contract, a law of higher authority for which they will be held responsible. Remember suffer the little children, and forbid them not. I urge my colleagues to join me in opposing the Personal Responsibility Act, and support the Deal substitute.

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] has 2½ minutes remaining.

Mr. DE LA GARZA. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, we heard many of our colleagues on both sides of the aisle expressing their views and their concerns about this legislation. I share the same concerns about cutting fraud and cutting abuse, seeing that our monies are used efficiently for the purpose intended.

Beyond the rhetoric and beyond the policy and beyond the sound bites, beyond everything that we have heard here tonight, I would ask for Members

to come with me to every home across America: a little shanty, a little ramshackle farmhouse. In my area, we have some cardboard and tin-roofed places where the poor live.

I can assure the Members, and I challenge anyone to deny, that in some of those houses Members will find a hungry child that had no supper tonight. Members will find an elderly person that had no supper tonight. I challenge anyone to deny that. They cannot, because that is the fact. That is the purpose for what we use the food stamps.

All the other areas we can address, and we have. It pains me to hear Members using the political "40 years, 40 years." For 28 of those years, those 40 years, we had a Republican President, that Republican President that tried to cut some of the programs. How ironic.

I quote:

I cannot lend my support to the concept of turning back to the States all responsibility for achieving child nutrition goals. In short, we have a continuing obligation to ensure that the nutrition needs of our truly needy youngsters, wherever they may reside, are adequately met. This is and must remain a national priority goal.

Quoting the Chairman, the gentleman from Pennsylvania [Mr. GOODLING], who chairs one of our committees at this time. That is a quote from the RECORD.

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] has 2¾ minutes remaining.

Mr. ROBERTS. Mr. Chairman, to end the colloquy that was previously discussed, I yield 17.5 seconds to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I just want to say that the gentleman from Oklahoma is correct in his understanding of the language and intent of section 556.

Further, my colleague raises extremely important points in relation to the approach being taken by the administration's EBT IEI proposal. I look forward to digging deeper into this issue during the oversight hearings which we are going to hold on the subject.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, can we please end the class warfare argument or discussion or partisan exchange and get to food stamp reform? We have had a lot of discussion about school lunches, which is not even part of this debate, we are talking about food stamps. We have had a lot of talk about the food costs and how we cannot really match the food costs.

Only in Washington is a 2 percent increase considered a cut. If food prices go down, food stamps, benefits, will go up 2 percent. It happened in 1990. If the food costs go up, and nobody can predict that, other than the gentleman from Texas DICK ARMEY the self-declared Assistant Secretary of Agriculture in this body, but if food costs would go up we will appropriate the money with a supplemental, so that deals with the problem of food costs.

Quality control, it is out of control. It is over 8.5 percent. The Panetta plan reduces it back in terms of quality control to 6 percent. That is in part how we control these costs.

Somebody mentioned the WIC program. We are not discussing WIC here. There is $25 million sitting there in the account of WIC. It was cut $25 million. We had $50 million, it is down to $25 million. They have to advertise on the radio to get more participants. It is a good program, by the way.

Mr. Chairman, the gentleman from North Dakota said that some school child in North Dakota was going to go hungry because of school lunches. The Chairman of the Committee on Economic and Educational Opportunities has informed this Member $1 million more next year than last year. We will cut the paperwork and the administration and we will give the money to that very hungry child.

Let us really talk about food stamp reform. In 1985, 19.9 million people were on food stamps. It went up to 20 million in 1990, 22.6 in 1991, 25.4 in 1992, and in 1993, 27.3. When the economy goes down, the food stamps, that expenditure goes up. When the economy goes up, food stamp expenditures go up. We simply want to control the growth of the program. We will address the needs, if in fact they are needed.

The opportunity of the gentleman from Georgia [Mr. DEAL] is a deal but it is not the best deal. We should be supporting this bill.

The CHAIRMAN. All time has expired.

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. INGLIS of South Carolina) having assumed the chair, Mr. LINDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, had come to no resolution thereon.

LET US HOPE REPUBLICANS GET THE MESSAGE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the other side is crowing about the success of the Contract With America. Well, here is a poll that came out today. Headlines: "Public Growing Wary of GOP. More Now Trust Clinton To Help the Middle Class."

Here are some results of this poll: Most Americans think Republicans are going too far in cutting Federal programs that benefit children, the elderly, the poor, and the middle class. Fifty-nine percent of Americans think Republicans will go too far in aiding the wealthy. Fifty-two percent of Americans agree the more they hear about what Republicans do in Congress, the less they like it. Fifty-one percent of Americans think Republicans in Congress were trying to do too much in too short a time. Fifty-three percent of Americans trust the President more than Republicans in Congress in protecting Social Security. And 52 percent of Americans trust the President more than Republicans in Congress in helping the middle class.

Mr. Speaker, Americans are sending this message to the Republicans on the Contract With America: "Hold it. Be careful. Do not rush it. You are overdoing it. There are some essential programs, cutting the middle class, cutting children, that are going too far."

Mr. Speaker, I am including at this point in the RECORD that newspaper article, as follows:

[From the Washington Post, Feb. 21, 1995]

PUBLIC GROWING WARY OF GOP CUTS

(By Richard Morin)

Most Americans believe that Republican lawmakers are going too far in cutting federal social programs that benefit children, the elderly, the poor and the middle class, according to a new Washington Post-ABC News survey.

As a result, the survey suggests, President Clinton may be slowly winning back some of the political ground he surrendered to Republicans immediately after the GOP landslide in last November's congressional elections.

Clinton also appears to be getting a sustained second look from many middle-class voters who deserted the Democratic Party last year. In a critical reversal of attitudes, people now say they trust Clinton more than Republicans in Congress to help middle-class Americans, the survey found. Barely a month ago, Republicans enjoyed a clear advantage over Clinton.

Yet these doubts about congressional Republicans have not yet appreciably helped Clinton's overall public standing. His personal job approval rating stood at 52 percent in the latest survey, essentially unchanged from last month. And Republicans remain more trusted than Clinton to deal with the "main problems the nation faces."

A total of 1,524 randomly selected adults were interviewed by telephone March 16–19. Margin of sampling error for the overall results is plus or minus 3 percentage points.

The survey suggests that the honeymoon may be over for the House Republican "Contract With America." While a majority of those interviewed still give approval in concept to the contract, 52 percent also agreed with the statement "the more I hear about what Republicans do in Congress, the less I like it." Forty-four percent expressed the opposite view.

Among the public's biggest worries: the the Republican majority in Congress will cut too deeply and too quickly into social programs to finance tax cuts and other benefits to wealthy Americans.

Nearly six out of 10 persons—59 percent—agreed with the statement that Republicans "will go too far in helping the rich and cutting needed government services that benefit average Americans as well as the poor." That's a 14-point increase since January in public concern with Republican initiatives.

Pluralities specifically said Republicans in Congress were trying to make too many cuts

MOTION SEEKING PERMISSION FOR ALL COMMITTEES AND SUBCOMMITTEES TO SIT ON TOMORROW AND FOR THE BALANCE OF THE WEEK DURING THE 5-MINUTE RULE

Mr. ARMEY. Mr. Speaker, I move that all committees of the House and their subcommittees be permitted to sit on tomorrow and for the balance of the week while the House is meeting in the Committee of the Whole House on the State of the Union under the 5-minute rule.

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Texas [Mr. ARMEY] is recognized for 1 hour.

PARLIAMENTARY INQUIRY

Mr. BONIOR. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BONIOR. Mr. Speaker, will the minority be granted the customary 30 minutes of debate time on this motion?

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] has 1 hour of debate time, and he may yield if he chooses.

The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, yes, it is true I do have an hour's time. I do not intend to use that whole hour. I will, of course, yield the customary 30 minutes to the gentleman from Michigan [Mr. BONIOR] for purposes of debate only.

That being the case, Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say very quickly we are coming to the end of a very long and arduous work period in the House of Representatives. We have produced good legislation for the American people, and it is to the credit of the hard work of people on both sides of the aisle that we have managed to do so well for this period of time. We have a short period of time left and a few very important items left on our agenda for this first 100 days, and we will indeed be working very hard for the next 3 weeks.

It is my obligation, my duty, to once again prevail upon the Members of the House on both sides of the aisle to work, as it were, double time, time and a half, for just a few more weeks so that we can finish that.

I understand that this is a hardship on the Members. I understand that it is difficult for the Members. But I also have to remember our resolve to complete this legislative agenda in this assigned time.

That being case, Mr. Speaker, I yield 30 minutes of debate time to the gentleman from Michigan [Mr. BONIOR] for purposes of debate only.

Mr. Speaker, I reserve that balance of my time.

Mr. BONIOR. Mr. Speaker, I thank my colleague from Texas for yielding this time to me.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the gentleman allowing us some time to debate this. I think it is important to debate this this morning because since the beginning of this Congress, the Democrats, I think, have made a good-faith effort to work with my friend from Texas, Mr. ARMEY, and the other leaders of his party in cases where a waiver is needed for the committees to meet under the 5-minute rule.

Now, such waivers, I might add, clearly violate the spirit of the Republican rules package, which is supposed to block committee hearings while important votes are occurring on the House floor. But we have tried, week after week, religiously to work with the Republicans to work out accommodations, and in every single case we have agreed with the Republican request, after we have had a time of consultation. But today, really, frankly, Mr. Speaker, marks a very low point in our relationship on this issue. Today, the House is likely to have rollcall votes every 20 minutes until 8 o'clock this evening, whenever we decide to call it a day, every 20 minutes we will be having a vote on this floor on an amendment, on one of the most important bills that this Congress will consider, the welfare reform proposal.

□ 1100

Yet the Republicans want to hold markups in committees. We object to this request for obvious reasons. Members cannot be in two places at once.

Mr. speaker, it takes 10 minutes to get over here, it takes 10 minutes to get back, and, by the time that occurs, we are into another vote. It makes no sense whatsoever.

Many of my colleagues on this side of the aisle, and I am sure on the other side as well, have a deep interest in this legislation and want to be here because it affects their constituencies in very special ways, and this rule does not allow them to participate in the debate on the House floor and yet do the work that they were assigned to do as committee people.

So we have made the request, and of course the response has been very simple: "If you don't agree with our plan, well, we'll do it anyway." That is what this is all about; so much for consultation, Mr. Speaker.

I am really disappointed that my friends on the other side have violated their own pledge on opening day which calls for the rules which requires us

not to do what we are apparently about to do, and so I would just say to my colleagues, we really need to be here, engaged on the floor today on this important bill. We don't need to be running back and forth getting exercise, because that's about all we're going to get. We're not going to have good dialog in committee with 20-minute votes, and I hope that we, in fact, Mr. Speaker, will vote against this motion and pay attention to the important business of welfare reform on this House floor.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I thank the gentleman from Michigan [Mr. BONIOR] for strongly objecting to the motion, and I find that, of the amendments offered, we have a few by Democratic Members who may very well be required, instead of being over here at the time to offer their amendment, may have to be in committee and markup up, may have an amendment in that committee, and I ask, how can you do an amendment in committee in an office building at the same time you're doing an amendment on the floor?

I say:

At the same time you can't do it. It's a physical impossibility, and I think that this legislation that we have before us, even though I strongly object to it and I hope Members do vote against the rule, and perhaps, if we defeat the rule, then we can come back and have some little bit better from the gentleman from New York. I'm sure that the gentleman from New York will permit a few more Democratic amendments. He hasn't got very many; I fine 5 out of the 30-some.

Mr. Speaker, I would like to say the gentleman from Michigan has the time, and I would just like to say that I can well remember, and I am sure that the people on the other side can well remember, back on January 4 when we adopted these great rules that the majority said we had to have to make this Congress more open and more responsive to the public, and yet right here today again we are violating those rules.

Members said from the majority, "Well, we shouldn't have proxy voting." They said, "No, you shouldn't have that, shouldn't be able to do that. You should be able to be in committee and on the House floor at the time when you're required to be there, so we won't schedule. We are going to have a computerized scheduling system so that people won't have to be in committee and be on the floor at the same time."

And yet we have a motion right here now by the gentleman from Texas [Mr. ARMEY] that says specifically that we are going to be able, they are going to be required, Members are going to be required, to be in committee and on the floor at the same time, so it is just the opposite of what we were told on January 4, and I appreciate the gentleman from Michigan yielding to me.

Mr. ARMEY. Mr. Speaker, I withdraw the motion.

The SPEAKER pro tempore (Mr. GILLMOR). The motion offered by the gentleman from Texas [Mr. ARMEY] has been withdrawn.

PERMISSION FOR ALL COMMITTEES AND SUBCOMMITTEES TO SIT ON TODAY AND THE BALANCE OF THE WEEK DURING THE 5-MINUTE RULE

Mr. ARMEY. Mr. Speaker, I move that all committees of the House and their subcommittees be permitted to sit on today and for the balance of the week while the House is meeting in the Committee of the Whole House on the State of the Union under the 5-minute rule.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized for 1 hour.

Mr. ARMEY. Mr. Speaker, for purposes of debate only, I yield 30 minutes of my time to the gentleman from Michigan [Mr. BONIOR].

Mr. Speaker, I yield myself such time as I may consume.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. ARMEY] for 30 minutes.

Mr. ARMEY. Mr. Speaker, let me first apologize for the error in the first motion I presented. It was not as inclusive as I intended it to be, and now, in fact, we have the proper wording and a more inclusive motion on the floor.

Let me say I understand, and I appreciate, that this makes it difficult for many of our Members. It is not something that I do happily. It is something I do because there is a need for it to be done.

While I say that, let me again compliment all the Members of this body on both sides of the aisle for the enormously good-natured manner in which they have handled a very, very difficult work schedule for these past 75 or so days. I look forward, as much as any Member in this body, to the end of this 100-day period when we will have completed this legislative agenda and we will have passed it, which I fully expect that we will do. I look forward, as much as any Member of this body, for that period of time after, where we can go back to our home States and our home districts, and enjoy being with our own constituents and sharing with them an understanding of what it is we have done during these historic 100 days, and I have to say it has been, for me, a particular pleasure to enjoy the good humor, the good nature and the cooperative spirit that all Members of this body have demonstrated in undertaking and completing what, in everybody's memory, is the largest working agenda in the shortest period of time by this body.

So, having said those things, Speaker, I reserve the balance o time.

Mr. BONIOR. Mr. Speaker, I yi minutes to the gentlewoman from nois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked was given permission to revise an tend her remarks.)

Mrs. COLLINS of Illinois. Mr. Sp er, I, too, agree with the gentle from Michigan [Mr. BONIOR], tha should object to this request.

First of all, as my colleagues k this legislation, H.R. 4, is to me most important legislation confro the 104th Congress thus far. It con sweeping changes to programs a the most impoverished and vulne members of our society, our childre

This bill, the misnamed "Pers Responsibility Act," does not do it purports to do. Instead it is a ha et act that cuts, slashes, and el nates Federal programs for school trition, Aid to Dependent Child child abuse prevention and treatm child care, the Jobs Opportunities Basic Skills Program, foster care, others that are essential to enab welfare recipients to get off wel and more importantly, to safeguard health and welfare of our kids. Si three percent of all spending cuts ready passed by this House directly fect low-income families and child and this heartless bill goes even ther.

With such a critical issue affec the lives of our children being deba under the 5-minute rule, it is a lutely impossible for Members to vote their full attention to this ma if they are attending to commit business. We cannot be at two place one time, as the gentleman fr Michigan [Mr. BONIOR] has alre said, and should not be forced to h to choose between participating in of the most important issues confro ing our Nation today and meeting co mittee responsibility.

Now, Mr. Speaker, these past months I have worked cooperativ with the chairman of the Commit on Government Reform and Oversig the gentleman from Pennsylvania [CLINGER], to ensure that the comm tee's work has not been delayed. welfare reform is too important to ta a back seat to committee hearin even to committee markups.

I think it is a mean ploy that committee has already scheduled he ings today concerning title IV of H 11, the Family Reinforcement Act, the same time we are doing welfare form and proposals to cut, and also reform, if my colleagues will, the D partment of Health and Human Ser ices at a time when we are consideri welfare reform, if my colleagues wa to call it that, and tomorrow our co mittee plans to hold a full committ markup on H.R. 1271, the Family Pr vacy Act.

Now all of these matters are cri cally important, and I know that o

members on the Committee on Government Reform and Oversight want to be at those hearings, they want to be at those markups, but we cannot be at two places at one time.

For that reason, Mr. Speaker, it just seems to me that, because this is a preeminent, important issue, I agree with the gentleman from Michigan that we would object to the Committee on Government Reform and Oversight sitting during this 5-minute rule.

Mr. ARMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I listened very intently to the remarks made by the gentlewoman from Illinois [Mrs. COLLINS], and there is no doubt that she makes a good point. This is a matter of grave concern that we will have on the floor to all our Members, and it is for that reason, because we had that concern, that in this rule we do allow the Chairman of the Committee of the Whole to postpone votes, that we can collect votes at a point when we can come down and vote on amendments in a cluster vote of two or three votes and, thereby, alleviate the Members of the need to come to the floor every 20 minutes. I understand how difficult that is, and I want to express my personal appreciation on behalf of all our Members to the Committee on Rules for that thoughtfulness they displayed in putting this provision in the rule allowing that opportunity to the Chairman of the Committee of the Whole, which I hope will do a good deal to alleviate the strain of these work circumstances on our committee members that are sitting during the consideration of that bill.

Mr. Speaker, I again reserve the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield myself such time as I may consume.

Before I yield to the gentleman from Massachusetts [Mr. OLVER], let me just say, Mr. Speaker, that, while I appreciate the argument my friend from Texas makes, let us be very clear that what he is suggesting, by collecting votes, and having them grouped together and voted on at the end of a certain period, that that breaks up the tempo of a committee markup; it certainly breaks up the tempo of a committee hearing where it does not even apply, where we are inviting people to come in and testify from around the country, to listen, to legislate what is going to be acted upon, and here they are, sitting while Members are shuffling back and forth from this floor back to committee session.

Mr. Speaker, it is just not a good way to do business. It is not an efficient way to do business. It is not a cost-effective way to do business. It is not a courteous way to do business. And it just would not work; some things are just clearly obvious, and this is one of them. This is not a day to be conducting committee business while we are on the floor voting every 20 minutes in probably one of the most, if not the most, important bills we will have this session.

So the argument that we are going to collect votes over a certain period of time, and then have Members vote on it, actually breaks the pattern of the voting, it does not allow them to do secondary amendments in a way that makes sense. It is just not feasible.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Speaker, I thank the gentleman from Michigan [Mr. BONIOR], my good friend, the minority whip, for yielding this time to me, and I must say I agree totally with him on the points that he has made about the confusion that has evolved in trying to deal in open, good consideration in committee as well as here on the floor in the Committee of the Whole. But the minority whip made the point in his opening statement that this was the low point in the procedural debates here in the House, in the Committee of the Whole and in the House, so far this year, and then the majority leader withdrew his motion and offered a motion which is worse in two ways.

So, it is worse in two ways. The first way is in that it also included today, which was clearly the error of the majority leader in not having included today, Wednesday, in the original motion. So the confusion is added to today, in Wednesday's debate, but then the clustering of votes, which makes it worse again in the way that the clustering of votes creates a situation here of people not knowing, not having been able to be present, and having taken part in the debate and hearing the debate because they are in committees. This is to allow the committees to continue their work when the most important work that we can be doing is going on here on the floor on this very, very important piece of legislation.

□ 1115

So that the clustering of votes negates the possibility of Members taking part in debate in this area while the action is going on in committees. We are starting debate on the amendments on the welfare reform bill, which is as important a piece of legislation as any piece of legislation that we considered in the 103d or the 104th Congress. There was nothing more important—not the crime bill, not the deficit reduction bill, not the primary and secondary education bill, not the balanced budget amendment of this year. We can take the primary and secondary education bill, which we debated for many days under an open rule, where Members came up for 5 minutes as important amendments were debated for 2 hours, the less important ones for only 10 or 20 minutes, and then a vote. Yes, it was possible to go and deal with things in the committee at the same time because there were long debate periods on very important amendments that were before us.

But in this motion, what we have is debate on the welfare bill coming up with 31 amendments, with 20 minutes of debate allowed on them, and at the same time the majority leader has put forward a motion to allow every single committee of the Congress to be sitting, going through markups and going through hearings at exactly the same time we are going to be debating that extremely important piece of legislation.

I think this is indeed truly the low point in the procedural operations of the 104th Congress, and I certainly hope that this motion will not be adopted.

Mr. BONIOR. Mr. Speaker, I thank my colleague for his comments.

Mr. ARMEY. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. SOLOMON], the chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the majority leader for this time.

I have to say that I am a little bit surprised, because the reason we provided for cluster voting in the rule was to accommodate both Republicans and Democrats. We did that after consultation. We took the language directly out of the rule the gentleman from Michigan [Mr. BONIOR] offered when we debated the defense authorization bill. It is the identical language. Now, we do this when we have a series of amendments over a very long period of debate, after consulting with the minority, which is what the gentleman did in consulting with us. We had no objection to that, and we are simply following previous procedure.

Mr. BONIOR. Mr. Speaker, will the gentleman yield so I may clarify my comments?

Mr. SOLOMON. Yes, I am pleased to yield to the gentleman from Michigan.

Mr. BONIOR. Mr. Speaker, my comments were not to what the gentleman did in the Rules Committee. I thought the distinguished majority leader was referring to allowing cluster votes within the committees. That is where I was addressing my remarks.

Mr. SOLOMON. I do not think so. I am told by a nod of the head that we are only talking about cluster voting here on the floor.

If the gentleman would look further, there are a number of titles in the bill. For instance, title I is block grants and temporary assistance for needy families. There are 8 amendments, and it might be the prerogative of the Chair to want to cluster some of those votes after consulting with the minority and then move on to title II, which is the Child Protection Program, and so on. I think that makes a lot of sense. I know the gentleman has in the past agreed with me on that, or I should say I have agreed with him when it was his proposition. Is that correct?

Mr. BONIOR. No, I would say the gentleman is correct on this. If I have misunderstood the gentleman, I correct myself on the floor. I thought he was

referring to votes being clustered in committee, and in fact if we are going to allow clustered voting on the floor, that is helpful, but it does not address the primary concern of continuity in allowing Members to be in more than one place at one time.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for that colloquy, because I think it is helpful to all the membership.

I would say that during the course of this debate I am going to be on the floor all the time. It is going to take 3 days, and I would be surprised if there are 5 or 10 Members on the floor during any one of these debates on any of these important amendments.

So I do not think we are going to be disrupting the House by letting committees meet.

Mr. Speaker, I thank the gentleman for yielding me time so we could clarify this issue.

Mr. BONIOR. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I thank the Democratic whip for that time.

My objection to this process is that in every town meeting I have been in and every poll I have seen, national, State, or whatever, welfare reform is certainly up there at the top of the agenda that everyone has. Yet what we have, Mr. Speaker, is a process of a limited rule in and of itself. Of 160 amendments that were sought, I believe only 31 will be offered. Of 93 that were Democratically offered, only 5 Democratic amendments will be permitted.

So that is bad enough. But then what we get is a situation where no amendment will be debated more than 20 minutes, with a vote to follow. I appreciate certainly that the majority leader said those votes will be clustered. That is a convenience, but that does not help those of us who would like to be on the floor involved in the debate on many of these issues, because if at the same time, as I should be right now, I am at the Government Reform Committee, we are tied up in a committee performing vital committee business at the same time these issues are being debated.

I do not think it is too much to ask where there is an objection from the Democrat minority as to the committee sitting, and it is not an objection that has been raised frivolously. In fact, every time there has been consultation with the Democrat minority, the Democrat minority has seen fit to enter into an agreement with the Republican majority.

I am concerned about some other things, too. These are major issues that are going to be raised here on the floor. We are going to be talking about abortion, we are going to be talking about nutrition, including school lunch and school breakfast, we are going to be talking about disabled children, we are going to be talking about requiring work, we are going to be talking about job training, and we are going to be talking about whether young women should have their benefits terminated because they are under 18 and pregnant. These are all vital issues. Yet, how effectively can we be debating those issues if at the same time many of us have conflicting committee responsibilities?

I have to say that in some cases the Republican majority has solved my problem because I would have liked to have seen an amendment permitted that would have greatly restored the School Lunch and School Breakfast Program. Well, they did not make that in order. We will not be able to bring that up on the floor. So they took care of my problem, and I guess in a way I ought to thank them, because now I do not have to worry about being on the floor for the school nutrition debate. That will not be here.

I obviously do not need to worry too much about being on the floor, I guess, on a very controversial amendment that I see has been made in order that would outlaw fugitive felons from receiving benefits from 3 welfare programs. That is a gutsy one, and I know everybody will want to be here for that one. We might have been willing to trade some time so we could have debated school lunches and school breakfasts.

But, in closing, I just hope the American public understands, Mr. Speaker, that while this is a very important debate, all Members will not be able to be on the floor for this debate, because the Republican majority has said we are going to have to be in committees voting at the same time. It makes it very difficult, and I would hope that the Republican majority would withdraw this motion.

Mr. ARMEY. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the gentleman for yielding time to me.

It is my intention to be on the floor for this debate as much as possible. I have been listening to the procedural sparring. I heard the gentlewoman from Illinois debate basically the merits of the bill, and I wanted to be able to respond to her points without regard to the procedural sparring that is going on. I have a few minutes to do it, and I appreciate the gentleman's yielding this time to me for that purpose.

Mr. Speaker, I think what we are going to consider here today is an important piece of legislation. It is a bill that is designed to replace the existing failed welfare system with a system that is based on principles that work, time-honored principles that have helped people out of poverty and into self-sufficiency—work, family responsibility, marriage, all the things that the existing system has been running down for so long.

What we have done in the last 30 years can really be summarized in this way: We have spent close to $5 trillion on the Federal and State level means-tested entitlement program welfare programs in the broadest sen and what we have gotten is not a duction in poverty. In fact, Mr. Spea er, it is important to understand th poverty went down steadily in t post-war era until 1965, until the Gre Society began. In that period, welfa spending has gone up tenfold, and t poverty rate, if anything, has increas slightly. Certainly it has not go down. What we have gotten for all th spending and what we have gotten f all that effort is an explosion in t out-of-wedlock birth rate. It is now o out of three. One out of three kids the United States is born out of we lock. In 1965 it was between 6 and 7 pe cent. We have gotten a sixfold increa in the out-of-wedlock birth rate.

What does the bill do about it? As said before, the emphasis or the bas of the welfare system is on work, o family, on responsibility. The firs thing we do is, we are no longer goin to pay cash benefits to teen mom under the age of 18. It is stupid, M Speaker, to send a check of $300 or $40 every month to a young mom and leav her in the environment in which she i probably being exploited and wit which she certainly is not coping. In stead, we give the money to the State and we say, "Care for those families but do it in a way that encourages fam ily, that encourages work."

There are a lot of alternatives th States will be able to choose, the kin of alternatives that have worked ove the centuries in welfare systems—su pervised settings like maternal grou homes and adoption. These kinds o things will work out. They will lift people out of poverty instead of miring them in it.

The bill has very strong work provisions, and there are amendments to make those provisions stronger because work is an important part of dignity. It is an important part of making welfare a two-way street. If you do a work program properly, Mr. Speaker, it serves several goals. First of all, it enables you to determine who does not really need welfare, in a nonbureaucratic way, because if you have got to work 30 or 35 hours a week picking up trash from the side of a highway or doing a job like that and you have other alternatives, you will get off welfare. It is important that we target the work provisions on that part of the welfare population which is most employable. The bill does that.

The bill also has an overall goal of breaking the locked grip of Washington bureaucrats on the welfare system and returning it back to the people. It is not a question of trusting the States; it is a question of trusting the American people. Put the control over power and resources closer to them, and they will adapt the welfare system to really care for the needy neighbors and needy people amongst them.

I want to address very briefly arguments that we have heard and we are

going to hear during the course of this debate about this bill. People say that we are cutting welfare spending. We are not cutting welfare spending. When this bill is finished, the spending on the welfare state, the Federal commitment to means-tested welfare programs will grow by about the rate of inflation every year. What we are doing is abandoning Federal control, the Federal locked grip over this system, and returning that to the people, and we are rebasing this system on principles that will really work.

Mr. Speaker, this is a good bill. I want to close by saying this: This bill is, I think, going to be developed along the following lines: We are trying to talk about what this bill is going to do, about the very basic, fundamental problems with the existing system that are just insurmountable. And everybody agrees the existing system is a total failure. The President of the United States said we have to end welfare as we know it. Did anybody say, "No, let's continue welfare as we know it? We like welfare as we know it"?

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. TALENT. Mr. Speaker, we have a bill that will take substantial steps in that direction. That is what we are going to be talking about.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. TALENT. If I have time left, I will be glad to yield.

The SPEAKER pro tempore (Mr. GILLMOR). The time of the gentleman from Missouri [Mr. TALENT] has expired.

Mr. ARMEY. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I will close, but first I will yield to my friend, the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I know that the gentleman from Missouri is sincere in his efforts, but I have a serious reservation about some language that is in the bill. That has been described as promoting abortion for women who are pregnant and under 18 years of age, or younger, and that has been described by the National Right to Life and by the Catholic Bishops Conference and others as promoting abortion.

My review of that language clearly says that is what it does, and I do not think that is the way to reduce the number of children that are on welfare. I do not think that killing them is the way to do it, and that is what this bill does.

Mr. TALENT. Reclaiming my time, Mr. Speaker, I will be happy to address that point, and then I will close my remarks.

It is described by nobody else who is pro-life in that fashion, if I may say this to the gentleman. None of the other pro-life groups believe the language will have that effect.

Let us see what the language does. It says that the States get a little extra bonus in the block grant if they reduce illegitimacy without a proportionate increase in abortion. Now, for every increase in abortion that you have, it moves you backward in your attempt to get the money. This is for the first time in the Federal statutes that we have a formula which discourages both illegitimacy and abortion. That is why the gentleman from California [Mr. STARK], who offered an amendment to take it out, said that the formula we have in the bill is a bounty on abortion. That is how he described it in the Congressional Daily today, because it does discourage abortion, and everybody else who is pro-life thinks that. I have a difference of opinion with some of my colleagues on this side of the aisle. I do not know how a provision can not be pro-life if it says to the States that you get extra money for reducing illegitimacy but not if you do it by increasing abortion.

□ 1130

So I would just say that to the gentleman.

Let me close my remarks by saying this: The debate is going to be on the one hand those who support this bill, and I think you will find Members on both sides ending up voting for it, trying to say what we are doing with this bill to rebase this failed system on marriage and work and family; and then people on the other side basically saying, nope, if we do not continue doing it the way we have been doing it or maybe expanding the existing welfare state without changing any of the incentives, we are abandoning the poor.

Have the faith to believe that we can help people without destroying their families. We can have a welfare system that helps people without destroying their families and their incentive to work and to be responsible. That is what we are trying to do. I would urge all Members, we all know the existing system is failing. If you cannot lead in the effort to change it, at least follow. Or, if you cannot do that, at least get out of the way. Do not perpetuate the myth that if we do not keep doing it the way we have been doing it, which nobody likes, that somehow we cannot fundamentally change the system at all.

Mr. BONIOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first say to my colleague from Missouri that nobody believes the present system is worth keeping. Everyone on both sides of the aisle disagrees with the present system. We just have different approaches on how to change it.

Mr. Speaker, I yield 30 seconds to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, just on that point, we are supporting a substitute that gives us real reform in welfare, that gets people back to work and off the welfare roles, is that correct?

Mr. BONIOR. That is absolutely correct.

Mr. VOLKMER. So we all recognize we need reform and welfare.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am opposed to what is being discussed here today, because I think we need every possible person on the House floor to hear some issues being discussed, which I frankly think are being too broadly ignored. One of the reasons I am going to vote against the rule, for instance, is because while I certainly want the existing welfare system to be changed, I am very unhappy about the fact that the Committee on Rules refused to make in order my amendment which would make the Federal Government pay for the welfare and education costs associated with allowing refugees into this country, rather than dumping the costs of educating and training those refugees onto State and local governments.

It seems to me that when the Federal Government allows refugees to come into this country, that is a foreign policy decision. I would ask why under that situation local taxpayers should get stuck with paying the tab to educate and train those refugees who are allowed into this country for foreign policy reasons?

I appreciate very much the fact that the Democrats on the Committee on Rules and two Republicans voted to allow my amendment to be offered. I, for the life of me, do not understand why the other Republicans did not. There is nothing partisan to this issue. This has nothing to do with whether you are a Democrat or Republican. It has to do with whether or not you think the local taxpayers ought to be stuck with financial responsibilities that rightly belong to the Federal Government. It seems to me they should not.

So I think there are a lot of reasons why we need to have people on this floor listening to the debate, because unless we do, we are not going to achieve the kind of understanding that you need in this House so that the Committee on Rules will not continue to make the kind of mistakes that they made in disallowing my amendments, for instance.

No one suggested the existing welfare system ought to be kept. It ought to be junked. It seems to me that we ought not in the process increase the burden on local governments.

Mr. ARMEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have to acknowledge that proceeding with this bill while committees are in session will certainly create some time conflicts for Members, and they are going to have to work very hard to get back and forth between their obligations. That is not new. We have been doing that for most

of the last several weeks. But I wanted to say most pointedly that I am proud of the fact that it is my party that is bringing up comprehensive welfare reform for the first time in my memory of more than 6 years as a Member of this House on the House floor for consideration.

I noted that the respected whip from the Democratic Party said both parties agree that the welfare system is not working right. It is a matter of which reform plan will you choose. But in those 6 years that I served here with a Democratic Party majority, I never saw a plan offered on the House floor. Specifically, with respect to the rules, not only rules with respect to meeting while committees are in session, but rules with respect to amendments, their party controlled the whole process. Frankly, they did nothing, and I think therefore it is weak to say "We object to the rules of procedure" when the issue is finally brought to the floor by Republicans.

But I want to add, Mr. Speaker, I am very concerned that the debate on the issue of welfare reform may have been seriously marred by remarks I am told were made on the House floor last night. I am informed that one Member charged that the Republican welfare reform plan was akin to the Nazis attacking minority groups during the Holocaust.

Mr. Speaker, there is legitimate debate on this issue. It is admittedly a controversial and difficult issue. I do not agree with every single provision that is in the Republican bill currently. I will probably vote for this bill because I think we need to get this process moving, and there are many more steps in this process before we have a final bill. But I think that suggesting that a difference of opinion and a difference of approach as to how to repair the system and how to be—I think that equating a difference of point of view and a difference of approach and a difference of support between different plans to the Nazis and the Holocaust is a serious insult to all of those people of all different races who went through the Holocaust under the Nazi regime.

I want to conclude by saying I hope the remarks I was told were uttered last night were incorrect. I hope I am wrong about the information that I received. If I am right, however, I hope that Member will have the good grace to come back to the House floor and apologize to the Holocaust victims for making such an analogy.

Mr. BONIOR. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to object and to speak against the proposal of the gentleman from Texas [Mr. ARMEY] to allow committees to meet while we are discussing this very important bill. All of us know that every Member of the Congress wants to be informed about the number of votes that he or she is going to be required to cast, and he or she cannot possibly be adequately informed with having to be in committee meetings at the same time this is going on on the House floor.

Mr. Speaker, one of the objections and complaints that I hear about the House of Representatives is the sparsity, and I hope the cameras will pan this place right now, of the people who are on the floor and who pay attention to debate. It is a scandal that we are not here when important business is going on in the House.

So I think we ought to turn down the suggestion of the gentleman from Texas [Mr. ARMEY] that Members be allowed and be required to be in committee meetings, rather than being here when this is being discussed.

This is perhaps the most important substantive piece of legislation that this 104th Congress will address, because it affects not only the lives of millions of people in existence right now, but it will set a pattern for American lives way into the future. This is a controversial piece of legislation.

Let me correct the RECORD. Last year the President put forth a substantial rewrite of the welfare laws. Last year I, as chairman of the Committee on Ways and Means, introduced a comprehensive bill on the subject. Last year the Subcommittee on Human Resources of the Committee on Ways and Means had extensive hearings on that and many executive sessions on that markup. I regret that the press of business last year prevented the Democrats from bringing that bill to the floor.

As acting chairman of the Committee on Ways and Means last year, I announced that the first order of business of the Committee on Ways and Means during this 104th Congress would be to take up welfare reform. I said it would take about 6 months for us to do the kind of work that needed to be done on this.

We have had it rushed through the Committee on Ways and Means in about 2 weeks, 1 week in subcommittee, 1 week in full committee, meeting all night and all day on the subject. This is no time for responsible Members of Congress to be in committee meetings around this Capitol when they ought to be here on the floor paying attention to this debate and voting on this most important piece of legislation.

Mr. Speaker, I ask all Members to vote no on the motion of the gentleman from Texas [Mr. ARMEY], and I think I ought to explain this necktie I have on here, because it is a real departure from past neckties that I have worn on the House floor. But it is to remind me, and I hope to remind all viewers, that 80 percent of the people who are on welfare and who receive some benefit from welfare are children, infants, 80 percent. They are a part of the important future of America. Members ought to be here to disc that future.

Mr. ARMEY. Mr. Speaker, I yiel minutes to the distinguished g tleman from Arkansas [Mr. HUTCH SON].

Mr. HUTCHINSON. Mr. Speaker thank the gentleman for yielding.

Mr. Speaker, I would say to my d tinguished colleague that the press business in the last Congress shou not have prevented this importa issue from coming up. I think we ha certainly learned in the 104th Congre what the press of business is all abo and our votes on Monday, our votes Friday, our late night hours. And th legislation, which we will be taking today, has indeed had years of stud months of work, and has many peop in this Congress involved in the dra ing of this legislation for its inclusi in the Contract With America.

Since the rule itself has come in question in this debate, for the fir time in history H.R. 4 puts in the Fe eral statutes a financial incentiv which will discourage both illegi imacy and abortion. Out of wedloc births of 32 percent. Thirty-two percer of the babies born in America are bor out of wedlock, six times as large a 1965, when the welfare state really wa created. Real welfare reform mus change the system to encourage mar riage and family, not illegitimacy.

The Stark amendment was no placed in order, and I think for goo reason, because it would have bee that which would have pulled out th strong illegitimacy provisions include in H.R. 4. It is not simply conservativ Republicans who are recognizing th need in welfare reform to address th systemic problems, the fundamenta problems in the welfare system. Bil Moyers, former press secretary to Lyn don Baines Johnson, in many ways the architect of the modern welfare state recently, and I think the RECORD needs to have this included, recently said this. He said:

> While reporting for a documentary on welfare, I interviewed a 32-year-old grandmother whose 16-year-old daughter had a two-year-old child and was expecting a second baby by yet a different man. Three generations on welfare, no help from any father, and they described it as normal, the only life they knew or expected. This is one tragedy of welfare. When men are left off the hook, the world of the single mother begins to appear natural and inevitable.

Moyers continues:

> I thought at the time, and still do, that it is right to help children born into such circumstances, but wrong to let the cycle go on repeating itself.
>
> And I imagined it would take shock treatment to stop it, something like announcing that on a given day, 5 years hence, after a massive publicity campaign so everyone would be forewarned, there would be no more cash payments to unwed teenagers or to women on welfare who already have one child.

□ 1145

Moyers said:

If this sounds heartless, dependency can be heartless, too. And unfair to others. Welfare benefits now go to almost 4 million mothers who have almost 10 million children. All of us know young women who would like to have children but don't because they are single and earn too little from their jobs to afford a child alone. It doesn't seem fair that they should be paying for someone else to have children when they feel unable to have one.

Then Moyers concludes his comments by saying, this former press secretary for a Democratic President, the architect of the modern welfare state, he said:

The Republicans have been challenging us to think about such things. It would be a shame if they have to water down the challenge. Their reforms may be flawed but not as flawed as welfare itself.

That is what H.R. 4 does. For the first time we end the entitlement nature of welfare. For the first time, real meaningful work requirements are included. For the first time, we are able to control the growth in welfare spending. But most fundamentally and most essentially, for the first time we begin to deal with the social problem of out-of-wedlock births.

I support the majority leader's motion. I support the rule.

Mr. WISE. Mr. Speaker, I ask unanimous consent that I be permitted to control the rest of the time left to this side.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. WISE. Mr. Speaker, may I inquire how much time remains on this side?

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from West Virginia [Mr. WISE] has 12½ minutes remaining.

Mr. WISE. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I rise in opposition to the attempt of the gentleman from Texas [Mr. ARMEY] to allow the committees to meet while we are in debate on this important issue.

As I recall it, it is the Republicans who required that we all attend all of our committee hearings, recording the votes to make sure that we are on record whether or not we attended. It is the Republicans who do not allow proxy voting so that those of us who would like to be here could indeed record our votes in committee. So they cannot have it both ways.

Either they want Members to be involved in this or they want them to stay in the committees and be recorded and not be involved in this discussion.

I wish it was mandatory for every Member to be on this floor. I wish it was mandatory for all of the networks to have to carry this debate. This is one of America's most important debates.

Members will hear discussions from the Republicans where they talk about family values and they claim that they want to keep families together, that they are interested in providing education. I had two amendments that they would not make in order that would have given tax credits for those who get their GED, for those who would get their high school diplomas, tax credits for those who would be involved in getting married, but they said no in the Committee on Rules, those were not important values, when I tried to come before the Committee on Rules.

I am just a little bit sick and tired of a lot of folks getting up on this floor, talking about change and what it takes to create change, and they do not know anything about welfare. Those who would give tax credits to people making $200,000 but will not give tax credits to a young mother who is trying to get educated cannot tell me anything about welfare.

We need to deal with the root causes of what is going on. Yes, young people are involved in sexuality. Yes, young people are bombarded on television and other places about what it means to be fashionable in America. Yes, they want jobs. Yes, we have allowed jobs to be exported to Third World countries for cheap labor and people who want to work cannot find work.

Yes, we have problems. And there are some dysfunctional families, and children who need support oftentimes do not have parents who are there for them. But should we penalize the children? Should we take away the lunches? Should we stop their opportunity to live and grow and be?

This is a mean-spirited proposal and it goes much too far. We want change. We want reform. But we are not going to take food out of children's mouths. We want change, but we want child care for those mothers who want to work.

You absolutely go too far and you are scaring America with what you do.

I say listen to some of us who know something about this. I know because I was a child of a welfare family. My mother tried and she tried. She did not have any help. She could not get any child care. She could not get a job. She could not get any training, but she tried.

I want to tell my colleagues, whatever America invested in me as a child on welfare, it has paid off. That is why I am here to speak for welfare children today.

You are wrong in the proposal that you have.

Mr. ARMEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Philadelphia, PA [Mr. FOX].

Mr. FOX. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise to voice my concern over recent comments made by a Democrat Member regarding our welfare reform proposals. The Republican plan to reform our Nation's welfare system is a caring compassionate measure fashioned to encourage the work ethic which made this Nation great. It is designed to cut the fraud, waste, and abuse which have been the hallmark of a failed welfare system in the United States.

Any attempt, as was made yesterday, to equate this proposal or the Republican Party to Nazi Germany and the atrocities of the Third Reich exceeds the bounds of propriety and is simply untrue.

As a Member of Congress, an individual of the Jewish faith, I am troubled by such comments.

Mr. Speaker, I understand there are times when we all get emotional in an attempt to advocate a position or espouse a particular view. However, we should never insult the men, women, and children who suffered through the crimes against humanity perpetrated by the Nazi regime by comparing what we are doing here to that kind of abomination.

Nathaniel Hawthrone once wrote:

No man, for any considerable period, can wear one face to himself and another to the multitude without finally getting bewildered as to which may be true.

It is time my friends on the other side of the aisle, Mr. Speaker, to stop the scare tactics. With our food nutrition programs, we are actually going to feed more children more meals because we are eliminating the Federal bureaucracy and the 15-percent cost. We are capping it back to the States with only 5 percent administrative cost.

Above all, welfare reform will encourage that those in need get the aid but those who should be working and can work get back to work with help through job counseling, job training, and job placement.

The American people want welfare reform that eliminates fraud, abuse, and waste, and we will give them that.

Mr. WISE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia [Mr. LEWIS], our deputy whip.

Mr. LEWIS of Georgia. I thank my friend and colleague, the gentleman from West Virginia [Mr. WISE], for yielding time to me.

There have been two gentleman on the other side who have referred to what I said yesterday and I wanted to say exactly what I said yesterday, Mr. Speaker.

I said yesterday and I say again today, I am reminded of a quote by the great theologian, Martin Niemoller, during World War II:

In Germany, they first came for the Communists, and I didn't speak up because I wasn't a Communist. Then they came for the Jews, and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists, and I didn't speak up because I wasn't a trade unionist. Then they came for the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time there was no one left to speak up.

I said yesterday, Mr. Speaker, this Republican proposal certainly is not

the Holocaust, but I am concerned and I must speak up.

I urge my colleagues, open your eyes, read the proposal, read the small print, read the Republican contract.

And I went on to say yesterday, they are coming for the children. They are coming for the poor. They are coming for the sick, the elderly, and the disabled. This is the Contract With America.

I said to my colleagues, you have the ability. the capacity, the power to stop this onslaught. Your voice is your vote. Vote against this mean-spirited proposal. Raise your voice for the children, the poor, and the disabled.

I say it again today, Mr. Speaker, for the RECORD.

Mr. ARMEY. Mr. Speaker, may I inquire as to how much time I have, and do I not have the right to close debate?

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Texas [Mr. ARMEY] has 7 minutes remaining, and the gentleman from West Virginia [Mr. WISE] has 7 minutes remaining.

The gentleman from Texas [Mr. ARMEY] has the right to close debate.

Mr. ARMEY. Does the gentleman from West Virginia [Mr. WISE] have any more speakers?

Mr. WISE. Mr. Speaker, as we say at home, the gentleman from "West, by golly, Virginia."

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank my friend from West Virginia for yielding time to me.

Mr. Speaker, I would urge my colleagues to vote against the motion offered by the distinguished majority leader. It is important for Members to be on the floor as we discuss this most important bill on welfare reform.

Let me just give my colleagues one reason. I have listened to my friends on the other side of the aisle talk about the underlying bill as a bill that requires work. I think we need to talk about this. I think that Members need to understand what is in the Republican bill.

As I understand it, a person can be on welfare for 2 years, receive cash assistance and not work at all.

As I understand, a person can be on cash assistance for 5 years in a State as long as they are complying with a work-related requirement as defined by the State, a work activity. And then there is no sanction against the States if they do not do that.

As I understand the bill, there is no requirement on the States to provide any work opportunity for people that are receiving cash assistance.

So I do not understand the Republican's statement that this bill requires work. And I think it is important that my colleagues be on the floor of the House, as we talk about this issue and other issues on welfare reform.

It is only by that type of debate that we will understand what we are doing in welfare reform. And if we want to get a better bill, it is important for Members to be here on the floor as we debate these important issues.

Please vote against the majority leader's motion.

Mr. ARMEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Philadelphia, PA [Mr. FOX].

Mr. FOX. Mr. Speaker, I think in this debate we have to make sure the American people realize that we should not be judging the success of the welfare program by how many people we have on AFDC, by how many people we have on food stamps, by how many people we have in public housing. As the gentleman from Oklahoma, Mr. J.C. WATTS, has said, who is someone who knows about the system, we should be judging people by the success of our efforts, by how many people we are taking off AFDC, that we are taking off food stamps and that we are taking off public housing.

We need to give them the opportunity so that the system we now have, which discourages savings, if you are on welfare you cannot save money, you cannot own property, and it discourages the mother from marrying the father. We want to change, under this bill, that kind of system, that will restore opportunity, restore the ethic of work and will return to the people a measure of dignity and a system that will be in fact one we can be proud of.

Mr. WISE. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, I rise in opposition to the distinguished majority leader's motion that is before the House today. I think it is very critical that all the Members of this body be present and hear the debate on both sides of the aisle, because it is very clear, as the Personal Responsibility Act is taken up today, it is clear to all of us that we must discuss with the American people how weak this bill is on work and how cruel it is to the children of this country.

I do not think it is fair for the majority leader to come here today and to offer this motion simply because you told us, along with the Speaker of the House, the new leadership of this House, that we would have an opportunity to debate issues on this House floor and that we would not be able to use our proxies in committees and we would not have committee meetings going on at the same time that we would have crucial pieces of legislation that is before this body.

I think it is very critical for us to have all Members present on the House floor. If not, have them available so they can come and see what this Personal Responsibility Act is doing to the children of this country.

□ 1200

They are just plain mean in their bill, and they know it. They do not want the Democrats to discuss what is going to be offered today. There are 31 amendments that have been placed in order by the Committee on Rules. On five of those amendments are Dem cratic amendments. We do not have opportunity to perfect the Personal R sponsibility Act that is before t House today.

Mr. Speaker, I would urge my co leagues to vote against the motion t the distinguished majority leader the House. I would ask that my Dem cratic colleagues all be here to sa today how cruel this welfare refor bill that the Republicans have offere is to American children.

Mr. WISE. Mr. Speaker, I yield 2 mi utes to the gentleman from Michiga [Mr. LEVIN].

(Mr. LEVIN asked and was given pe mission to revise and extend his re marks.)

Mr. LEVIN. Mr. Speaker, here is wh I think everybody should be on th floor, why on this historic matter, thi important debate, people should not b in various committees, but right here

There has been a lot of talk abou various aspects, not enough discussio about the impact of the Republican bil on disabled children now receiving cas benefits through SSI. This chart spell it out very clearly.

I just urge everybody to look. Unde the Republican plan, 21 percent of the children now covered would continue to be covered, and 79 percent would not be.

There is abuse in the program, and I see the gentleman from Wisconsin here on our side. He has delved into this. There is abuse in the SSI program. It has been rampant, apparently, in several States, including Louisiana and Arkansas. However, it is a mistake to take those abuses and to completely redo this program, ending cash benefits for parents whose kids are disabled.

There is a better way to do this. It is contained in the Deal bill. There is a better way to do it. We should get at the abuse, the abuse under the IFA program. We should eliminate from the rolls kids who have behavioral problems, who are not seriously disabled.

However, the disabled kids of America should not be thrown out on the street. The disabled kids need some help. Their families want nothing but a little bit of assistance. In many cases one of the parents has stopped working so they can take care of this seriously ill child.

Mr. Speaker, this program is income-related. We are talking about middle- and low-income families with a disabled kid, so when we talk about the harshness, look at this chart. It shows it. Members should talk to the families in their districts. Go beyond the numbers to the real people.

The SSI provision in the Republican bill is not a humane approach; it is not an effective approach. We can do better. We can adopt the Deal bill, which pays attention to the need for reform, but for the needs of families of disabled kids.

Mr. WISE. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, to recap, this is about the motion by the Republican majority to permit committees to sit under the 5-minute rule.

Basically, the American public thinks welfare reform is one of the most significant issues we have before us. They are right. Yet, under this request, when the American public sees the C–SPAN cameras now panning the floor, which they appropriately are doing, and sees empty seats here, the reason, one of the major reasons, is because many Members of Congress have to be in their committees, because they are not able to be in their committees and on the floor at the same time.

The usual procedure is that we permit committees to sit, except during special debate. In this particular case, with this particularly important debate, Members are still going to be forced to choose between their committee votes and the votes on the floor, during one of the most important debates that is taking place, particularly when we are only going to have 20 minutes to debate each item. We would urge rejection of this motion.

Mr. ARMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, long before the 1992 Presidential campaign the American people had begun to understand the mean horror in the lives of real people, real victims of a welfare system that had not only failed to eliminate poverty, but had created in the lives of too many of America's children the most awful, terrifying conditions. The American people had clearly understood that this failure was costly in the meanest of terms in the lives of real children, and demanded some change.

President Clinton understood the American people in 1992 when he campaigned, and he campaigned aggressively on ending welfare as we know it. In fact, as I listened to candidate Clinton, I thought to myself "He sounds more like us than we do." I thought he meant it. I thought he was serious. He said he felt the pain. It was there and obvious for anybody to see how painful this disastrous failure was in the lives of real people, especially the children.

He talked a good game. He did nothing. He did nothing. He did not even write a bill. In December 1993, very publicly, so publicly, in fact, that I as a member of the minority received a copy, 97 powerful Democrat majority committee and subcommittee chairmen sent their President a letter.

In this letter they said "Mr. President, if you dare to send to the Congress of the United States a welfare reform plan that is anything like what you said in your campaign, we will not only block that, but we will block your health plan." That letter is a matter of record. The press, of course, did not pay much attention to that letter, but the letter is there, and it is real. We all know about it.

The President did nothing. Late in the last Congress, late, after the Contract With America was out, after the President saw, again, that the American people demanded an end to welfare as we know it, he sent a bill up here. We heard about a bill. It took me until just a week ago to find out where was the bill.

Not one Democrat was willing to move that bill in committee for the President, nor was one Democrat willing to offer the President's bill, even to the Committee on Rules for consideration at this time. It was left for me to find the bill and offer it to the Committee on Rules so it could be considered.

The time has come, Mr. Speaker, when we must move on this measure. The Members have been complaining that doing so is inconvenient. How inconvenient is it in the lives of those very children if we let this cruel, heartless system continue to prevail?

They say they do not have the protection. At the beginning of the 103d Congress, the Democrat rules specifically wrote away from every Member of this Congress the right to object to a committee sitting while the House was sitting under the 5-minute rule. They took that right away from us and told us if we did not like it, we could lump it. They said in so many words "We don't care about your minority rights." That was their rules.

We corrected that. In an extraordinary period of time where we are moving extraordinary product, extraordinary legislation, that has suffered an extraordinary delay because of the timidity of the Democrat Party, the hostility to reform of the Democrat party, we have now, in compliance with these rules, come and asked this House to vote, vote whether nor not we will allow committees to meet while the House meets under the 5-minute rule.

Would I had had such a privilege under a Democrat majority just a year ago. Would I had been given that much regard to the rights of the minority, in a Democrat majority just 1 year ago. However, their rules did not allow that opportunity for me, as a minority.

Mr. Speaker, I have listened to this complaining about this inconvenience for an hour. I do not care to listen anymore. What I care to do, Mr. Speaker, is to make two final points. The time has come for us to combine, as Bill Moyers has said so eloquently, some modicum of understanding with some genuine compassion for the children that are the victims of this cruel system that so many people want to defend, and do it now. The time has come to do that, even, yes, if the doing of it comes at some inconvenience to ourselves in the next 2 days.

Mr. Speaker, I move the previous question on the preferential motion.

The SPEAKER pro tempore (Mr. GILLMOR). All time has expired.

Without objection, the previous question is ordered on the preferential motion.

There was no objection.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ARMEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 227, nays 190, not voting 17, as follows:

[Roll No. 253]

YEAS—227

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orley
Packard
Parker
Paxon
Petri
Pombo
Porter
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield

Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—190

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—17

Barcia
Browder
Brown (FL)
Brownback
Chenoweth
Clinger
Davis
Edwards
Livingston
Meehan
Meek
Minge
Portman
Schumer
Towns
Tucker
Williams

□ 1232

Mr. BEVILL changed his vote from "yea" to "nay."

Mr. SOUDER changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal.

The question is on agreeing to the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DREIER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 326, noes 88, answered "present" 1, not voting 19, as follows:

[Roll No. 254]

AYES—326

Allard
Andrews
Archer
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Bonilla
Bono
Borski
Boucher
Brewster
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Inglis
Istook
Jackson-Lee
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manzullo
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Metcalf
Meyers
Mica
Miller (FL)
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Olver
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Porter
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riggs
Rivers
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Tucker
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—88

Abercrombie
Ackerman
Becerra
Bentsen
Bishop
Bonior
Brown (CA)
Chapman
Clay
Clyburn
Coleman
Collins (MI)
Crane
Dellums
Deutsch
Dingell
Durbin
Engel
Evans
Fattah
Fazio
Fields (LA)
Filner
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gutierrez
Hefley
Hilliard
Hinchey
Hyde
Jacobs
Jefferson
Kaptur
Kennedy (MA)
LaFalce
Lantos
Lewis (GA)
Manton
Markey
Martinez
McDermott
McKinney
McNulty
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Moran
Neal
Oberstar
Obey
Ortiz
Owens
Pallone
Payne (NJ)
Pelosi
Pickett
Pombo
Pomeroy
Reed
Roemer
Rose
Roybal-Allard
Rush
Sabo
Schroeder
Slaughter
Stokes
Studds
Taylor (MS)
Thompson
Thornton
Torres
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Wise
Wyden
Yates

ANSWERED "PRESENT"—1

Harman

NOT VOTING—19

Armey
Barcia
Boehner
Browder
Brown (FL)
Clinger
Collins (IL)
Conyers
Edwards
Johnston
Meek
Minge
Molinari
Portman
Richardson
Schumer
Shuster
Stockman
Towns

□ 1251

So the Journal was approved.

The result of the vote was announced as above recorded.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 390

Mr. STARK. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of H.R. 390.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 119 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 119

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence. No further general debate shall be in order. An amendment in the nature of a substitute consisting of the text of H.R. 1214 shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule. The bill, as amended, shall be considered as read. No further amendment shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, amendments en bloc described in section 2 of this resolution, and the amendments designated in section 3 of this resolution. Except as specified in section 2, 3, or 4 of this resolution, each amendment made in order by this resolution may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for twenty minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment (except that the chairman and ranking minority member of the Committee on Ways and Means, or their designees, each may offer one pro forma amendment to any amendment printed in the report for the purpose of debate), and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against amendments made in order by this resolution are waived.

SEC. 2. It shall be in order at any time before the consideration of the amendments designated in section 3 of this resolution for the chairman of the Committee on Ways and Means or his designee to offer amendments en bloc consisting of amendments printed in the report of the Committee on Rules accompanying this resolution not earlier disposed of or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported) and shall be debatable for twenty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means or their designees. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the discussion of the amendments en bloc.

SEC. 3. (a) After disposition of the amendments printed in the report of the Committee on Rules accompanying this resolution and any amendments en bloc offered pursuant to section 2 of this resolution, it shall be in order to consider the following amendments in the following order—

(1) a further amendment in the nature of a substitute consisting of the text of H.R. 1267, if offered by Representative Deal of Georgia or his designee;

(2) a further amendment in the nature of a substitute consisting of the text of H.R. 1250, if offered by Representative Mink of Hawaii or her designee; and

(3) a further amendment in the nature of a substitute consisting of the text of the bill, as it had been perfected before the consideration of amendments pursuant to this section, if offered by the chairman of the Committee on Ways and Means or his designee.

(b) Each of the amendments designated in subsection (a) of this section shall be debatable for one hour equally divided and controlled by the proponent and an opponent.

(c) The amendment designated in subparagraph (a)(3) of this section shall be subject to amendment by any amendment printed in the report of the Committee on Rules accompanying this resolution that was not earlier disposed of as an amendment to the bill, as amended pursuant to this resolution, before the consideration of amendments pursuant to this section. Amendments to the amendment designated in subparagraph (a)(3) of this section shall be considered under the same terms as if offered to the bill, as amended by this resolution, and shall be subject to the last sentence of section 4 of this resolution.

(d) If more than one of the amendments designated in subsection (a) of this section is adopted, then only the one receiving the greater number of affirmative votes shall be considered as finally adopted. In the case of a tie for the greater number of affirmative votes, then only the last amendment to receive that number of affirmative votes shall be considered as finally adopted.

SEC. 4. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by this resolution. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. The Chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report of the Committee on Rules accompanying this resolution out of the order printed, but not sooner than one hour after the chairman of the Committee on Ways and Means or a designee announces from the floor a request to that effect.

SEC. 5 At the conclusion of the bill for amendment the Committee shall rise and report the bill, as amended pursuant to this resolution, to the House with such further amendments as may have been finally adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole either to the bill, as amended pursuant to this resolution, or as incorporated in a further amendment in the nature of a substitute designated in section 3(a)(3) of this resolution, unless replaced by a further amendment in the nature of a substitute designated in section 3(a)(1) or 3(a)(2) of this resolution. The previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. OXLEY). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield half of our time to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume.

During the consideration of the resolution, all time yielded is for the purposes of debate only.

(Mr. SOLOMON asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. SOLOMON. Mr. Speaker, House Resolution 119 is both a structured and complex rule as you have heard the Clerk read a few minutes ago, and yet it is the most open and fair rule we have ever had on a welfare reform bill in my 16 years here in this Congress.

When last this House attempted to reform our welfare system back in 1987, just one Republican substitute was allowed plus one en bloc amendment to the base bill offered by a Democrat.

This rule, by stark contrast, makes in order not 1 but 2 Democrat substitutes, but also makes in order some 31 amendments to the base bill, including 5 by Democrats.

At the same time, we respected the request of the distinguished minority leader, Mr. GEPHARDT, who appeared before the Rules Committee, to prohibit any amendments from being offered to either of the two Democratic substitutes by Representatives DEAL and MINK.

The minority leader even indicated in his testimony before us that, and I quote, "We would be happy if there could simply be a consideration of alternative proposals without the ability to amend any of those proposals."

That was certainly a tempting option, and one that we considered.

But, on further reflection, we decided that in all fairness we should allow some perfecting amendments to our bill, while at the same time respecting the minority's wish to keep its substitutes closed to amendments.

I think all that is important to keep in mind as we discuss this rule. It is much more open than the minority leader indicated he would be happy with.

At the same time, we did not think it would be right to take the time of this House on all of the over 160 amendments that were filed with our committee, many of which would simply try to convert our bill into one of the Democrat substitutes.

That is why Republican amendments outnumber Democrat amendments to our bill by 26 to 5. On a bill as complex and important as this, it is important that we maintain the integrity of our basic principles and fundamental policies in moving this legislation forward.

That is not to say that there were not some important and meritorious amendments that were denied in the fashioning of this rule. I would have preferred to have made in order several

more amendments from both sides of the aisle.

But this rule was the final product of ongoing negotiations between the various committees of jurisdiction, the leadership, and the members of the Rules Committee.

Politics is, after all, the art of compromise, and this rule is a reflection of such a compromise.

Mr. Speaker, I think it is important to keep our eye on the big picture of choosing between the major alternatives of reforming the welfare system as we know it—of focusing on the fundamental differences that do exist between our two parties on how this best can be done.

We did not, as earlier considered, for instance, make in order the President's welfare reform bill as introduced in the last Congress, because it was not introduced by even one Democrat in this Congress.

But I think it is significant to note that while we promised last September in our Contract With America to bring forward a welfare reform bill in the first 100 days of this Congress, the administration has been virtually silent on pressing its alternative proposal.

Mr. Speaker, the rule before us will provide ample debate and consideration of the major pending alternatives, and, at least with respect to our bill, allow for some 31 amendments to further perfect it. We have never claimed that we had a perfect solution, and have been open to further suggestions for improving our legislation.

We have already completed 5 hours of general debate on this bill and the two Democrat substitutes, compared to 4 hours of general debate on the Democrats' welfare reform bill and our one substitute made in order in 1987.

We will now take the rest of this week on the amendment process provided for under this rule. Each of the 31 amendments made in order will be subject to at least 20 minutes of debate, which may be extended to 30 minutes if the majority and minority mangers choose to offer a further, 5-minute pro forma amendment each.

We have adopted the format used on past defense authorization bills of allowing amendments to be offered en bloc, and for votes to be postponed and clustered in order to help expedite our proceedings.

Once we have completed the consideration of those 31 individual amendments, we will then have 1 hour of debate and a vote on each of the 2 Democrat substitutes by Representatives DEAL and MINK, in that order.

If necessary, we will then proceed to a vote on our base bill as amended as a third substitute under our winner-takes-all process.

What that means is that if more than one substitute is adopted, then the one having the most votes will be considered as having been finally adopted and reported back to the House for a final vote.

In addition, we have permitted our final substitute to be further amended by any amendment printed in the rule which was not offered during the course of the earlier amendment process, provided that at least 1 hour's advance notice is given before offering such an amendment.

The rule also requires 1-hour advance notice of any amendments offered earlier to the base bill which are offered out of the order printed.

That is only fair to the Members of this House so that they will know for certain what it is they will be asked to vote on.

Finally, to my colleagues on the other side who are disappointed that their amendments were not made in order to the base bill, our rule preserves the right of the minority to offer a final motion to recommit which may include a final amendment or amendments of their choosing, provided they are germane and otherwise in order under House rules.

In concluding my remarks on this rule, I think it is fair and balanced. It protects the rights of the minority to have not just five perfecting amendments to our bill plus two substitutes.

It also allows the minority to offer any amendments it chooses to include in its motion to recommit with instructions—even if they were not filed with the Rules Committee. For that reason, I think the rule is deserving of the support of fairminded Members on both sides of the aisle.

Mr. Speaker, when I called up
rule for general debate yesterday
suggested that the public should me
ure the proposals offered by both
ties against the status quo.

There is a consensus of opinion
Washington and in the State hou
that the current welfare system
failed.

Which of the alternatives offered
allow continued runaway spending,
on auto-pilot inside the beltway,
programs that never really reach
improve the lot of the poor? Which
ternatives remain silent on the is
that is most crippling the Americ
family unit—the issue of out-of-w
lock births?

When measured against this ya
stick, H.R. 4 is clearly the superior
ternative.

Members on the other side of t
aisle who defend the current syst
talk in grand terms about compassi
They try to seize the moral hi
ground in this debate while their fe
remain firmly planted against a
meaningful change in the current sy
tem.

What kind of compassion is it th
leaves unaltered a monolithic bureau
racy that has the ability to ensnare e
tire generations in the despair of po
erty?

What kind of compassion is it th
saddles future generations with mou
tains of debt built on failed but cost
programs—debt that harms the po
more than the better-off by stiflin
economic growth, opportunity, a
meaningful jobs in the private sector?

However well-intentioned these pr
grams were at their inception, defen
ers of the welfare state must face th
fact that they have failed, and that
is time for real and revolutionar
change.

House Republicans have recognize
that fact, and we have produced, afte
much debate and negotiation, the mos
comprehensive welfare reform bill i
the history of this Republic—and on
that will save us nearly $70 billion ove
the next 5 years compared to curren
spending trends.

I therefore urge adoption of this rul
and the passage of this bill.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of March 15, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open[2]	46	44	19	7
Modified Closed[3]	49	47	5	1
Closed[4]	9	9	0	
Totals:	104	100	24	10

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

(As of March 1, 1995)

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/55)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/10/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 225–195; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–155 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/1/95).
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/6/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191; A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1158	Making Emergency Supp. Approps.	A: 242–190 (3/15/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

CORRECTION OF VOTES IN COMMITTEE REPORT

The Rules Committee's report, House Report 104–85 on H. Res. 119, the rule for the further consideration of H.R. 4, the "Personal Responsibility Act of 1995," contains three erroneously reported rollcall votes due to typographical errors during the printing process. The votes were correctly reported in the original report filed with the Clerk.

Below is a correct version of those votes as contained in the Rules Committee report as filed with the House. The amendment numbers referred to in the motions are to amendments filed with the Rules Committee—a summary of which are contained following the listing of votes in the committee report.

The corrected rollcall votes for Rollcall Nos. 102, 104, and 109, are as follows:

RULES COMMITTEE ROLLCALL NO. 102

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Moakley.

Summary of Motion: Make in order Berman amendment No. 159.

Results: Rejected, 4 to 8.

Vote by Member	Yea	Nay	Present
Quillen		X	
Dreier			
Goss		X	
Linder		X	
Pryce		X	
Diaz-Balart		X	
McInnis		X	
Waldholtz		X	
Moakley	X		
Beilenson	X		
Frost	X		
Hall	X		
Solomon		X	

RULES COMMITTEE ROLLCALL NO. 104

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order McDermott amendment No. 102.

Results: Rejected, 3 to 8.

Vote by Member	Yea	Nay	Present
Quillen		X	
Dreier			
Goss		X	
Linder		X	
Pryce		X	
Diaz-Balart		X	
McInnis		X	
Waldholtz		X	
Moakley	X		
Beilenson	X		
Frost	X		
Hall			
Solomon		X	

RULES COMMITTEE ROLLCALL NO. 109

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order Hyde/Woolsey amendment No. 1.

Results: Rejected, 3 to 8.

Vote by Member	Yea	Nay	Present
Quillen		X	
Dreier			
Goss		X	
Linder		X	
Pryce		X	
Diaz-Balart		X	
McInnis		X	
Waldholtz		X	
Moakley			
Beilenson	X		
Frost	X		
Hall	X		
Solomon		X	

□ 1300

Mr. RANGEL. Mr. Speaker, will the gentleman from New York [Mr. SOLOMON] yield?

Mr. SOLOMON. May I very shortly, because I am limited in time, yield to my New York colleague, the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. I thank the gentleman for yielding, my friend and colleague.

Mr. Speaker, last Monday I had an opportunity to meet with Cardinal O'Connor on this bill, and we had a very long session. Cardinal O'Connor indicated a great concern about the children being hurt, especially those with teenage——

Mr. SOLOMON. Mr. Speaker, may I say to the gentleman from New York, CHARLIE, could I interrupt? Let me reserve the balance of my time, and the gentleman can get his time because I really want to have a dialog with him, but I do not have the time here. If the gentleman would get time, I would be glad to continue with him.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. The Cardinal said he had an agreement with the gentleman from New York [Mr. SOLOMON], and I just wanted to know whether that is included.

The SPEAKER pro tempore (Mr. OXLEY). The gentleman from New York [Mr. SOLOMON] reserves the balance of his time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HALL of Ohio asked and was given permission to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, I rise in opposition to this rule. This is a rule that limits amendments on the welfare reform package known as the Personal Responsibility Act of 1995.

As my colleague on the other side of the aisle well knows, this is a closed rule which picks and chooses amendments that can and cannot be offered to improve a bad bill. The rule makes a 400-page substitute bill in order which most Members of this body have not read and is being rammed through to meet an arbitrary contract on America deadline.

To make matters worse, the rule allows only 31 freestanding amendments out of the 161 received by the Rules Committee. So out of the 93 amendments that were proposed by Democrats, only 5 can be offered. This rule is a product of a party that only last year complained about gag rules and stifling debates. This is from the party that promised openness and fairness. I would just ask what happened to these promises?

The American people do not like these kinds of games, particularly when we are playing with their money.

Mr. Speaker, this so-called Personal Responsibility Act is a bad bill and it ought to be voted down. It is weak on work, it is hard on children, and it is punitive in nature. We all support personal responsibility, but the name of

the bill has no relation to the provisions in it. They call this the Personal Responsibility Act. But I propose that we call it the Congressional Irresponsibility Act because this legislation is irresponsible to the weak, the poor, and the needy.

We need to concentrate on getting people off public assistance and into the job market. Yet the Republican version has no real requirements that States get people working before simply dropping them off the rolls. There are no assurances that they will get real job training, much less day care for their children.

On top of this, we understand a portion of the money saved by this bill, somewhere between $69 and $80 billion, will go toward tax cuts for corporations and the wealthy, instead of deficit reduction, where it belongs.

I do not like the title of this bill, which implies that people have no responsibility if they are poor. After having spent a good part of my career working with the poor and hungry, I can attest that most people are responsible and want to work. I have visited many hunger centers and homeless shelters in my city and even in this city. I have found overwhelmingly the number of men who might live in a homeless shelter but go out on a daily basis looking for work and securing work. Where abuse exists, we need to eliminate it. But we need to provide people with dignity and hope and, most importantly, jobs. Welfare reform should not amount to cutting off help for children having children or taking away school lunches and WIC. It should mean training people for the real jobs that exist, offering quality child care, and getting people into the mainstream of society.

This bill and the rule that governs its debate is a joke. I am particularly concerned that my amendments to strike the block-granting of child nutrition programs, including school lunch, school breakfast, and WIC, were not made in order under this rule.

□ 1315

Last night in the Rules Committee I offered my amendment as a motion to the rule which would have allowed a free debate on the school lunch and school breakfast programs, and WIC. The amendment was voted down 8 to 4 with no Republican support.

Yet this so-called Personal Responsibility Act erases 50 years of law governing the School Lunch Program without so much as a floor debate. Major changes to food and nutrition programs are gone in one sweeping gesture. By not allowing Members the opportunity to have a floor amendment, my colleagues on the other side of the aisle have reneged on their commitment to open up the process. Just as they are breaking promises to 25 million school children who depend upon a school lunch, they are breaking their promise to the American people to bring up open rules that allow fair debate. Unfortunately according to their own definition of rules in the 103d Congress, 59 percent of the rules reported to the House in 3 short months have been closed.

Stifling debate on school lunch and other child nutrition programs is wrong for several reasons:

First and foremost, Mr. Speaker, the bill under consideration cuts back the programs which reach low- and m
income children by $7.2 billion o
years according to CBO. For some
income children, school breakfas
lunch constitute the majority of
daily food supply. For most of
kids this might be the only, and
tainly the best, meal that they
going to receive during the day. U
this bill, up to 2,000,000 children w
longer receive adequate school lu
by the year 2000.

Second, nutrition programs ar
investment in education. More th
percent of all public schools pa
pate in the National School Lunch
gram. It has a documented reco
success. Children learn better
they have at least one reliable m
day.

Third, there is no reason on E
why we should cut child nutrition
nance a tax break for wealthy Am
cans and corporations. If, in fact
are going to realize billions of do
in savings under this bill, it had be
go to deficit reduction and not to
porate welfare and wealthy individu

Many of my colleagues know on
floor my love for these programs
are very much concerned for the
gry and the hurting of this country
other countries, and I try to be
decent in the way that I approach r
and as I approach my colleagues in
the matters that we deal with in
House of Representatives. I try no
be partisan, and I hope that I am
but I must end my portion of what I
going to say by saying this is a lo
bill and it is a lousy rule. I hope
House votes against the rule.

FLOOR PROCEDURE IN THE 104TH CONGRESS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1	Compliance	H. Res. 6	Closed	
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	
H.R. 5	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	
H.J. Res. 2	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (QJ)	Restrictive; considered in House no amendments	2
H.R. 2	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	
H.R. 665	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	
H.R. 666	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	
H.R. 667	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	
H.R. 668	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	
H.R. 728	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	
H.R. 7	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	
H.R. 729	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	
S. 2	Senate Compliance	N/A	Closed; Put on suspension calendar over Democratic objection	
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; waives all points of order; Contains self-executing provision.	
H.R. 830	The Paperwork Reduction Act	H. Res. 91	Open	
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	
H.R. 450	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	
H.R. 1022	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	
H.R. 926	Regulatory Flexibility	H. Res. 100	Open	
H.R. 925	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	
H.R. 1058	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	
H.R. 988	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	
H.R. 956	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	80
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	
H.J. Res. 73	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	10

FLOOR PROCEDURE IN THE 104TH CONGRESS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 4	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	50: 26R

**78% restrictive, 22% open. ***Restrictive rules are those which limit the number of amendments which can be offered, and include so called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. ****Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

(Mr. CLAY asked and was given permission to revise and extend his remarks.)

Mr. CLAY. Mr. Speaker, I rise in opposition to this outrageously restrictive rule. This is but another indication that the Republican majority has engaged in a bait-and-switch routine. They promised the American people free and open debate. Now that they've gained control, they continue to play by a new set of rules. Closed rules. Rules that stifle debate. Rules that deny Members of this body the right to be heard.

Mr. Speaker, Democratic members of the Committee on Economic and Educational Opportunities submitted only a dozen amendments that we asked be made in order on issues that matter deeply to the public, including the school lunch and breakfast programs, the WIC Program, and access to safe child care. But the Rules Committee refused to make a single one of our amendments in order. I intended to offer two amendments. One, to maintain the current Federal nutrition programs; and the other to provide for an increase in the minimum wage.

The Republican majority decided not to allow me and my colleagues to offer our amendments because they are nervous about debating these issues out in the open, where the American public can see for itself the kind of devastation they are carrying out in the name of welfare reform. They don't want to explain how they will decimate the School Lunch Program. They don't want to explain how they no longer believe there is a Federal interest in protecting children from hunger and premature birth. They do not want to explain that their claim of jobs for welfare recipients is nonexistent. They do not want to explain why they oppose even a modest increase in the minimum wage.

I urge my colleagues to vote against this restrictive rule. Let us send the Rules Committee back to the drawing board and come up with a rule that allows for free and open debate.

Mr. SOLOMON. Mr. Speaker, I yield 2½ minutes to the very distinguished gentlewoman from Ohio [Ms. PRYCE], a very valuable member of the Committee on Rules.

Ms. PRYCE. Mr. Speaker, I rise in strong support of this rule. This is a fair and responsible rule. It permits the House to debate a significant number of worthwhile amendments on issues such as child support enforcement, stronger work requirements, increasing funding for child care, and adoption assistance, to name just a few. In addition, Mr. Speaker, the rule makes in order two amendments in the nature of a substitute to be offered by our Democrat colleagues together with a motion to recommit. We offer the minority many opportunities to effect significant, substantive changes.

Mr. Speaker, a generation ago President Lyndon Johnson launched is much-celebrated War on Poverty. Well, Mr. Speaker, here we are in 1995, 30 years and $5.3 trillion later, ready to launch an entirely new war, only this time the war is against a failed welfare system which has trapped the less fortunate in our society in an endless cycle of poverty and despair. No one disagrees that our present welfare system, no matter how well intentioned, has failed. Seventy-one percent of Americans say that the current systems does more harm than good, but the need for major reform seems obvious to everyone but Washington and the special interests. We are going to hear a lot of complaints in the next couple of days from those who would rather protect the status quo, but make no mistake about it, Mr. Speaker. We have had enough of the status quo, and we have an entirely, wholly new solution, a solution no less compassionate, only more efficient; no less caring, only more commonsensical.

So, Mr. Speaker, this debate really comes down to a very simple choice. Some people want to continue the status quo and keep in place a system that creates more dependence and rewards self-destruction. On the other side are those who recognize that things have to change and that the present system should be replaced with reforms based on the dignity of work, the strength of families, and trust in local government.

The minority may try to paint us with black hats. It is great rhetoric, but simply not true, and using, even exploiting, the very children we are trying to desperately help into better futures as pawns in their effort to protect this cruel, hopeless system is nothing short of shameful.

Mr. Speaker, I am very proud of the work product of this Committee on Rules. Let us get on with it. Let us adopt this rule. Let us redirect America's largesse of compassion, redirect it to where it can do more good than harm.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], the former chairman and now ranking minority member of the Committee on Rules.

Mr. MOAKLEY. Mr. Speaker, we are now looking at the farthest of the gag rules. The most important thing ever to come through this body in the Democrat amendments were knocked out one after the other by the Republican majority up in the Committee on Rules. This is not the way to take care of children. This is not the way to feed children. I believe our single most significant responsibility as legislators is to educate, is to feed and is to protect America's children.

Last night in the Committee on Rules, Mr. Speaker, Republicans, one right after the other, disagreed with me over and again on party-line votes, and today we are about to vote on a Republican welfare proposal to hurt children in order to give the richest 2 percent in this country a tax break and also to increase military spending. This bill does nothing to help people get jobs. All it does is to kick them and their children off of welfare.

Mr. Speaker, this welfare bill is a cruel bill, and Republicans should be ashamed to bring it to the floor in this condition. I urge my colleagues to oppose this gage rule. Republicans are breaking their promise of open rules, and they are abandoning American children.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just point out to the gentleman from Massachusetts [Mr. MOAKLEY] that back in 1987, he and the other Democrat members of this Committee on Rules voted unanimously to allow only one Republican substitute, nothing else. That was a gag rule; this is not.

Mr. Speaker, I yield 4 minutes to my good friend, the gentleman from New Jersey [Mr. SMITH].

(Mr. SMITH of New Jersey asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. SMITH of New Jersey. Mr. Speaker, I do not relish being put in the position of opposing the rule on welfare reform, but, in conscious and sincere disagreement with leadership, I must.

First, Mr. Speaker, let me note that I am grateful that my amendment to reform the so-called family cap by permitting welfare moms to get vouchers in lieu of cash to better provide for the necessities for their babies was made in order. So I say, "Thank you for that." But I am deeply concerned that in an otherwise laudable drive to reduce illegitimacy and dependency we are poised to enact legislation that is likely to reward States that increase the number of abortions performed in that State while also making children more impoverished.

Both of these scenarios are unacceptable and are largely preventable.

To mitigate these two possibilities, Mr. Speaker, four amendments were crafted. Only two were made in order—well, perhaps two and a half. It is my hope that a new rule would give us the opportunity to consider all four amendments, including the amendment offered by the gentleman from Oregon [Mr. BUNN] and the Stark-Volkmer amendment.

Mr. Speaker, this so-called illegitimacy ratio provision in the bill is well meaning, but it is fatally flawed, and the Stark-Volkmer amendment would strike it. The illegitimacy ratio was not part of the Contract With America in its original form. The ratio might well have provided incentives to States to decrease their abortion rates to qualify for the monetary bonus stipulated in the bill. But the version contained in the bill today is likely to reward States that increase the number of abortions from the benchmark year, the year of enactment.

Mr. Speaker, the flaw is contained in the formula itself, again, which started out OK but was rewritten when objections were raised by certain proabortion Members. The formula is designed to curb illegitimacy; no problem there. But the means to that end uses the wrong numerator to calculate what is progress.

The original language, which I support, said: "Add the number of out-of-wedlock births and abortions. Then divide the number by the total of births in that State. States that lowered the ratio by 1 percent would get a 5-percent extra block grant. Lower the ratio by 2 percent, and the State gets 10 percent extra."

This is no perfect formula, but the ratio that would have promoted a decline of both abortion rates and illegitimacy.

The new formula, however, steers a far different course. The new formula says: "Add the number of out-of-wedlock births to the number of additional abortions performed over those performed in the year the bill was enacted, and divide by the total births in that State. As some births in the State are legitimized by adoption or marriage, the numerator, as it relates to illegitimacy, will automatically decrease, leaving ample room for corresponding increases in abortion rates." In other words, that State can then achieve a, quote, good mark and get a big reward from Uncle Sam, even though the abortion rates have skyrocketed in that State.

Mr. Speaker, I urge a no vote on this rule, however unintended the consequences of the ratio will be to reward States that push abortions for welfare moms, and pay for them under their Medicaid provisions, and then declare victory by showing a good score on a flawed scorecard.

ILLEGITIMACY RATIO TEST WOULD REWARD STATES EVEN IF ABORTIONS INCREASE

(By David N. O'Steen, Ph.D.)

An "illegitimacy ratio bonus" plan for states was added to welfare reform legislation (H.R. 1214—known as the personal Responsibility Act) by the full House Ways and Means Committee. The plan would reward states financially for reducing their "illegitimacy ratio" even in circumstances where abortion increased. For this reason, NRLC is opposing the "illegitimacy ratio bonus" plan as passed by the House Ways and Means Committee and supports the Stark-Volkmer Amendment to remove the bonus provision.

THE "ILLEGITIMACY RATIO BONUS" PLAN

The bill provides that federal welfare funds received by a state be increased by 5% in any year in which the states "illegitimacy ratio" (as defined below) is one percentage point lower than in the year prior to enactment of the legislation. The state's federal grant would be increased 10% if the ratio was two percentage points lower than the year prior to enactment.

The "illegitimacy ratio" in the year prior to enactment is defined as the percentage obtained by dividing the number of out-of-wedlock births by the total number of births. In subsequent years it is defined as the percentage obtained by dividing the number of out-of-wedlock births plus any increase in abortion by the total number of births.

INCENTIVES FOR STATE ACTION

The "illegitimacy ratio bonus" plan is intended to be an incentive for a state to adopt programs to discourage out-of-wedlock childbearing. Such a campaign could consist of many components including the denial of state aid to such children, similar to the "teen mother's child exclusion" provision of the bill.

Whatever programs the state implements, however, there are five possible changes in behavior people could utilize to attempt to avoid an out-of-wedlock birth. They could: (1) Use contraception, (2) abstain from sexual relations, (3) marry before the birth of the child, (4) place the child for adoption (for purposes of the bill's ratio test both marriage and placing the child for adoption is considered to "legitimize" the child), or (5) abort the child.

Under a comprehensive out-of-wedlock "anti-childbearing" campaign, it can be expected that a combination of all five of the above changes in behavior would occur.

It is the fifth—aborting children conceived out of wedlock—that NRLC must oppose. Unfortunately, as explained below, the ratio test passed by the House Ways and Means Committee allows abortions to increase significantly and the state to still reap the financial reward of increased federal funds.

HOW THE RATIO TEST ALLOWS INCREASED ABORTIONS

For purposes of the "illegitimacy ratio" test, changes in behavior in the second or subsequent years are treated mathematically in the following manner. Those who avoid pregnancy (and thus an out-of-wedlock birth) through either contraception or abstention are treated the same: those missing births disappear from both the numerator and the denominator of the new ratio. Those who "legitimize" the child either through marriage or adoption are also treated the same: those births disappear from the numerator but remain in the denominator.

Changes in behavior that result in increased abortions rather than out-of-wedlock births do not actually affect the numerator since these abortions would reduce the number of births in the numerator but would also be added back in. However, they do reduce the births in the denominator. While this means that an abortion in lieu of an out-of-wedlock birth does actually hurt the state's ratio, this is not sufficient to prevent the state from receiving the bonus while experiencing a substantial increase in abortions, because the effect of the increase i
tions on the ratio can easily be mo
offset by the other changes in behavio

The following examples show how
can receive the bonus while increasin
tion:

Example 1: Suppose in the initial
hypothetical state has 100,000 births, 3
them out-of-wedlock for an "illegi
ratio" of .30. Then suppose the state
ments a rigorous anti out-of-wedlock
bearing program that results in a 10
(i.e. 3,000) reduction in out-of-wedlock
(This is not an unreasonable assu
since the New Jersey "family cap"
portedly resulted in a 13 percent decr
births among AFDC recipients.) F
suppose this reduction of 3,000 out-o
lock births was the result of 900 who su
fully used contraception or abstaine
more married or placed the baby for
tion and 1,200 who had abortions.

Then, assuming other births and abo
remained constant, the state's new "i
imacy ratio" would be 28,200 (27,000 o
wedlock births plus 1,200 abortions) d
by 97,900 reflecting the 900 non-concep
and 1,200 abortions) which equals .288.

Thus, the state would qualify for the
cent federal bonus even though abortio
counted for 40 percent of the reducti
out-of-wedlock births.

Example 2: In the above example, aga
sume a 10 percent change in behavio
spouse the reduction of 3,000 out-of-we
births is the result of 1,200 who succes
used contraception or abstained, 1,300
married or placed for adoption and 500
had abortions. In this case the new "il
imacy ratio" would equal 27,500 (27,000
of-wedlock births plus 500 abortions) di
by 98,300 (reflecting the 1,200 non-concep
and 500 abortions) which equals .2798 or
than .28.

In this case, the state would qualify fo
10 percent bonus in the federal funds,
though abortions accounted for one-six
the reduction in out-of-wedlock births.

Example 3: As a generalization of Exa
1, it can be shown that if out-of-wed
births initially account for 30 percent o
births and there is a 10 percent reductio
out-of-wedlock births in the second
with other births and abortions remai
constant, and the reduction is due to e
numbers of non-conceptions and "le
mized" babies due to marriage or adopt
then the increase in abortions can be
much as 1.3 percent of all births and
state will still get the federal "bonus."
this case, abortions could equal up to 43
the reduction in out-of-wedlock births!

Example 4: In Example 3, the numbe
out-of-wedlock births that were avoi
through marriage or adoption exceeded th
that were avoided by reducing conceptio
For an example where a greater numbe
out-of-wedlock births are avoided by red
ing conceptions, assume again that in
initial year there were 100,000 births w
3,000 of them out-of-wedlock for an "illeg
imacy ratio" of .3.

In the second year, suppose there are 5,
fewer out of wedlock births due to 2,000 n
conceptions, 1,000 adoptions or marria
and 2,000 abortions, and that other fact
remain constant. The new "illegitimac
ratio would be 27,000 divided by 96,000
about .28. The state would again get the
nancial bonus despite the increase in ab
tions.

Mr. MOAKLEY. Mr. Speaker, will t
gentleman yield?

Mr. SMITH of New Jersey. I yield
the gentleman from Massachusetts.

Mr. MOAKLEY. I just want to infor
the gentleman that I proposed the s

called illegitimacy ratio at the Committee on Rules last night, and the majority party voted it down.

Mr. SMITH of New Jersey. Well, I would hope then, if this rule goes down, that it would be made in order in an amendment to strike it or, perhaps, to fix it.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GIBBONS], the former chairman of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, I want to pay personal tribute to the gentleman from New York [Mr. SOLOMON] because I do not think he would produce this kind of rule if he were not under the pressure from the gentleman from Georgia [Mr. GINGRICH] and the gentleman from Texas [Mr. ARMEY] to jam all this thing through the House by some make-believe date that we are all operating under.

□ 1330

This is the type of a program that should take 6 months of consideration in the committee and on the floor. I wish I could have gotten this bill amended to take out the 10 reasons that I think this bill is cruel, cruel to children. This bill punishes the child because the mother who gave birth to the child was under 18 years of age. It punishes that child not just while the mother is under 18 years of age but it punishes that child for life. It will affect each year 70,000 children.

The SPEAKER pro tempore (Mr. OXLEY). The time of the gentleman from Florida [Mr. GIBBONS] has expired.

Mr. GIBBONS. Mr. Speaker, I have nine other reasons, and I will take them up later.

Mr. SOLOMON. Mr. Speaker, I reserve the balance of our time.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I wanted to ask the chairman of the committee about certain commitments that the Cardinal thought were made to him as they relate to this bill, but obviously those commitments were not made and we do not have time for a dialogue. But one of the reasons why I want to encourage the House to vote against this rule is because while the chairman of the committee would indicate that these were Democratic and Republican rules, when I take a look at it, the Democratic rules that would guarantee foster care and adoption, that would guarantee jobs, that would guarantee child care, that would guarantee that the child not be punished because of an irresponsible mother who could not identify the father, and an amendment that would guarantee vaccination and national nutrition, I would say that these were good amendments that the Democrats had, amendments that no one passed on. But then I look at the amendments that were made in order, and one of them says that a deadbeat dad who died is still liable for the money.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. RANGEL] has expired.

Mr. RANGEL. Mr. Speaker, I have some other amendments here that I would like to discuss on the floor later.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. SABO], the former chairman of the Committee on the Budget.

(Mr. SABO asked and was given permission to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, here we go again. Once more we have a major piece of legislation before us and the Republican majority has structured a rule to get around all kinds of serious Budget Act violations. This proposal is too serious, its budgetary implications too important, and its long-term consequences too critical to be treated so cavalierly.

Mr. Speaker, if this bill were taken up under normal procedures, the Rules Committee would have to either waive all the Budget Act points of order or allow them to be raised on the floor. Under the unusual procedure being used for this bill, the Rules Committee was able to avoid the Budget Act without granting any explicit waivers.

The Budget Act rules serve an important purpose. We should not be evading those rules on such an important piece of legislation.

Mr. Speaker, the reason we have a Budget Act is to help us think through legislation before we pass it. Yet, this is the sixth time this year we have been asked by the new majority to ignore that act.

The version of the welfare bill made in order by this rule contains several violations of the Congressional Budget Act.

Among other things, H.R. 1214 makes a direct appropriation for the new Food Stamp Program in fiscal year 1996. This appropriation breaches the Agriculture Committee's spending allocation and thereby violates section 302(f) of the Budget Act.

In addition, the bill provides both budget authority and entitlement authority effective in fiscal year 1996. As a result, it violates section 303(a) of the Budget Act, which prohibits consideration of bills providing new spending in years for which a budget resolution has not yet been adopted.

Further, the bill sets up a new lending program—the so-called rainy days fund. This new program violates section 402(a) of the Budget Act, which prohibits creation of new Federal lending programs that are not controlled through the appropriations process.

These and other problems with this bill are symptoms of the haste in which it was assembled and considered. Issues as important as welfare reform deserve far greater care and deliberation.

If this bill were taken up under normal procedures, the Rules Committee would have to either waive all the Budget Act points of order or allow them to be raised on the floor. Under the unusual procedures being used for this bill, the Rules Committee was able to avoid the Budget Act without granting any explicit waivers.

The Budget Act's rules serve an important purpose. We should not be evading these rules on such an important piece of legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, I understand probably why the Rules Committee did what it did, because it is obvious the Republican bill on welfare reform surely does not have the votes, and we are going to continue with perfecting amendments until they come to a level where they do have the votes. I think that says something about the legislation already because the Republicans are not excited about their welfare reform measure, and I do not blame them.

A number of us, including me, put this Deal substitute together. It is a good one, and it makes a lot of sense. It is called the Individual Responsibility Act of 1995. It replaces the failed welfare system. It ends welfare as we know it. It requires people to work for benefits. It offers a hand up, not a handout. It imposes a time limit on benefits. It makes sure that welfare is a safety net and not quicksand. It ensures welfare, but it is not a way of life.

Mr. Speaker, it is time to pass the Deal substitute. It works.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, it is not only the Members of this Congress but the children of America who are being gagged today—the voices of children, the children who need a healthy start, the children who should have smiling faces instead of empty stomachs, the children whose voices I heard 2 weeks ago in Austin, TX, the children who say, "Cut waste, don't cut kids. Put people to work. Don't pull lunch trays out of the hands of school children," as this legislation would do.

This ought to be a time for this body to come together to deal with a problem that has been neglected for too long. But extremists dominate this debate. Indeed, to call it a debate is to pick a name that has no appropriateness to what is happening here, because the ideas of all this body are being excluded from the course of this debate. With extremists in control, we do not have any genuine debate.

This bill, like others in the contract, cannot withstand debate. It is so extreme, it is so mean-spirited that they cannot afford to have a real debate with bipartisan solutions to these problems.

Mr. Speaker, it is the voices of the children that are being gagged today, and America is the loser.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to a very distinguished Member of the body, the gentleman from Oregon [Mr. BUNN].

(Mr. BUNN of Oregon asked and was given permission to revise and extend his remarks.)

Mr. BUNN of Oregon. Mr. Speaker, it is with reluctance that I need to stand and rise and encourage opposition to this rule. I want to focus on one fairly narrow part of the rule, and that is this:

The Rules Committee had a choice between the Talent amendment and the Bunn amendment. They chose the Talent amendment, and I want to talk about the differences between those two, because there are only two differences. The Bunn amendment requires that in order to receive support, one must stay in school. Now, when we want to reduce dependence upon public assistance and we want to help people get off welfare, they need to stay in school, and we need to provide the tools so they can get off welfare. Why this bill denies that requirement, I do not know. It makes no sense to me, because we need to require girls to stay in school and we need to help them to stay in school with day care and other things.

The second provision is one that equally perplexes me, and that is that with the Talent amendment we take away any incentive for a girl to stay in her home.

As a Republican, I am proud of our party and I am proud of the things we stand for, but I am embarrassed today to stand here and admit that our party that talks about family values is saying, "We don't value keeping the family together," because, in fact, there is no incentive under Talent to say, "Stay in the home. Stay with your family."

The Bunn amendment says that if a girl will stay in school and stay with her family, we will provide the adult supervision, whether it is a foster parent or the parents, the ability to meet her needs with cash assistance for day care and other things, but we have taken that all away with Talent. We do not even have the opportunity to vote on that on the floor, and because of that, Mr. Speaker, I must oppose the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise in strong opposition to this rule.

As a mother who was forced to go on welfare 27 years ago because my family never received, not once, the child support we were owed, I am outraged by this rule. I am outraged because it prohibits debate on what HENRY HYDE, STEVE LARGENT, myself, and over 80 other Democrats and Republicans know is the most effective way to collect over $5 billion of the child support that goes uncollected each year, federalization of our pathetic State-by-State child support system.

The Federal Government spends $1 billion a year on a State-based child support system that has shameful collection rates, with some States having rates as low as 9 percent. Even more alarming is the fact that $9 of every $10 owed in interstate child support is not collected.

By putting the IRS in charge of collecting support, the Hyde-Woolsey amendment would move 300,000 mothers and over half a million children off the welfare rolls immediately.

For that reason, Mr. Speaker, I urge my colleagues to vote against this rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentlewoman from California [Ms. WOOLSEY] that if I had known she was going to oppose the rule, we would not have made her amendments in order. It is generally understood that we would like to have a return give-and-take.

Ms. WOOLSEY. Mr. Speaker, if the gentleman from New York [Mr. SOLOMON] will yield, let me say that you did not put our amendment in order.

Mr. SOLOMON. I am looking at it right now. It relocates the authority of the clearinghouse and hotline for missing and runaway children back to the agency where the credit exists. I think that is your amendment, is it not?

Ms. WOOLSEY. No, I would say to the gentleman from New York [Mr. SOLOMON] that I am talking about the Hyde-Woolsey amendment to collect and federalize child support.

Mr. SOLOMON. That is not the gentlewoman's amendment, the one I just read?

Ms. WOOLSEY. Yes, but that is not the same amendment. That is an entirely different thing.

Mr. SOLOMON. Mr. Speaker, I would say to the gentlewoman that there were 161 amendments filed. Let me read Mr. GEPHARDT's statement now. Just a minute. I would ask the gentlewoman to not interrupt. We followed the rules of the House.

Mr. GEPHARDT appeared before the Rules Committee, and he said:

> I do not want any amendments made in order, Democrat or Republican, other than 2 Democrat substitutes under the name of Deal and under the name of Mink.

We did not abide by what he requested. We made a number of amendments in order. We took one of yours, and the gentlewoman from New Jersey [Mrs. ROUKEMA] had five or six amendments, and we took one of hers. We tried to distribute them out of fairness.

I just call that to the gentlewoman's attention because in time she will have to come back to the Rules Committee, and we do like to give credit when Members are supportive. And the next time I would like to ask the gentlewoman to tell me she is going to vote against the rule even though we make her amendment in order.

Ms. WOOLSEY. Mr. Speaker, will t gentleman yield?

Mr. MOAKLEY. Mr. Speaker, will t gentleman yield?

Mr. SOLOMON. Mr. Speaker, let yield to my friend, the gentleman fr Massachusetts, although we are r ning out of time and he has plenty time.

Mr. MOAKLEY. Actually, since was the Hyde-Woolsey amendment, would ask the gentleman, why did not make Hyde in order?

Mr. SOLOMON. Because there we 75 other Republican amendments could not make in order either. have a time frame of 2½ days, and made 31 amendments in order.

Ms. WOOLSEY. Mr. Speaker, will t gentleman yield?

Mr. SOLOMON. I reserve the balan of my time.

Mr. MOAKLEY. May I continue? A tually, you said you would not have a lowed her amendment if you knew s was going to vote against the rule.

The SPEAKER pro tempore. The ge tleman has reserved the balance of h time.

Mr. SOLOMON. Mr. Speaker, the ge tleman is out of order.

Mr. MOAKLEY. Mr. Speaker, thought the gentleman was yielding t me.

The SPEAKER pro tempore. The ge tleman reserves the balance of hi time.

Mr. HALL of Ohio. Mr. Speaker, yield 1 minute to the gentleman fro Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and wa given permission to revise and exten his remarks.)

Mr. STENHOLM. Mr. Speaker, I ris in strong opposition to the rule.

Last week I took two amendments t the Rules Committee which woul guarantee that any net reduction i outlays resulting from this act woul be used for deficit reduction, not spen for tax cuts. I felt fairly cynical and redundant then as I did so, because my understanding of the base bill, H.R. 1214, was that deficit reduction would be the highest priority when it came to net savings. But I had a gnawing suspicion that an effort would be made to remove this fiscally responsible provision. Indeed, we now see that Chairman ARCHER will be offering a routine technical amendment which does precisely what I feared, striking section 801(a) of the base bill.

This, coming on top of the admission last week the Republicans had no intention to maintain the lock box in the rescission bill that passed by a vote of over 400 to 15, is nothing but outrageous. It now appears the will of the overwhelming majority of the House counts for nothing when it comes to savings being dedicated to deficit reduction. In fact, today we do not even have an opportunity to vote the will of the House regarding how the deficit savings should go, for cuts or for deficit reduction.

Mr. Speaker, I rise in strong opposition to the rule allowing for the consideration of H.R. 1214, the Personal Responsibility Act. I do so for numerous reasons, including the rejection of my amendments ensuring deficit reduction, the rejection of two pro-life amendments, and the inclusion of a highly confusing procedure which, rather than laying out a predictable order for consideration of amendments, seems to permit Chairman ARCHER to move at any time to bring up the Deal substitute.

Mr. Speaker, last week I took two amendments to the Rules Committee which would guarantee that any net reductions in outlays resulting from this act would be used for deficit reduction, not spent for tax cuts or other increased spending. I felt fairly cynical and redundant as I did so because my understanding of the base bill, H.R. 1214, was that deficit reduction would be the highest priority when it came to net savings. But I had a gnawing suspicion that an effort would be made to remove this fiscally responsible provision. Indeed, we now see that Chairman ARCHER will be offering a "routine technical amendment" which does precisely what I feared, striking section 801(a) of the base bill. This, coming on top of the admission last week that Republicans had no intention to maintain the lock box in the rescissions bill, even though it had passed 400–15 is nothing less than outrageous. It now appears the will of the overwhelming majority of the House count for nothing when it comes to savings being dedicated to deficit reduction. In fact today we cannot even vote on it. I urge opposition to the rule.

Second, as a pro-life Member, I have noted that the National Right to Life Committee stands in opposition to this rule which prevents any consideration of either the Bunn amendment or the Stark-Volkmer amendment. Like the committee, I am opposed to having our welfare reform efforts lead to a greater number of abortions.

Third, I see no reason for allowing the unusual order of business by which Chairman ARCHER can randomly bring up for consideration the Deal substitute, the Mink substitute, and then the Republican substitute. I understand there is confusion about interpreting the language of the rule but to my reading, it certainly seems that Chairman ARCHER could have such an option. This closed rule outlines the specific amendments made in order and sets the boundaries for time consideration. There is no reason to set up unpredictability when it comes to the three substitutes.

I am pleased that the rule made in order the Deal substitute and I have every intention of supporting this amendment. I believe that this substitute is far more reasonable in its reform of welfare programs, balances compassion with fiscal imperatives, does a better job of reinforcing individual responsibility, and is far more honest when it comes to deficit reduction.

Inclusion of the Deal substitute, however, is insufficient to rectify the other shortcomings of this rule and I urge its defeat.

□ 1345

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY], the very, very distinguished majority leader of this House, to impart some of his wisdom on this rule.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Ladies and gentlemen, this is a good rule. It is a rule that has been worked through after an extraordinarily long and arduous process covering several years, where so many of us have worked on welfare reform. There are so many things we agree on.

We all agree that House Republicans, many of the House Democrats, certainly the President, who has spoken so eloquently on so many occasions, agrees with the proposition the current welfare system does not work. It is harmful, it is hurtful, it destroys the lives of young children. It is frightening what is happening in the lives of young children, now sometimes all too often in their second or third generation, and the President, quite rightfully, even in the campaign of 1992, said we must address this issue.

Clearly we are going to try to do something different. If we can begin with the certain knowledge that what we have been doing in the past does not work, can we not take from that knowledge the certain courage to try something new, something different, something better, with a whole different set of incentives and a whole set of messages to our young people in this country? That is what we are doing with this bill made in order by this rule.

Then we need to understand that so many scholars have demonstrated to us that it is illegitimacy and childbirth, fatherless children, that is so much at the heart of the distress that seems to be unending and growing worse and larger each year. So we insist we must have a new welfare approach that brings down illegitimacy, and quite rightly so many of us say, yes, bring down illegitimacy, but not through increased abortions. And we have struggled with this issue. We have struggled with this rule.

Now we have illegitimacy language and a ratio in the bill that by the person who wrote the initial language, Michael Schwartz, is declared to be this, and I quote, "This illegitimacy ratio is abortion neutral. I strongly support the bill in its current form."

Let me say, ladies and gentlemen, rather than to believe that by bringing down illegitimacy we must necessarily with abortion neutral language encourage abortion, let us take a greater realization that illegitimacy and abortion go hand-in-hand because in both instances the message is that children, that life, is a commodity. And I promise you, I declare that you change that mindset, you force a reduction in illegitimate births, and there will be an ensuing reduction in abortion. Because the fact of the matter is, ladies and gentlemen, life is not a commodity. Life is precious. Life is precious in the womb, and life is precious on the streets and the schools and the playgrounds of this country. We must make our children safe. We must make our children safe.

I believe this bill will do that. I believe this rule makes it possible for us to craft this bill in its final stages in such a way as to guarantee the safety of our children, both in the womb and on the streets and in the playground and in their schools. And, yes, they will be well fed as well.

So disregard the fiction from those who would have us do nothing but defend and protect the status quo. The status quo, ladies and gentlemen, is literally killing our children. We cannot tolerate it.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Indiana.

Mr. ROEMER. I would say to the gentleman, I am a pro-life Democrat, not a pro-birth Democrat, but a pro-life Democrat. If this is so family friendly, if this is so child friendly, why are the Catholic church and pro-life organizations such as Right to Life opposed to this rule, where the Committee on Rules did not even make in order the ability to address many of these concerns?

Mr. ARMEY. If the gentleman asks me, I will tell the gentleman, they oppose the rule because their judgment is incorrect on this matter. I regret that.

Mr. ROEMER. Their judgment is incorrect.

Mr. ARMEY. There is room always for anyone to have a mistake in judgment, and I just disagree with their judgment on this matter.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, none of us like the status quo, but all Americans agree in their considered opinion that this bill goes too far. This bill is too extreme. Americans oppose this plan that hurts poor women and children in order, and this is the most important part, in order to pay for a tax cut for the most wealthy.

I urge my colleagues on both sides of the aisle to vote against the rule and hold out for some fairness in the debate. Americans know that the best way to cut down on dependency is to encourage economic self-sufficiency and end welfare as we know it is to get people into jobs.

The Republicans legislation does nothing to further that goal. It concentrates all of its attention on punitive cuts to programs that provide food, shelter, and clothing to poor children. It does nothing to help the poor children's parents to get into the jobs that they not only badly need, they badly want.

One fatal flaw is it removes any obligation for the State to provide job placement and job skill training. In fact, if they just get them off welfare, that is considered a success. But if they are kicked off welfare and into the street and into homelessness, we do not consider that a success.

Mr. Speaker, I urge everybody to vote against this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. GUTIERREZ].

(Mr. GUTIERREZ asked and was given permission to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, I submitted three amendments to this bill that were all ruled out of order. In my effort I was not simply trying to appeal to the good nature of the members of the Committee on Rules nor to their sense of charity. My amendments spoke to other values, hard work, paying taxes, playing by the rules. Those you understand are not partisan values, or so I thought until I read the Republican written rule.

Two of my amendments would have ensured that those legal immigrants who pay Federal taxes for at least 5 years would remain eligible for benefits.

I wanted to raise one issue that gets drowned out by the red-hot rhetoric in this body and on the radio talk shows, that have become the national outlet for passing along blame. The fact is, Mr. Speaker, legal immigrants pay taxes that we all use, and they follow the laws of this country that they have come to call home.

This bill is called the Personal Responsibility Act. Many legal immigrants who work hard, play by the rules, already exhibit a level of responsibility that this House will do well to emulate. We can do so by defeating this rule.

Mr. Speaker, during the welfare debate, I have heard the Republicans cite as their goal, the demolition of the Great Society.

Well, with this rule, I think they've gone well beyond that.

As I see it, the question now seems: Do the Republicans even want America to be a good society?

In my mind, a good society protects the most vulnerable.

A good society does not slash programs for those whose well-being has been put in jeopardy in so many other ways.

Now, I have heard it said that the punitive measures contained in this bill are not simply there for the sake of injuring the poor or the weak.

No—the Republicans tell us that these measures are supposed to change behavior.

Denying benefits to young unwed mothers, I am told, is not simply a way to penalize them—but to change their behavior.

Well, if that is the logic of this bill, then what am I to make of those provisions that are aimed at denying benefits to legal immigrants?

I have to assume that your goal is to alter the behavior of those around the world who would otherwise think about coming—legally—to the United States.

And that's a shame, because I thought that a good society opened its doors to others.

It was out of that concern that I submitted three amendments to the Rules Committee for consideration.

In so doing, I was not simply trying to appeal to the good nature of the members of the Rules Committee, nor to their sense of charity. My amendments spoke to other values—hard work, paying taxes, playing by the rules.

Those aren't partisan values. Those are values that we all share.

Or, so I thought until seeing this Republican-written rule.

Let me briefly describe my amendments.

The first would have made any legal alien who has paid 5 years of Federal income taxes eligible for the services that this bill would otherwise deny them—Medicaid, SSI, food stamps, Temporary Assistance, and social service block grants.

A second, which I envisioned as an alternative, would grant the same eligibility to those immigrants who paid 5 years of taxes during a 10-year period. I thought that this amendment was certainly reasonable to all parties involved.

I felt it was important to raise these issues because it speaks to facts that get obliterated by the red-hot rhetoric raised in this body.

These facts get drowned out by the talk radio shows that have become the national outlets for ranting and raving and passing on blame to others.

These two amendments point out that—yes—legal immigrants pay taxes, taxes that we all use.

Just like anyone else in America, they follow the rules and laws of the country that they now call home.

The third amendment that I have drafted addresses the considerable expenses that will be passed along to the States when these services are obliterated at the Federal level.

Under my amendment, the Federal Government could not exclude legal immigrants from eligibility for these services if it is found that this leads to a cost of $50 million or more to a State.

Pretty interesting timing, don't you think? Today, the unfunded mandates bill is being ceremoniously signed into law.

Tell me—especially my friends on the other side of the aisle who pressed so hard for the unfunded mandates bill—what happens if, or when, we find that the welfare reform bill fits your definition of an unfunded mandate?

I was pleased that, even though these amendments did not receive bipartisan support here inside the beltway, at least they did outside of Washington. The Republican Governor of Illinois, Jim Edgar, wrote to the Speaker recommending that these amendments be ruled in order.

Isn't it the Republican Party that keeps saying they are supposedly on the side of the States?

Then why ignore the wishes of a State like Illinois which will be severely burdened by the steps that you want us to take today?

It's not an exaggeration to say that this bill, and the rule, that we are debating today changes—in my mind—what America represents.

In the minds of many, America always held magic because it not only was a Nation that stood up to other superpowers around the world, but that it also stood up for the powerless who came here from around the world.

After today's action, I don't think you can quite say the same thing.

This bill is called the Personal Responsibility Act

I urge all Members to remember their public responsibility and to vote no on this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts Speaker, I rise today in strong op tion to this rule. What has come to country where we now consider vulnerable children and mothers root cause of the evil that Am faces?

We had one fellow come before House Committee on Banking an nancial Services, Michael Milken, stole $5 billion, a third of the A budget, and he gets a wink and a Yet welfare mothers are the scour America, if you listen to the rhe that takes place on this House floo

If people are really concerned a the family values of this country, then does the bill cut $2.7 billion o foster care and adoptive services? are truly opposed to the numbe abortions that take place in Ame why can we not create a polic America that allows families to a and provide foster care services?

These are abused children, chil that have sexual and other issues they have been subjected to that horrendous in America, and the Re licans cut $2.7 billion out of the bu to serve those vulnerable children. ought to be ashamed.

Mr. HALL of Ohio. Mr. Speake yield 1 minute to the gentlewo from North Carolina [Mrs. CLAYTON

(Mrs. CLAYTON asked and was gi permission to revise and extend he marks.)

Mrs. CLAYTON. Mr. Speaker, I in opposition to the rule. More than amendments were filed timely on rule, but yet there are only 26 Rep licans and only 5 Democrats that h amendments that were allowed.

I must ask, what is the majo afraid of? Why must they d thoughtful proposals that would prove this bill? Are they trying to m zle discussion? Perhaps they are afr because among the amendments t they did not allow are those that wo have restored nutritional programs those who need it. Among the ame ments they did not allow are th that would have prevented the destr tion of School Lunch Programs. P haps they are afraid because they kn that this bill will harm women, infa and children, and they do not want t American people to know about th Perhaps they are afraid because th know that the money they say they a saving will be shifted out of those p grams and will go to aid the ri through tax cuts.

Mr. Speaker, this is most misguide I urge a vote of no, no confidence this rule, and also no on the bill itse

Mr. HALL of Ohio. Mr. Speaker, yield 1 minute to the gentlewom from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and w given permission to revise and exte her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, thought we came to the U.S. Congre to represent all of the people of t United States of America, but what have come simply to do is pass t

mother of all bad rules. I do expect and appreciate the long hours that the Committee on Rules spent on the rules' resolution but I cannot imagine that they did not accept the many amendments that were offered to ensure that all of the people of the United States of America were in fact covered by welfare reform and not covered by welfare punishment.

Mr. Speaker, I tried to offer amendments that would ensure child care, that would ensure job training, and, yes, to ensure that we had jobs. You know, it is interesting, it is very interesting, that in fact as we begin to make alot of noise about working, everybody is talking about the Government providing those jobs, that can not be. There is nothing in the Republican bill that talks about job creation. And yet I attempted to bring corporate America into this debate, because as they engage in the discussion about welfare reform and about welfare mothers and children on lunch programs, I believe corporate America has alot to contribute to job creation. But yet that particular amendment was not accepted.

My question is, this is not an issue for African-Americans, Hispanic-Americans, Asian-Americans, White-Americans; it is for all Americans. This is not a time to bash our mothers and our children. This is a time to raise our voices, to pass legislation that will be welfare reform and not welfare punishment. This is welfare punishment.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just tell the gentlewoman from Texas [Ms. JACKSON-LEE] and the gentlewoman from North Carolina [Mrs. CLAYTON], who spoke before, that they were not here in 1987. Believe me, this is not the mother of all bad rules. The mother of all bad rules was in 1987, the last time we debated welfare. That is when the gentleman from Massachusetts [Mr. MOAKLEY], the gentlewoman from New York [Ms. SLAUGHTER], the gentleman from Massachusetts [Mr. KENNEDY], and the gentleman from Minnesota [Mr. SABO] all voted for a rule that was so closed down it allowed for one Republican substitute instead of three different alternatives that we are allowing today. That rule allowed for one Democrat amendment and no Republican amendments, instead of 31 amendments being allowed today.

Those are the kinds of gag rules we used to have on the floor. Now we are opening up the process.

Mr. Speaker, I yield 2 minutes to my very good friend, the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, for 4 years I sat in this body. In 30 years only one Republican motion to recommit passed. No Republican king-of-the-hill rule ever passed on this House floor under the Democratic rules. I watched here on a tax bill where the clock stayed open for 45 minutes until you twisted arms and passed a bad tax bill by one vote. So do not complain about rules and closed rules.

But first of all I would like to speak about what is cruel. Let us take a look at the children's nutrition program. Who are we trying to feed? We are trying to feed the kids that their parents are in poverty. For my friends on the other side of the aisle, I would say it is cruel to support the current system.

You say that you all think well, it can be fixed. You had 40 years to fix it. The gentleman from Missouri [Mr. GEPHARDT] will stand up and talk about oh, the lady in the red dress and the poor children. Well, what is really sad and what is discriminatory is the children that we are not allowing out of the poverty level with their families. Let us encourage the deadbeat dads by legislation to support those kids; $34 billion. Let us encourage fathers to come live with a welfare mother, that we do not take that check away, and have one of them work, so that we can empower that family to support those children so they do not have to qualify economically.

What is really cruel? Look at the Federal housing projects that we just keep dumping money into. They are crime ridden. We have drug addiction. We have in the black community two out of every three children are illegitimate. In some of our inner cities, up to six or eight of the children are illegitimate.

□ 1400

That is what is cruel, is to perpetuate that sadistic system. And what you are really upset at is we are killing your controlled big bureaucracy. We have provided for the nutrition programs and added, but we have cut you bureaucracy and you cannot stand it.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Mr. Speaker, the rule before us today is for what is called the Personal Responsibility Act. This proposed bill will alter drastically the welfare system in our Nation. One of the problems of this bill is that it does not even mention the 1.2 million Native Americans or the 553 federally recognized American Indian tribes.

To remedy the situation, Members from both sides of aisle worked together to come up with an amendment to allow Indian tribes access to the block grant provisions of this bill. Unfortunately, the Committee on Rules did not accept this and it will never be heard on its merits on the floor.

Mr. Speaker, I want to remind my colleagues that Indian tribes are not subunits of State governments. Their relationship is on a government-to-government basis with the Federal Government. Currently tribes are eligible for direct funding under numerous Federal laws to the same extent as the 50 States. What a travesty, Mr. Speaker, that this is happening.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. FALEOMAVAEGA. I yield to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman. Now I would like to——

The SPEAKER pro tempore (Mr. OXLEY). The time of the gentleman from American Samoa [Mr. FALEOMAVAEGA] has expired.

Mr. HALL of Ohio. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, the chairman of the Committee on Rules said that we had gagged rules in the past. I never said I never gagged rules. But he said he was going to, he said he was going to come out with a new style, open rules. One of the most important pieces of legislation right here on the floor, we are gagged. The United States of America is gagged. Every student looking for a warm meal is being gagged. This is a gag rule that nobody will ever forget.

Mr. SOLOMON. Mr. Speaker, I yield myself 30 seconds.

I say to my good friend, the gentleman from Massachusetts [Mr. MOAKLEY], what I said was, I would be three times as fair as he ever was, and I am living up to it. The reason that he does not think it is fair is because of his minority leader, the gentleman from Missouri [Mr. GEPHARDT]. I suggest the gentleman go see him. I will go with him, if he likes.

Mr. HALL of OHIO. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. BEVILL].

(Mr. BEVILL asked and was given permission to revise and extend his remarks.)

Mr. BEVILL. Mr. Speaker, I have always advocated workfare over welfare. Most people I know would rather have a paycheck than a welfare check. Unfortunately, our current welfare system actually discourages and breeds dependency on the government. It fosters a cycle of poverty that many families fail to break away from.

Clearly, we need a new system that requires parents to shoulder the responsibilities of their families.

We need to break this cycle of welfare dependency, but we must do it in a way that makes sense. If we require welfare parents to work as we should, we must provide job training. Many people on welfare have no job skills and many do not know how to look for a job.

And if we require welfare parents to work, as we should, we must provide for child care. Someone has to look after the children while the parents are working.

If we go to the block grant system proposed by the committee's version of this bill, Alabama stands to lose $828 million over 5 years, according to the U.S. Department of Health and Human Services.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding time to me.

I have been trying to get in on this debate but Members keep saying, "We don't have the time; we don't have the time."

Why do we not have time for children? Why are we rushing out here and doing this to children? So we can get the crown jewel of the contract, to quote the Speaker. What is that crown jewel? It is more tax cuts for the fat cats to pay for this.

I find this absolutely outrageous. I was trying to point out to one of the prior gentlemen that if you really want to be tough on and you really want to do child support enforcement, you ought to vote for the Democratic bill because it is much tougher. I hope the amendment to the Republican one does pass, where we go after licenses of people who are in arrears, but one of the most important things we can do is welfare prevention, which is making both parents be responsible.

There are so many things here we should be discussing. To see this go roaring through and to see us taking things away from young children to pay for the crown jewel for those who do not need anymore jewels, thank you very much, is outrageous.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I asked for two amendments and they were turned down. By the way, I do not think it is very appealing to come here and say you have to bargain with the Committee on Rules to get an amendment, you have to say you are going to vote for the rule to get an amendment. I thought we were acting here on a matter of urgency and a matter of principle.

Let me just make two points. You turned down two amendments. One was close to the Bunn amendment. I do not know why you keep on turning your back on this issue. If you punish mothers, you are going to affect their kids and also you, I think, arguably could increase the chances of abortion. You turned it down. We have been trying for weeks to get this amendment accepted.

Second, you turned down an amendment on SSI for kids.

I just want to emphasize what is involved. You are cutting $14.8 billion and restoring only $3.8 billion in the block grant. You talk piously; you act punitively.

Mr. HALL of Ohio. Mr. Speaker, I have one remaining speaker.

Mr. SOLOMON. Mr. Speaker, I yield 1½ minutes to the very distinguished gentleman from Atlanta, GA [Mr. LINDER], a member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I find this debate fascinating on the rule, because for all of the honing and carping which has been raised to an art form on this side about the inability to perfect our bill, no one cares about the inability to perfect the Deal substitute or the Mink substitute, two substitutes which are miles apart in philosophy and intent and direction. You do not care to perfect those bills. You only want to perfect this bill?

The fact of the matter is, you would like to have 150 amendments made in order on the majority's bill. You do not really care to amend those, and we gave you gagged, closed rules on those two substitutes at your request.

My colleagues, there are some victims in this debate, but it is not children and it is not school lunches. The victims in this debate are candor and honest public discourse. The big-lie theory has just taken over the debate on this bill, and we have so much more to do after this. We have to direct America's attention to a crushing national debt, an economic crisis in a dozen years of humongous proportions. If we cannot begin to discuss these things with some degree of candor and some degree of honesty and public discourse, all of America, including the children, will suffer.

Mr. HALL of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. FIELDS].

(Mr. FIELDS of Louisiana asked and was given permission to revise and extend his remarks.)

Mr. FIELDS of Louisiana. Mr. Speaker, I rise in opposition to this rule.

Mr. Speaker, I rise in strong opposition to this rule.

This rule will not allow my two amendments in order.

My two amendments are aimed at ensuring that the changes proposed by this bill for the school meals program will not result in reduced quality of school meals. States have enormous pressure to squeeze funding from programs, especially education programs. My amendments limit the discretion to squeeze school meals programs too much.

The first amendment requires that school-based nutrition block grant funds are actually used for school based meals, not other purposes. The bill allows States to transfer up to 20 percent of the school nutrition funds to other block grant purposes—for example, a State could spend 20 percent of the school lunch funds on its food stamps program.

I am convinced it is unwise to give States this discretion. When faced with difficult budget choices or a fiscal emergency, State legislatures would quickly seize upon the available 20 percent.

It is important to remember that children are not able to protect their own interests in the legislative process, while others have strong advocates. Furthermore, there are good reasons why the school lunch program was brought to the Federal level in the first place—when States did have complete control over school meals, many defaulted on their obligation to children.

While there are reasonable arguments that States should have the ability to decide how best to spend funds, this is a very difficult point the full House should decide.

The second amendment I offered simply ensures that school meals comply with minimum nutritional standards. Why give States the cretion to serve school lunches that do meet basic nutritional standards? With mum nutrition standards, States are fre develop their own standards for more heal meals.

The bill calls for a National Academy Sciences study to recommend minimum n tional standards, but does not require St to meet those standards. My amendment quires States to meet the current nutritio standards set by the Secretary of Agricult or the standards of the required Natio Academy of Sciences study. Currently, standards set by the Secretary are that me must meet one-third of the daily requirem of certain nutrients.

Reducing the nutritional standards is easy way for States to reduce the cost school meals. Guaranteeing a minimum le of nutrition is a statement by Congress t the health of children is a national conce Furthermore, our other investments in ed cation are ineffective if children do not ha adequate nutrition. Promoting the health school children is wise all around.

Even if one believes States can operate t program more efficiently, we can provide t guarantee that, at the least, school meals w be healthful.

Of course whether or not funds for this i portant program should go to States with ce tain minimum conditions is a question which reasonable people can disagree, and is important enough to be decided by the f House. I believe these amendments should b considered and decided by the full House Representatives.

Mr. HALL of Ohio. Mr. Speaker, yield the balance of my time to ou leader, the gentleman from Missour [Mr. GEPHARDT].

(Mr. GEPHARDT asked and wa given permission to revise and exten his remarks.)

Mr. GEPHARDT. Mr. Speaker, in th coming hours and days, the Members o this body face a clear and crucia choice. We can vote for a Republica welfare proposal that will throw mil lions of innocent children out on the street without doing anything to move people from welfare to work, or we can choose one of the two outstanding Democratic proposals, both of which would help millions of struggling Americans to break the cycle of dependency and despair.

Mr. Speaker, when we talk about welfare reform, we should be talking about one thing and one thing only: work, how to encourage it, how to reward it, how to ensure that every able-bodied American can lift themselves out of poverty and into work.

That is why Democrats are fighting for a welfare plan that gives States all the flexibility they need and deserve but sets one broad goal and requirement: they have got to move people from welfare to work. If they want to spend Federal tax dollars, they have got to offer the training programs and the job opportunities that make welfare a road to work and not a dead end.

The plan the Republicans are passing off as welfare reform does not even come close to that. In essence, they

want to just throw money at the States, cross their fingers and hope the problem goes away, as if it were that simple.

At the same time they want to pillage welfare programs to pay for tax cuts for the privileged few. They want to fund their tax giveaways by slashing school lunches for children who would literally go hungry without them and cutting food and nutrition programs for pregnant women and babies that save more than three times what the programs cost.

At this point, Mr. Speaker, we have to wonder whether the Republicans really want to reform welfare at all. We have to wonder whether they really care about the child whose life could be devastated, about the single mother who could lose every dime of help and support but never get a chance at a real job to support herself.

Of course, it is time to insist on work and responsibility. Of course, it is time to end a status quo that perpetuates poverty and destroys our most cherished values. But how can people lift themselves up by their boot straps, if the Republicans are busy taking away their boots?

Are the Republicans even interested in promoting work? Or are they looking for just another way to pay for trickle-down tax giveaways for the privileged few?

The Republicans do not seem to understand that Americans just do not want a smaller welfare system, they want a system that works. They want real results for their hard-earned tax dollars.

When you are trying to move people from welfare to work, there is only one result that matters: a job. And that is why Democrats have developed a wholly different approach to reform. In fact, the two Democratic alternatives are the only proposals that even do justice to the words "welfare reform." They are tough on work, because they insist that the States move people from welfare to work and give people the help they need in finding and preparing for jobs. And they are good to kids because they recognize that our children are our most precious resource, not a partisan punching bag.

There is a bigger principle at stake in this debate. Rather than rewarding the richest Americans for doing nothing, we should fight to promote work to reward it and to make sure that it pays more than welfare. The Republicans are not even engaging in this debate, and it is a bitter irony that this mean-spirited, shortsighted proposal would only make a flawed welfare system even worse.

□ 1415

Do we believe in a Nation of dignity and decency? Do we believe in protecting our children from arbitrary punishment and unnecessary deprivation? Do we believe in putting people to work and not simply pushing these problems back to the State level?

If we are truly committed to these goals, we have no choice but to support the Democratic alternatives to this flawed Republican proposal. Now is the time to turn back a Republican proposal that is weak on work and tough on kids. Now is the time to really reform welfare and put the American people back to work.

This is a crucial decision of this body, and I urge Members to vote for one of the Democratic alternatives, to refuse the Republican alternative, to be tough on work, and not tough on kids. This is our moment to make that great statement.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of our time.

Mr. Speaker, I will not criticize the minority party and question their motives, because they are all good Americans. However, the question before us today is whether we are going to continue the status quo or not, and how we go about it.

I have been here for a long time, and I have watched this Congress try to micromanage the lives of the American people from here inside the beltway. Mr. Speaker, it has not worked. We have a failed welfare system that we are operating under now. Let us try something else. Let us change that status quo. We can do it with the legislation we have before us.

There was a great American once that lived up the road here on Pennsylvania Avenue. His name was Ronald Reagan. He taught me a lesson when I first came here. Nobody was more focused and more visionary than Ronald Reagan. Yet he learned the one important thing, how to compromise. That is what we are doing here today. We have tried to, in this rule, we have tried to recognize that there are Republicans and Democrats, that there are liberals and conservatives.

We have tried to recognize that.

My good friend, the gentleman from Ohio [Mr. HALL] had two amendments dealing with school lunches and with WIC. I said to the gentleman from Ohio "Why did you not offer that as a substitute? That is what your Democrat leader would have asked for." We would have made it in order and considered it. We would have been as fair as we possibly can.

There are some things that I do not like about this rule. I spoke with Cardinal O'Connor about them. There was another amendment very important to people that share a belief, as I do, and as the gentleman from Ohio does, and others do, but we could not make them all in order. We managed to get three out of the four. The one other, you can deal with it, or we could, in a motion to recommit.

This is a fair rule. It treats everybody fair. Please vote for this rule. It is hard for me to say that, because I did not get everything I wanted, but I am going to vote for the rule. It is the right thing. It is fair. It is fair to every Member of this body. Please vote for it.

The SPEAKER pro tempore (Mr. OXLEY). All time has expired.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 217, nays 211, not voting 7, as follows:

[Roll No. 255]

YEAS—217

Allard	Foley	McCrery
Archer	Forbes	McHugh
Armey	Fowler	McInnis
Bachus	Fox	McIntosh
Baker (CA)	Franks (CT)	McKeon
Baker (LA)	Franks (NJ)	Metcalf
Ballenger	Frelinghuysen	Meyers
Barr	Frisa	Mica
Barrett (NE)	Funderburk	Miller (FL)
Bartlett	Gallegly	Molinari
Bass	Ganske	Moorhead
Bateman	Gekas	Morella
Bereuter	Gilchrest	Myers
Bilbray	Gillmor	Myrick
Bilirakis	Gilman	Nethercutt
Billey	Gingrich	Neumann
Blute	Goodlatte	Ney
Boehlert	Goodling	Norwood
Boehner	Goss	Nussle
Bonilla	Graham	Oxley
Bono	Greenwood	Packard
Brewster	Gunderson	Paxon
Brownback	Gutknecht	Petri
Bryant (TN)	Hancock	Pombo
Bunning	Hansen	Porter
Burr	Hastert	Portman
Burton	Hastings (WA)	Pryce
Buyer	Hayworth	Quillen
Callahan	Hefley	Quinn
Calvert	Heineman	Radanovich
Camp	Herger	Ramstad
Castle	Hilleary	Regula
Chabot	Hobson	Riggs
Chambliss	Hoekstra	Roberts
Chenoweth	Hoke	Rogers
Christensen	Horn	Rohrabacher
Chrysler	Hostettler	Roth
Clinger	Houghton	Roukema
Coble	Hunter	Royce
Coburn	Hutchinson	Salmon
Collins (GA)	Inglis	Sanford
Combest	Istook	Saxton
Condit	Johnson (CT)	Scarborough
Cooley	Johnson, Sam	Schaefer
Cox	Jones	Schiff
Crane	Kasich	Shadegg
Crapo	Kelly	Shaw
Cremeans	Kim	Shuster
Cubin	Kingston	Skeen
Cunningham	Klug	Smith (MI)
Davis	Knollenberg	Smith (TX)
Deal	Kolbe	Smith (WA)
DeLay	Largent	Solomon
Doolittle	Latham	Souder
Dornan	LaTourette	Spence
Dreier	Lazio	Stearns
Duncan	Leach	Stockman
Dunn	Lewis (CA)	Stump
Ehlers	Lewis (KY)	Talent
Ehrlich	Lightfoot	Tate
Emerson	Linder	Taylor (NC)
English	Livingston	Thomas
Ensign	LoBiondo	Thornberry
Everett	Longley	Tiahrt
Ewing	Lucas	Torkildsen
Fawell	Manzullo	Upton
Fields (TX)	Martini	Waldholtz
Flanagan	McCollum	Walker

Walsh	Weller	Young (AK)
Wamp	White	Zeliff
Watts (OK)	Whitfield	Zimmer
Weldon (FL)	Wicker	
Weldon (PA)	Wolf	

NAYS—211

Abercrombie	Green	Parker
Ackerman	Gutierrez	Pastor
Andrews	Hall (OH)	Payne (NJ)
Baesler	Hall (TX)	Payne (VA)
Baldacci	Hamilton	Pelosi
Barcia	Harman	Peterson (FL)
Barrett (WI)	Hastings (FL)	Peterson (MN)
Barton	Hayes	Pickett
Becerra	Hefner	Pomeroy
Beilenson	Hilliard	Poshard
Bentsen	Hinchey	Rahall
Berman	Holden	Rangel
Bevill	Hoyer	Reed
Bishop	Hyde	Reynolds
Bonior	Jackson-Lee	Richardson
Borski	Jacobs	Rivers
Boucher	Jefferson	Roemer
Brown (CA)	Johnson (SD)	Ros-Lehtinen
Brown (FL)	Johnson, E. B.	Rose
Brown (OH)	Johnston	Roybal-Allard
Bryant (TX)	Kanjorski	Rush
Bunn	Kaptur	Sabo
Canady	Kennedy (MA)	Sanders
Cardin	Kennedy (RI)	Sawyer
Chapman	Kennelly	Schroeder
Clay	Kildee	Schumer
Clayton	King	Scott
Clement	Kleczka	Sensenbrenner
Clyburn	Klink	Serrano
Coleman	LaFalce	Shays
Collins (IL)	LaHood	Sisisky
Collins (MI)	Lantos	Skaggs
Conyers	Laughlin	Skelton
Costello	Levin	Slaughter
Coyne	Lewis (GA)	Smith (NJ)
Cramer	Lincoln	Spratt
Danner	Lipinski	Stark
de la Garza	Lofgren	Stenholm
DeFazio	Lowey	Stokes
DeLauro	Luther	Studds
Dellums	Maloney	Stupak
Deutsch	Manton	Tanner
Diaz-Balart	Markey	Tauzin
Dickey	Martinez	Taylor (MS)
Dicks	Mascara	Tejeda
Dingell	Matsui	Thompson
Dixon	McCarthy	Thornton
Doggett	McDade	Thurman
Dooley	McDermott	Torricelli
Doyle	McHale	Towns
Durbin	McKinney	Traficant
Engel	McNulty	Tucker
Eshoo	Meehan	Velazquez
Evans	Menendez	Vento
Farr	Mfume	Visclosky
Fattah	Miller (CA)	Volkmer
Fazio	Mineta	Vucanovich
Fields (LA)	Mink	Ward
Filner	Moakley	Waters
Flake	Mollohan	Watt (NC)
Foglietta	Montgomery	Waxman
Ford	Moran	Williams
Frank (MA)	Murtha	Wilson
Frost	Neal	Wise
Furse	Oberstar	Woolsey
Gejdenson	Obey	Wyden
Gephardt	Olver	Wynn
Geren	Ortiz	Yates
Gibbons	Orton	Young (FL)
Gonzalez	Owens	
Gordon	Pallone	

NOT VOTING—7

Browder	Minge	Torres
Edwards	Nadler	
Meek	Seastrand	

□ 1435

Mr. TRAFICANT changed his vote from "yea" to "nay."

Mr. KIM and Mr. LIVINGSTON changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. SEASTRAND. Mr. Speaker, I would just like to have the RECORD show that I was unavoidably detained on the last vote, the adoption of House Resolution 119. If I had been here, I would have voted "yea."

PERSONAL EXPLANATION

Mr. NADLER. Mr. Speaker, I was unavoidably delayed in returning from the White House and missed the vote on the rule. Had I been present, I would have voted "nay."

PERSONAL EXPLANATION

Mr. TORRES. Mr. Speaker, I was unavoidably delayed today on official business for rollcall vote No. 255, agreeing to House Resolution 119, providing for further consideration of H.R. 4, the Personal Responsibility Act.

Had I been present, I would have voted "nay."

PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore (Mr. OXLEY). Pursuant to House Resolution 117 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4.

□ 1437

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, with Mr. LINDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, March 21, 1995, all time for general debate pursuant to House Resolution 117 had expired.

Pursuant to House Resolution 119, no further general debate is in order.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 1214 is adopted and the bill, as amended, is considered as an original bill for the purpose of further amendment and is considered as having been read.

The text of H.R. 4, as amended, is as follows:

H.R. 1214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Responsibility Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. BLOCK GRANTS TO STATES.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by striking part A, except sections 403(h) and 417, and inserting the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that the children in such families may be cared for in their homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting work and marriage; and

"(3) discourage out-of-wedlock births.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to—

"(i) provide cash benefits to needy families with children; and

"(ii) provide parents of children in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require at least 1 parent of a child in any family which has received benefits for more than 24 months (whether or not consecutive) under the program to engage in work activities (as defined by the State).

"(C) Ensure that parents receiving assistance under the program engage in work activities in accordance with section 404.

"(D) Treat interstate immigrants, if families including such immigrants are to be treated differently than other families.

"(E) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving benefits under the program.

"(F) Take actions to reduce the incidence of out-of-wedlock births, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(i) avoid subsequent pregnancies; and

"(ii) provide adequate care to their children.

"(G) Reduce teenage pregnancy, including (at the option of the State) through the provision of education, counseling, and health services to male and female teenagers.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B, which includes a foster care program and an adoption assistance program.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"SEC. 403. PAYMENTS TO STATES.

"(a) ENTITLEMENTS.—

"(1) GRANTS FOR FAMILY ASSISTANCE.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

"(B) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—The amount of the grant payable to a State under subparagraph (A) for fiscal year 1998 or any succeeding fiscal year shall be increased by—

"(i) 5 percent if the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; or

"(ii) 10 percent if the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995.

"(2) SUPPLEMENTAL GRANTS TO ADJUST FOR POPULATION INCREASES.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1997, 1998, 1999, and 2000, a grant in an amount equal to the State proportion of $100,000,000.

"(b) DEFINITIONS.—As used in this section:

"(1) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—The term 'State family assistance grant' means, with respect to a fiscal year, the provisional State family assistance grant adjusted in accordance with subparagraph (C).

"(B) PROVISIONAL STATE FAMILY ASSISTANCE GRANT.—The term 'provisional State family assistance grant' means—

"(i) the greater of—

"(I) ⅓ of the total amount of obligations to the State under section 403 of this title (as in effect before October 1, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section); or

"(II) the total amount of obligations to the State under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section); multiplied by

"(ii)(I) the total amount of outlays to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section); divided by

"(II) the total amount of obligations to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section).

"(C) PROPORTIONAL ADJUSTMENT.—The Secretary shall determine the percentage (if any) by which each provisional State family assistance grant must be reduced or increased to ensure that the sum of such grants equals $15,390,296,000, and shall adjust each provisional State family assistance grant by the percentage so determined.

"(2) ILLEGITIMACY RATIO.—The term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the sum of—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; and

"(ii) the amount (if any) by which the number of abortions performed in the State during the most recent fiscal year for which such information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(3) STATE PROPORTION.—The term 'State proportion' means, with respect to a fiscal year, the amount that bears the same ratio to the amount specified in subsection (a)(2) as the increase (if any) in the population of the State for the most recent fiscal year for which such information is available over the population of the State for the fiscal year that immediately precedes such most recent fiscal year bears to the total increase in the population of all States which have such an increase in population, as determined by the Secretary using data from the Bureau of the Census.

"(4) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(5) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(c) USE OF GRANT.—

"(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part, subject to this part, including to provide noncash assistance to mothers who have not attained 18 years of age and their children and to provide low income household assistance in meeting home heating cooling costs.

"(2) AUTHORITY TO TREAT INTERSTAT GRANTS UNDER RULES OF FORMER ST State to which a grant is made und section may apply to a family the r the program operated under this part other State if the family has moved State from the other State and has in the State for less than 12 months.

"(3) AUTHORITY TO USE PORTION OF FOR OTHER PURPOSES.—

"(A) IN GENERAL.—A State may u more than 30 percent of the amount grant made to the State under this s for a fiscal year to carry out a Stat gram pursuant to any or all of the fol provisions of law:

"(i) Part B of this title.

"(ii) Title XX of this Act.

"(iii) Any provision of law, enacte law during the 104th Congress, under grants are made to States for food and tion.

"(iv) The Child Care and Develo Block Grant Act of 1990.

"(B) APPLICABLE RULES.—Any amoun to the State under this part that is u carry out a State program pursuant to vision of law specified in subparagrap shall not be subject to the requireme this part, but shall be subject to the re ments that apply to Federal funds pro directly under the provision of law to out the program.

"(4) AUTHORITY TO RESERVE CE AMOUNTS FOR EMERGENCY BENEFITS.—

"(A) IN GENERAL.—A State may re amounts paid to the State under this se for any fiscal year for the purpose of pr ing emergency assistance under the program operated under this part.

"(B) AUTHORITY TO USE EXCESS RESE FOR ANY PURPOSE.—During a fiscal ye State may use for any purpose deeme propriate by the State amounts held i serve under subparagraph (A) to the e exceeding 120 percent of the amount o grant payable to the State under this se for the fiscal year.

"(5) IMPLEMENTATION OF ELECTRONIC F FIT TRANSFER SYSTEM.—A State to whi grant is made under this section is en aged to implement an electronic be transfer system for providing assist under the State program funded under part, and may use the grant for such pose.

"(d) TIMING OF PAYMENTS.—The Secre shall pay each grant payable to a S under this section in quarterly installme

"(e) PENALTIES.—

"(1) FOR USE OF GRANT IN VIOLATION OF PART.—

"(A) IN GENERAL.—If an audit condu pursuant to chapter 75 of title 31, Un States Code, finds that an amount paid State under this section for a fiscal year been used in violation of this part, then Secretary shall reduce the amount of grant otherwise payable to the State u this section for the immediately succeed fiscal year by the amount so used.

"(B) LIMITATION ON AMOUNT OF PENALT In carrying out subparagraph (A), the S retary shall not reduce any quarterly p ment by more than 25 percent.

"(C) CARRYFORWARD OF UNRECOVERED P ALTIES.—To the extent that subparagraph prevents the Secretary from recovering ing a fiscal year the full amount of a pena imposed on a State under subparagraph for a prior fiscal year, the Secretary sh apply subparagraph (A) to the grant oth wise payable to the State under this sect for the immediately succeeding fiscal year

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 406 for the fiscal year, the Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(C) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by 1 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the fiscal year.

"(f) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

"(g) FEDERAL RAINY DAY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Rainy Day Fund'.

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,000,000,000 are hereby appropriated for fiscal year 1996 for payment to the Federal Rainy Day Fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO QUALIFIED STATES.—

"(i) IN GENERAL.—The Secretary shall make loans from the fund to any qualified State for a period to maturity of not more than 3 years.

"(ii) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under clause (i) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(iii) MAXIMUM LOAN.—The amount of any loan made to a State under clause (i) during a fiscal year shall not exceed the lesser of—

"(I) 50 percent of the amount of the grant payable to the State under this section for the fiscal year; or

"(II) $100,000,000.

"(B) QUALIFIED STATE DEFINED.—A State is a qualified State for purposes of subparagraph (A) if the unemployment rate of the State (as determined by the Bureau of Labor Statistics) for the most recent 3-month period for which such information is available is—

"(i) more than 6.5 percent; and

"(ii) at least 110 percent of such rate for the corresponding 3-month period in either of the 2 immediately preceding calendar years.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	4
1997	4
1998	8
1999	12
2000	17.
2001	29
2002	40
2003 or thereafter	50.

"(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—The minimum participation rate otherwise required by subparagraph (A) for a fiscal year shall be reduced by a percentage equal to the percentage (if any) by which the number of families receiving assistance during the fiscal year under the State program funded under this part is less than the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date, except to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(C) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of families receiving cash assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving cash assistance under the State program funded under this part during the month which include an individual who has attained 18 years of age.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is making progress in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

"(B) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of 2-parent families receiving cash assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

"(II) the total number of 2-parent families receiving cash assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal year if the adult is making progress in such activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)).

"(b) DEFINITIONS.—As used in this section:

"(1) WORK ACTIVITIES.—The term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized private sector employment;

"(C) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

"(D) on-the-job training;

"(E) job search and job readiness assistance;

"(F) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency;

"(G) job skills training directly related to employment; or

"(H) at the option of the State, satisfactory attendance at secondary school, in the case of a recipient who—

"(i) has not completed secondary school; and

"(ii) is a dependent child, or a head of household who has not attained 20 years of age.

"(2) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(c) PENALTIES.—

"(1) AGAINST INDIVIDUALS.—

"(A) APPLICABLE TO ALL FAMILIES.—A State to which a grant is made under section 403 shall ensure that the amount of cash assistance paid under the State program funded under this part to a recipient of assistance under the program who refuses to engage (within the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section shall be less than the amount of cash assistance that would otherwise be paid to the recipient under the program, subject to such good cause and other exceptions as the State may establish.

"(B) APPLICABLE TO 2-PARENT FAMILIES.—A State to which a grant is made under section 403 shall reduce the amount of cash assistance otherwise payable to a 2-parent family for a month under the State program funded under this part with respect to an adult in the family who is not engaged (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 35 hours per week during the month, pro rata (or more, at the option of the State) with respect to any period during the month for which the adult is not so engaged.

"(C) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

"(2) AGAINST STATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with subsection (a) for the fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this paragraph and subsections (a)(1)(B) and (e) of section 403) be payable to the State under section 403(a)(1)(A) for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(d) RULE OF INTERPRETATION.—This section shall not be construed to prohibit a State from offering recipients of assistance under the State program funded under this part an opportunity to participate in an education or training program, consistent with the requirements of this section.

"(e) RESEARCH.—The Secretary shall conduct research on the costs and benefits of State activities under this section.

"(f) EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING RECIPIENTS OF ASSISTANCE.—The Secretary shall evaluate innovative approaches to employing recipients of assistance under State programs funded under this part.

"(g) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(h) SENSE OF THE CONGRESS.—In complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring families that include older preschool or school-age children to be engaged in work activities.

"(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 403. PROHIBITIONS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family, unless the family includes a minor child.

"(2) CERTAIN PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—

"(A) INCOME SECURITY PAYMENTS.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI (other than service benefits provided through the use of a grant made under part C of such title), then the State may not disregard the payment in determining the amount of assistance to be provided to the family of which the individual is a member under the State program funded under this part.

"(B) CERTAIN SUPPORT PAYMENTS.—A State to which a grant is made under section 403 may not disregard an amount distributed to a family under section 457(a)(1)(A) in determining the income of the family for purposes of eligibility for assistance under the State program funded under this part.

"(3) NO ASSISTANCE FOR CERTAIN ALIENS.—Notwithstanding subsection (c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is not a citizen or national of the United States, unless—

"(A)(i) the individual is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act; and

"(ii) 5 years has elapsed since the date the individual arrived in the United States;

"(B) the individual—

"(i) is lawfully admitted to the United States for permanent residence;

"(ii) has attained 75 years of age; and

"(iii) has resided in the United States for at least 5 years; or

"(C) the individual is honorably discharged from the Armed Forces of the United States.

"(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(A) GENERAL RULE.—a State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(5) NO ADDITIONAL ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of benefits under the program operated under this part; or

"(ii) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(6) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received fits under the program operated under part for 60 months (whether or not cor tive) after the effective date of this par cept as provided under subparagraph (B)

"(B) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exer family from the application of subparag (A) by reason of hardship.

"(ii) LIMITATION.—The number of fam with respect to which an exemption ma a State under clause (i) is in effect shal exceed 10 percent of the number of fam to which the State is providing assis under the program operated under this

"(7) NO ASSISTANCE FOR FAMILIES NO OPERATING IN PATERNITY ESTABLISHMEN CHILD SUPPORT.—Notwithstanding subse (c)(1), a State to which a grant is made u section 403 may not use any part of the g to provide assistance to a family tha cludes an individual whom the agency sponsible for administering the State approved under part D determines is no operating with the State in establishing paternity of any child of the individual, establishing, modifying, or enforcing a port order with respect to such a child.

"(8) NO ASSISTANCE FOR FAMILIES NOT SIGNING SUPPORT RIGHTS TO THE STATE.— withstanding subsection (c)(1), a Stat which a grant is made under section 403 not use any part of the grant to provid sistance to a family that includes an ind ual who has not assigned to the State rights the individual may have (on beha the individual or of any other person whom the individual has applied for or i ceiving such assistance) to support from other person for any period for which th dividual receives such assistance.

"(9) WITHHOLDING OF PORTION OF AS ANCE FOR FAMILIES WHICH INCLUDE A C WHOSE PATERNITY IS NOT ESTABLISHED.—

"(A) IN GENERAL.—A State to whic grant is made under section 403 may not to—

"(i) withhold assistance under the S program funded under this part from a ily which includes a child whose paterni not established, in an amount equal to $ 15 percent of the amount of the amoun the assistance that would (in the absenc this paragraph) be provided to the fa with respect to the child, whichever State elects; or

"(ii) provide to the family the t amount of assistance so withheld once paternity of the child is established, if family is then eligible for such assistance

"(B) EXCEPTION FOR RAPE OR INCEST.—S paragraph (A) shall not apply with respec a child who is born as a result of rape or cest.

"(10) DENIAL OF ASSISTANCE FOR 10 YEARS A PERSON CONVICTED OF FRAUDULENTLY REPRESENTING RESIDENCE TO A WELFARE P GRAM.—A State to which a grant is m under section 403 may not use any part of grant to provide assistance to an indivi during the 10-year period that begins w the date the individual is convicted in F eral or State court of making a fraudul statement or representation with respect the place of residence of the person in or to receive benefits or services under 2 more programs that are funded under part.

"(b) MINOR CHILD DEFINED.—As used subsection (a), the term 'minor child' me an individual—

"(1) who has not attained 18 years of a or

"(2) who—

"(A) has not attained 19 years of age;

"(B) is a full-time student in a second school (or in the equivalent level of vo tional or technical training);

"SEC. 406. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of the fiscal year, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part or an equivalent State program:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The number of 1-parent families in which the parent is a widow or widower, is divorced, is separated, or has never married.

"(5) The age, race, and educational attainment of the adults receiving such assistance.

"(6) The average assistance provided to the families under the program.

"(7) Whether, at the time of application for assistance under the program, the families or any member of the families receives benefits under any of the following:

"(A) Any housing program.

"(B) The food stamp program under the Food Stamp Act of 1977.

"(C) The Head Start programs carried out under the Head Start Act.

"(D) Any job training program.

"(8) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(9) The total number of months for which assistance has been provided to the families under the program.

"(10) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(11) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(12) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of the percentage of the funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on programs for needy families.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 404(b)(1)) during the fiscal year.

"SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects, costs, and benefits of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of cash assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"SEC. 408. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Personal Responsibility Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).".

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. TRANSFERS.

(a) CHILD SUPPORT REVIEW PENALTIES.—

(1) TRANSFER OF PROVISION.—Section 403 of the Social Security Act, as added by the amendment made by section 101 of this Act, is amended by adding at the end subsection (h) of section 403, as in effect immediately before the effective date of this title.

(2) CONFORMING AMENDMENT.—Section 403(h)(3) of such Act, as in effect pursuant to paragraph (1) of this subsection, is amended by striking ", section 402(a)(27),".

(b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

(1) REDESIGNATION OF PROVISION.—Section 417 of such Act (42 U.S.C. 617), as in effect immediately before the effective date of this title, is amended by striking the following:

"ASSISTANT SECRETARY FOR FAMILY SUPPORT"

"SEC. 417."

and inserting the following:

"SEC. 408. ASSISTANT SECRETARY FOR FAMILY SUPPORT.".

(2) TRANSFER OF PROVISION.—Part A of title IV of such Act, as added by the amendment made by section 101 of this Act, is amended by adding at the end the section amended by paragraph (1) of this subsection.

(3) CONFORMING AMENDMENT.—Section 408 of such Act, as added by paragraph (2) of this subsection is amended by striking ", part D, and part F" and inserting "and part D".

SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) of such Act (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 of such Act (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) of such Act (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A"; and

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)".

(3) Section 452(a)(10)(F) of such Act (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii))" and inserting "by the State".

(4) Section 452(b) of such Act (42 U.S.C. 652(b)) is amended in the last sentence by striking "plan approved under part A" and inserting "program funded under part A".

(5) Section 452(d)(3)(B)(i) of such Act (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) of such Act (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved" and inserting "assistance is being provided under the State program funded under".

(7) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved" and inserting "assistance was being provided under the State program funded".

(8) Section 452(g)(2) of such Act (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child by reason of the death of a parent" and inserting "with respect to whom assistance is being provided under the State program funded under part A"; and

(B) by inserting "by the State agency administering the State plan approved under this part" after "found";

(C) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)"; and

(D) by striking "administering the plan under part E determines (as provided in section 454(4)(B))" and inserting "determines".

(9) Section 452(h) of such Act (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)".

(10) Section 454(5) of such Act (42 U.S.C. 654(5)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)"; and

(B) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;".

(11) Section 454(6)(D) of such Act (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State progrm funded".

(12) Section 456 of such Act (42 U.S.C. 656) is amended by striking "under section 402(a)(26)" each place such term appears and inserting "pursuant to section 405(a)(8)".

(13) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "405(a)(8)".

(14) Section 466(b)(2) of such Act (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV of such Act (42 U.S.C. 681–687) is hereby repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) of such Act (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(e) AMENDMENTS TO TITLE XI.—

(1) Section 1108 of such Act (42 U.S.C. 1308) is amended—

(A) by striking subsections (a), (b), (d), and (e); and

(B) by striking "(c)".

(2) Section 1109 of such Act (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(3) Section 1115(a) of such Act (42 U.S.C. 1315(a)) is amended—

(A) in the matter preceding paragraph (1), by striking "A or";

(B) in paragraph (1), by striking "402,"; and

(C) in paragraph (2), by striking "403,".

(4) Section 1116 of such Act (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,";

(5) Section 1118 of such Act (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(6) Section 1119 of such Act (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(7) Section 1133(a) of such Act (42 U.S.C. 1320b-3(a)) is amended by striking "or part A of title IV,".

(8) Section 1136 of such Act (42 U.S.C. 1320b-6) is hereby repealed.

(9) Section 1137 of such Act (42 U.S.C. 1320b-7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in"; and

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of such Act, as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972, (42 U.S.C. 1382 note) is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) of such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)),

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Paragraph (9) of section 51(d) of the Internal Revenue Code of 1986 is amended by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer."

(c) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(d) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(e) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally sisted housing, is hereby repealed.

(f) Section 159 of the Tax Equity and Fi Responsibility Act of 1982 (42 U.S.C. 602 n is hereby repealed.

(g) Section 202(d) of the Social Secu Amendments of 1967 (81 Stat. 882; 42 U. 602 note) is hereby repealed.

(h) Section 233 of the Social Security Amendments of 1994 (42 U.S.C. 602 note hereby repealed.

(i) Section 903 of the Stewart B. McKin Homeless Assistance Amendments Act 1988 (42 U.S.C. 11381 note), relating to d onstration projects to reduce number AFDC families in welfare hotels, is ame ed—

(A) in subsection (a), by striking "aid families with dependent children unde State plan approved" and inserting "ass ance under a State program funded"; and

(B) in subsection (c), by striking "aid families with dependent children in State under a State plan approved" and serting "assistance in the State under State program funded".

SEC. 106. CONTINUED APPLICATION OF CURRE STANDARDS UNDER MEDICAID P GRAM.

(a) IN GENERAL.—Title XIX of the Soc Security Act is amended—

(1) in section 1931, by inserting "subject section 1931(a)," after "under this title," a by redesignating such section as section 19 and

(2) by inserting after section 1930 the f lowing new section:

"CONTINUED APPLICATION OF AFDC STANDAR

"SEC. 1931. (a) For purposes of applyi this title on and after October 1, 1995, wi respect to a State—

"(1) except as provided in paragraph (any reference in this title (or other provisi of law in relation to the operation of th title) to a provision of part A of title IV this Act, or a State plan under such pa shall be considered a reference to such pro sion or plan as in effect as of March 7, 19 with respect to the State and eligibility f medical assistance under this title shall determined as if such provision or plan (as effect as of such date) had remained in effe on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) 1902(a)(55) to a State plan approved und part A of title IV shall be deemed a referen to a State program funded under such pa (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provisio of part A of title IV in effect with respect t a State as of March 7, 1995, if the waiver a fects eligibility of individuals for medical a sistance under this title, such waiver ma continue to be applied, at the option of th State, in relation to this title after the dat the waiver would otherwise expire."

(b) PLAN AMENDMENT.—Section 1902(a) o such Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of para graph (61),

(2) by striking the period at the end o paragraph (62) and inserting "; and", and

(3) by inserting after paragraph (62) the fol lowing new paragraph:

"(63) provide for continuing to administe eligibility standards with respect to individ uals who are (or seek to be) eligible for medi cal assistance based on the application o section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Sectio 1902(c) of such Act (42 U.S.C. 1396a(c)) i amended by striking "if—" and all that fol lows and inserting the following: "if th State requires individuals described in sub section (l)(1) to apply for assistance unde the State program funded under part A o title IV as a condition of applying for or re ceiving medical assistance under this title."

(2) Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 107. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) DELAYED APPLICABILITY OF AUTHORITY TO TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—Section 405(a)(9) of the Social Security Act, as added by the amendment made by section 101 of this Act, shall not apply to individuals who, immediately before the effective date of this title, are recipients of aid under a State plan approved under part A of title IV of the Social Security Act, until the end of the 1-year (or, at the option of the State, 2-year) period that begins with such effective date.

(c) TRANSITION RULE.—The amendments made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this title under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

SEC. 201. ESTABLISHMENT OF PROGRAM.

Part B of title IV of the Social Security Act (42 U.S.C. 620–635) is amended to read as follows:

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

"SEC. 421. PURPOSE.

"The purpose of this part is to enable eligible States to carry out a child protection program to—

"(1) identify and assist families at risk of abusing or neglecting their children;

"(2) operate a system for receiving reports of abuse or neglect of children;

"(3) investigate families reported to abuse or neglect their children;

"(4) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

"(5) support children who must be removed from or who cannot live with their families;

"(6) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and

"(7) provide for continuing evaluation and improvement of child protection laws, regulations, and services.

"SEC. 422. ELIGIBLE STATES.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for—

"(A) receiving reports of child abuse or neglect;

"(B) investigating such reports;

"(C) protecting children in families in which child abuse or neglect is found to have occurred;

"(D) removing children from dangerous settings;

"(E) protecting children in foster care;

"(F) promoting timely adoptions;

"(G) protecting the rights of families;

"(H) preventing child abuse and neglect; and

"(I) establishing and responding to citizen review panels under section 425.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF STATE PROGRAM TO INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—A certification that the State has in effect a program to investigate child abuse and neglect cases.

"(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for removal from families and placement of abused or neglected children.

"(5) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families, which specifies the goal for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months, and for ensuring that information about such children is collected regularly and recorded in case records, and a description of such procedures.

"(6) CERTIFICATION THAT THE STATE WILL CONTINUE TO HONOR ADOPTION ASSISTANCE AGREEMENTS.—A certification that the State will honor any adoption assistance agreement (as defined in section 475(3), as in effect immediately before the effective date of this part) entered into by an agency of the State, that is in effect as of such effective date.

"(7) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services to individuals in the child protection program of the State who have attained 16 years of age but have not attained 20 (or, at the option of the State, 22) years of age, and who do not have a family to which to be returned for assistance in making the transition to self-sufficient adulthood.

"(8) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—

"(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

"(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(i) the infant is chronically and irreversibly comatose;

"(ii) the provision of such treatment would—

"(I) merely prolong dying;

"(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(III) otherwise be futile in terms of the survival of the infant; or

"(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"(9) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a). The Secretary may not require a State to include in such a plan any material not described in subsection (a), and may not review the adequacy of State procedures.

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (b)(1) a grant in an amount equal to the State share of the child protection amount for the fiscal year.

"(2) ADDITIONAL GRANT.—

"(A) IN GENERAL.—In addition to a grant under paragraph (1) of this subsection, the Secretary shall pay to each eligible State for each fiscal year specified in subsection (b)(1) an amount equal to the State share of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(B) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under subparagraph (A), there are authorized to be appropriated to the Secretary an amount not to exceed $486,000,000 for each fiscal year specified in subsection (b)(1).

"(b) DEFINITIONS.—As used in this section:

"(1) CHILD PROTECTION AMOUNT.—The term 'child protection amount' means—

"(A) $3,930,000,000 for fiscal year 1996;

"(B) $4,195,000,000 for fiscal year 1997;

"(C) $4,507,000,000 for fiscal year 1998;

"(D) $4,767,000,000 for fiscal year 1999; and

"(E) $5,071,000,000 for fiscal year 2000.

"(2) STATE SHARE.—

"(A) IN GENERAL.—The term 'State share' means the qualified child protection expenses of the State divided by the sum of the qualified child protection expenses of all of the States.

"(B) QUALIFIED CHILD PROTECTION EXPENSES.—The term 'qualified child protection expenses' means, with respect to a State the greater of—

"(i) ⅓ of the total amount of obligations to the State under the provisions of law specified in subparagraph (B) for fiscal years 1992, 1993, and 1994; or

"(ii) the total amount of obligations to the State under such provisions of law for fiscal year 1994.

"(C) PROVISIONS OF LAW.—The provisions of law specified in this subparagraph are the following (as in effect immediately before the effective date of this part):

"(i) Section 474(a) (other than subparagraphs (C) and (D) of paragraph (3)) of this Act.

"(ii) Section 304 of the Family Violence Prevention and Services Act.

"(iii) Section 107(a) of the Child Abuse Prevention and Treatment Act.

"(iv) Section 201(d) of the Child Abuse Prevention and Treatment Act.

"(v) Section 423 of this Act.

"(3) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(c) USE OF GRANT.—

"(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that the State deems appropriate to accomplish the purpose of this part, including setting up abuse and neglect reporting systems, abuse and neglect prevention, family preservation, foster care, adoption, program administration, and training.

"(2) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for fiscal year 1998 or a succeeding fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(i) Part A of this title.

"(ii) Title XX of this Act.

"(iii) The Child Care and Development Block Grant Act of 1990.

"(iv) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition or employment and training.

"(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(3) TIMING OF EXPENDITURES.—A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

"(4) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit short- and long-term foster care facilities operated for profit from receiving funds provided under this part.

"(d) TIMING OF PAYMENTS.—The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

"(e) PENALTIES.—

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount so used.

"(B) LIMITATION.—In carrying out subparagraph (A), the Secretary shall not reduce any quarterly payment by more than 25 percent.

"(C) CARRYFORWARD OF UNRECOVERED PENALTY.—To the extent that subparagraph (B) prevents the Secretary from recovering during a fiscal year the full amount of a penalty imposed on a State under subparagraph (A) for a prior fiscal year, the Secretary shall apply subparagraph (A) to the grant otherwise payable to the State under this section for the immediately succeeding fiscal year.

"(2) FOR FAILURE TO MAINTAIN EFFORT.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that the amount expended by a State (other than from amounts provided by the Federal Government) during fiscal year 1996 or 1997 to carry out the State program funded under this part is less than the total amount expended by the State (other than from amounts provided by the Federal Government) during fiscal year 1995 under parts B and E of this title, then the Secretary shall reduce the amount of the grant that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount of the difference.

"(3) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this subsection) be payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 427(b) for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(f) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

"SEC. 424. CHILD PROTECTION STANDARDS.

"Each State to which a grant is made under section 423 shall operate a child protection program in accorance with the following standards in order to assure the protection of children:

"(1) The primary standard by which a State child welfare system shall be judged is the protection of children.

"(2) Each State shall investigate reports of abuse and neglect promptly.

"(3) Children removed from their homes shall have a permanency plan and a dispositional hearing by a court or a court-appointed body within 3 months after a fact-finding hearing.

"(4) All child protection cases in which the child is placed outside the home shall be reviewed every 6 months unless the child is in a long-term placement.

"SEC. 425. CITIZEN REVIEW PANELS.

"(a) ESTABLISHMENT.—Each State to which a grant is made under section 423 shall establish at least 3 citizen review panels.

"(b) COMPOSITION.—Each panel established under subsection (a) shall be broadly representative of the community from which drawn.

"(c) FREQUENCY OF MEETINGS.—Each panel established under subsection (a) shall meet not less frequently than quarterly.

"(d) DUTIES.—

"(1) IN GENERAL.—Each panel established under subsection (a) shall, by examining specific cases, determine the extent to which the State and local agencies respons carrying out activities under this p doing so in accordance with the Sta with the child protection standards s in section 424, and with any other that the panel considers important to the protection of children.

"(2) CONFIDENTIALITY.—The membe staff of any panel established und section (a) shall not disclose to any pe government any information about a cific child protection case with res which the panel is provided informati

"(e) STATE ASSISTANCE.—Each Sta establishes a panel under subsection (afford the panel access to any infor on any case that the panel desires to and shall provide the panel with staff ance in performing its duties.

"(f) REPORTS.—Each panel esta under subsection (a) shall make a pu port of its activities after each meetin

"SEC. 426. CLEARINGHOUSE AND HOTL MISSING AND RUNAWAY CHIL

"(a) IN GENERAL.—The Secretary sh tablish and operate a clearinghouse o mation on children who are missing c run away from home, including a toll-free telephone hotline which m contacted for information on such chil

"(b) LIMITATION ON AUTHORIZATION PROPRIATIONS.—To carry out subsecti there are authorized to be appropria the Secretary not to exceed $7,000,(each fiscal year.

"SEC. 427. DATA COLLECTION AND REPORT

"(a) ANNUAL REPORTS ON STATE CHIL FARE GOALS.—On the date that is 3 after the effective date of this part and ally thereafter, each State to which a is made under section 423 shall submit Secretary a report that contains titative information on the extent to the State is making progress toward a ing the goals of the State child prot program.

"(b) ANNUAL STATE DATA REPORTS.— State to which a grant is made under s 423 shall annually submit to the Secret Health and Human Services a report th cludes the following:

"(1) The number of children who we ported to the State during the ye abused or neglected.

"(2) Of the number of children descri paragraph (1), the number with respe whom such reports were substantiated.

"(3) Of the number of children descri paragraph (2)—

"(A) the number that did not receive ices during the year under the State pro funded under this part;

"(B) the number that received service ing the year under the State program f under this part or an equivalent State gram; and

"(C) the number that were removed their families during the year.

"(4) The number of families that rec preventive services from the State d the year.

"(5) The number of children who en foster care under the responsibility o State during the year.

"(6) The number of children in foster under the responsibility of the State exited from foster care during the year.

"(7) The types of foster care placem made by the State during the year, an average monthly number of children in type of placement.

"(8) The average length of the foster placements made by the State during year.

"(9) The age, ethnicity, gender, and fa income of the children placed in foster under the responsibility of the State d the year.

"(10) The number of children in foster care under the responsibility of the State with respect to whom the State has the goal of adoption.

"(11) The number of children in foster care under the responsibility of the State who were freed for adoption during the year.

"(12) The number of children in foster care under the responsibility of the State whose adoptions were finalized during the year.

"(13) The number of disrupted adoptions in the State during the year.

"(14) Quantitative measurements showing whether the State is making progress toward the child protection goals identified by the State under section 422(a)(9).

"(15) The number of infants abandoned in the State during the year, and the number of such infants who were legally adopted during the year and the length of time between the discovery of the abandonment and such adoption.

"(16) The number of children who died during the year while in foster care under the responsibility of the State.

"(17) The number of deaths in the State during the year resulting from child abuse or neglect.

"(18) The number of children served by the independent living program of the State.

"(19) Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

"(20) The response of the State to the findings and recommendations of the citizen review panels established by the State pursuant to section 425.

"(c) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

"(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART.—As used in subsection (b), the term 'State program funded under this part' includes any equivalent State program.

"SEC. 428. RESEARCH AND TRAINING.

"(a) IN GENERAL.—The Secretary shall conduct research and training in child welfare.

"(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary not to exceed $10,000,000 for each fiscal year.

"SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

"(a) IN GENERAL.—The Secretary shall conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected.

"(b) REQUIREMENTS.—The study required by subsection (a) shall—

"(1) have a longitudinal component; and

"(2) yield data reliable at the State level for as many States as the Secretary determines is feasible.

"(c) PREFERRED CONTENTS.—In conducting the study required by subsection (a), the Secretary should—

"(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

"(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

"(3) follow each case for several years while obtaining information on, among other things—

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

"(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

"(D) the number, type, and characteristics of out-of-home placements of the child; and

"(E) the average duration of each placement.

"(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a), and should include in such reports a comparison of the results of the study with the information reported by States under section 427.

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary of Health and Human Services $6,000,000 for each of fiscal years 1996 through 2000 to carry out this section.

"SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) PURPOSE.—The purpose of this section is to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

"(b) MULTIETHNIC PLACEMENTS.—

"(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

"(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

"(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

"(2) PENALTIES.—

"(A) STATE VIOLATORS.—A State that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the State under this part during the period.

"(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the entity during the period by a State from funds provided under this part.

"(3) PRIVATE CAUSE OF ACTION.—

"(A) IN GENERAL.—Any individual who is aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court.

"(B) STATUTE OF LIMITATIONS.—An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.".

SEC. 202. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 104(b)(2)(C) of this Act, is amended—

(A) by striking "(or foster care maintenance payments under part E)" and inserting "or cash payments under a State program funded under part B"; and

(B) by striking "or 471(a)(17)".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended—

(A) by striking "or E" the 1st place such term appears and inserting "or benefits or services are being provided under the State program funded under part B"; and

(B) by striking "or E" the 2nd place such term appears and inserting "or benefits or services were being provided under the State program funded under part B".

(3) Section 456(a)(1) of such Act (42 U.S.C. 656(a)(1)) is amended by striking "foster care maintenance payments" and inserting "benefits or services under a State program funded under part B".

(4) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 104(b)(13) of this Act, is amended by striking "or 471(a)(17)".

(b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL SECURITY ACT.—Part E of title IV of such Act (42 U.S.C. 671-679) is hereby repealed.

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: "(B) the State program funded under part B of title IV,".

(d) REPEAL OF SECTION 13712 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note) is hereby repealed.

(e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986.—Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting "(as in effect before October 1, 1995)" after "Act".

(f) REPEAL OF SECTION 553 OF THE HOWARD M. METZENBAUM MULTIETHNIC PLACEMENT ACT OF 1994.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108 Stat. 4056) is hereby repealed.

(g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Subtitle C of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 is hereby repealed.

(h) REPEAL OF SUBTITLE A OF TITLE II OF THE CRIME CONTROL ACT OF 1990.—Subtitle A of title II of the Crime Control Act of 1990 is hereby repealed.

SEC. 203. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

Section 1931 of the Social Security Act, as inserted by section 106(a)(2) of this Act, is amended—

(1) in subsection (a)(1)—

(A) by striking "part A of", and

(B) by striking "under such part" and inserting "under a part of such title"; and

(2) in subsection (b), by striking "part A of".

SEC. 204. EFFECTIVE DATE.

(a) IN GENERAL.—This title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—The amendments made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this title under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized

before such date to be commenced, under such provisions.

TITLE III—BLOCK GRANTS FOR CHILD CARE AND FOR NUTRITION ASSISTANCE

Subtitle A—Child Care Block Grants

SEC. 301. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) GOALS.—Section 658A of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in the heading of such section by inserting "AND GOALS" after "TITLE",

(2) by inserting "(a) SHORT TITLE.—" before "This", and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

"(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

"(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

"(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,943,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.".

(c) LEAD ENTITY.—Section 658D of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b) is amended—

(1) in the heading of such section by striking "AGENCY" inserting "ENTITY",

(2) in subsection (a) by inserting "or other entity" after "State agency", and

(3) by striking "lead agency" each place it appears and inserting "lead entity".

(d) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented", and

(B) by striking "for subsequent State plans",

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the heading of such paragraph by striking "AGENCY" and inserting "ENTITY", and

(ii) by striking "agency" and inserting "entity",

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C)," and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph",

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify", and

(II) by inserting before the period at the end "and provide a detailed description of such procedures",

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify", and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available",

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Provide assurances that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.",

(v) in subparagraph (E)—

(I) by striking "Provide assurances" and inserting "Certify",

(II) in clause (i) by inserting "health, safety, and" after "comply with all",

(III) in clause (i) by striking "; and" at the end,

(IV) by striking "that—" and all that follows through "(i)", and inserting "that", and

(V) by striking "(ii)" and all that follows through the end of such subparagraph, and inserting "and provide a detailed description of such requirements and of how such requirements are effectively enforced.", and

(vi) by striking subparagraphs (F), (G), (H), (I), and (J),

(C) in paragraph (3)—

(i) in subparagraph (A) by inserting "or as authorized by section 658T" before the period at the end,

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The",

(II) by inserting ", other than amounts transferred under section 658T," after "subchapter",

(III) in clause (i) by striking "; and" at the end and inserting a period,

(IV) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)", and

(V) by striking clause (ii), and

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.",

(D) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify",

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period, and

(iii) by striking the last sentence, and

(E) by striking paragraph (5).

(e) LIMITATIONS ON STATE ALLOTMENTS—Section 658F(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended by striking "referred to in section 658E(c)(2)(F)".

(f) REPEAL OF EARMARKED REQUIRED EXPENDITURES.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended by striking sections 658G and 658H.

(g) ADMINISTRATION AND ENFORCEMENT.—Section 658I(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(a)) is amended—

(1) in paragraph (1) by inserting "and" at the end,

(2) by striking paragraph (2), and

(3) by redesignating paragraph (3) as paragraph (2).

(h) PAYMENTS.—Section 658J(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h(c)) is amended—

(1) by striking "expended" and inserting "obligated", and

(2) by striking "3 fiscal years" and inserting "fiscal year".

(i) ANNUAL REPORT AND AUDITS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the heading of such section by inserting ", EVALUATION PLANS," after "REPORT",

(2) in subsection (a)—

(A) by striking ", 1992" and inserting "following the end of the first fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply",

(B) by amending paragraph (2) to read as follows:

"(2) containing data on the manner in which the child care needs of families in the State are being fulfilled, including information concerning—

"(A) the number and ages of children being assisted with funds provided under this subchapter;

"(B) with respect to the families of such children—

"(i) the number of other children in such families;

"(ii) the number of such families that include only 1 parent;

"(iii) the number of such families that include both parents;

"(iv) the ages of the mothers of such children;

"(v) the ages of the fathers of such children;

"(vi) the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)—

"(I) employment, including self-employment;

"(II) assistance received under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(III) part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.);

"(IV) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(V) the National School Lunch Act (42 U.S.C. 1751 et seq.);

"(VI) assistance received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

"(VII) assistance received under title XI of the Social Security Act (42 U.S.C. 1351 et seq.);

"(VIII) assistance received under title XI of the Social Security Act (42 U.S.C. 1396 et seq.);

"(IX) assistance received under title XX of the Social Security Act (42 U.S.C. 1397 et seq.); and

"(X) any other source of economic resources the Secretary determines to be appropriate;

"(C) the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;

"(D) with respect to cost of such services—

"(i) the cost imposed by such providers to provide such services; and

"(ii) the portion of such cost paid with assistance provided under this subchapter;

"(E) with respect to consumer education information described in section 658E(c)(2)(D) provided by such State—

"(i) the manner in which such information was provided; and

"(ii) the number of parents to whom such information was provided; and

"(F) with respect to complaints received by such State regarding child care services obtained with assistance provided under this subchapter—

"(i) the number of such complaints that were found to have merit; and

"(ii) a description of the actions taken by the State to correct the circumstances on which such complaints were based.",

(C) by striking paragraphs (3), (4), (5), and (6) and inserting the following:

"(3) containing evidence demonstrating that the State satisfied the requirements of section 658E(c)(2)(F); and

"(4) identifying each State program operated under a provision of law specified in section 658T to which the State transferred funds under the authority of such section, specifying the amount of funds so transferred to such program, and containing a justification for so transferring such amount;", and

(3) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application",

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives", and

(C) in paragraph (4) by striking "entitles" and inserting "entitled", and

(4) by redesignating subsection (b) as subsection (c), and

(5) by inserting after subsection (a) the following:

"(b) STATE EVALUATION PLAN AND EVALUATION RESULTS.—

"(1) EVALUATION PLAN.—In the first report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a plan the State intends to carry out in the 1-year period subsequent to the period for which such report is submitted, to evaluate the extent to which the State has realized each of the goals specified in paragraphs (2) through (5) of section 658A(b). The State shall include in such plan a description of the types of data and other information the State will collect to determine whether the State has realized such goals.

"(2) EVALUATION RESULTS.—In the second report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a summary of the results of an evaluation carried out under the evaluation plan contained in the report submitted under subsection (a) for the preceding 1-year period.".

(j) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking ", 1993, and annually" and inserting "following the end of the second fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply, and biennially",

(2) by striking "Committee on Education and Labor" and inserting "Speaker",

(3) by striking "Committee on Labor and Human Resources" and inserting "President pro tempore", and

(4) by striking the last sentence.

(k) REALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (a)(1)—

(A) by striking "POSSESSIONS" and inserting "POSSESSIONS",

(B) by inserting "and" after "States,", and

(C) by striking ", and the Trust Territory of the Pacific Islands",

(2) by amending subsection (b) to read as follows:

"(b) STATE ALLOTMENT.—From the amount appropriated under section 658B for each fiscal year remaining after reservations under subsection (a), the Secretary shall allot to each State (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) an amount that bears the same ratio to the amount so appropriated for such fiscal year as the aggregate of the amounts received by the State under—

"(1) this subchapter for fiscal year 1994;

"(2) section 403 of the Social Security Act, with respect to expenditures by the State for child care under section 402(g)(1) of such Act during fiscal year 1994; and

"(3) section 403(n) of the Social Security Act for fiscal year 1994;

bears to the aggregate of the amounts received by all the States (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) under paragraphs (1), (2), and (3).",

(3) in subsection (c)—

(A) in paragraph (2)(A) by striking "agency" and inserting "entity", and

(B) in paragraph (5) by striking "our" and inserting "out",

(4) by striking subsection (e), and

(5) by redesignating subsection (f) as subsection (e).

(l) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (5)(A)—

(A) in clause (i) by striking "and" at the end and inserting "or",

(B) by striking "that—" and all that follows through "(i)", and inserting "that", and

(C) by striking clause (ii),

(2) by amending paragraph (8) to read as follows:

"(8) LEAD ENTITY.—The term 'lead entity' means the State agency or other entity designated under section 658B(a).",

(3) by striking paragraphs (3), (10), and (12),

(4) by inserting after paragraph (2) the following:

"(3) CHILD CARE SERVICES.—The term 'child care services' means services that constitute physical care of a child and may include services that are designed to enhance the educational, social, cultural, emotional, and recreational development of a child but that are not intended to serve as a substitute for compulsory educational services.",

(5) in paragraph (13)—

(A) by inserting "or" after "Samoa.", and

(B) by striking ", and the Trust Territory of the Pacific Islands", and

(6) by redesignating paragraphs (11), (13), and (14) as paragraphs (10), (11), and (12), respectively.

(m) AUTHORITY TO TRANSFER FUNDS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658S the following:

"SEC. 658T. TRANSFER OF FUNDS.

"(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 20 percent for use by the State to carry out State programs under 1 or more of the following provisions of law:

"(1) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.).

"(3) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(4) The National School Lunch Act (42 U.S.C. 1751 et seq.).

"(5) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out a State program operated under a provision of law specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such provision of law to carry out such program.".

SEC. 302. REPEAL OF CHILD CARE ASSISTANCE AUTHORIZED BY ACTS OTHER THAN THE SOCIAL SECURITY ACT.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103–382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

Subtitle B—Family and School-Based Nutrition Block Grants

CHAPTER 1—FAMILY NUTRITION BLOCK GRANT PROGRAM

SEC. 321. AMENDMENT TO CHILD NUTRITION ACT OF 1966.

The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Child Nutrition Act of 1966'.

"(b) TABLE OF CONTENTS.—The table of contents is as follows:

"SEC. 2. AUTHORIZATION.

"(a) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, the Secretary shall provide a grant for the year to the State for the purpose of achieving the goals described in subsection (b). The grant shall consist of the allotment determined for the State under section 3.

"(b) GOALS.—The goals of this Act are—

"(1) to provide nutritional risk assessment, food assistance based on such risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children who are determined to be at nutritional risk;

"(2) to provide nutritional risk assessments of such women in order to provide food assistance and nutrition education which meets their specific needs;

"(3) to provide nutrition education to such women in order to increase their awareness of the types of foods which should be consumed to maintain good health;

"(4) to provide food assistance, including nutritious meal supplements, to such women in order to reduce incidences of low-birthweight babies and babies born with birth defects as a result of nutritional deficiencies;

"(5) to provide food assistance, including nutritious meal supplements, to such women, infants, and young children in order to ensure their future good health;

"(6) to ensure that such women, infants, and children are referred to other health services, including routine pediatric and obstetric care, when necessary;

"(7) to ensure that children from economically disadvantaged families in day care facilities, family day care homes, homeless shelters, settlement houses, recreational centers, Head Start centers, Even Start programs and child care facilities for children with disabilities receive nutritious meals, supplements, and low-cost milk; and

"(8) to provide summer food service programs to meet the nutritional needs of children from economically disadvantaged families during months when school is not in session.

"(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

"SEC. 3. ALLOTMENT.

The Secretary shall allot the amount appropriated to carry out this Act for a fiscal year among the States as follows:

"(1) FIRST FISCAL YEAR.—

"(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides grants to States under this Act, the amount allotted to each State shall bear the same proportion to such amount appropriated as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law were in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

"(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

"(i) The amount received under the special supplemental nutrition program for women, infants, and children under section 17 of this Act (42 U.S.C. 1786).

"(ii) The amount received under the homeless children nutrition program established under section 17B of the National School Lunch Act (42 U.S.C. 1766b).

"(iii) 87.5 percent of the sum of the amounts received under the following programs:

"(I) The child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of the National School Lunch Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of this Act (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts allotted to all such States from grants under this Act for such preceding fiscal year; and

"(B) 5 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the relative number of individuals receiving assistance during the 1-year period ending on June 30 of the preceding fiscal year in such State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of individuals receiving assistance in all States from amounts received from grants under this Act for the preceding fiscal year.

"(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

"(A) 90 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 10 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

"(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

"(A) 85 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 15 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

"SEC. 4. APPLICATION.

"The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

"(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

"(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for food assistance provided under this Act based on the most recent tested nutritional research available, except that—

"(A) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

"(B) such requirements shall, at a minimum, be based on—

"(i) the weekly average of the nutrient content of school lunches; or

"(ii) such other standards as the State may prescribe;

"(3) an agreement that the State, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children, shall—

"(A) implement the minimum nutritional requirements described in paragraph (2) for such food assistance; or

"(B) implement the model nutrition standards developed under section 8 for such food assistance;

"(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

"(5) an agreement that the State w
not more than 5 percent of the amo
such grant for administrative costs i
to provide assistance under this Act,
that costs associated with the nutr
risk assessment of individuals descri
section 5(a)(1) and costs associated w
trition education and counseling prov
such individuals shall not be considere
administrative costs; and

"(6) an agreement that the State w
mit to the Secretary a report in acco
with section 6.

"SEC. 5. USE OF AMOUNTS.

"(a) IN GENERAL.—The Secretary m
vide a grant under this Act to a Stat
if the State agrees that it will u
amounts received from such grant—

"(1) subject to subsection (b), to p
nutritional risk assessment, food assi
based on such risk assessment, and nu
education and counseling to econon
disadvantaged pregnant women, postp
women, breastfeeding women, infant
young children who are determined to
nutritional risk;

"(2) to provide milk in nonprofit n
schools, child care centers, settl
houses, summer camps, and similar i
tions devoted to the care and train
children, to children from economical
advantaged families;

"(3) to provide food service programs
stitutions and family day care homes p
ing child care to children from econom
disadvantaged families;

"(4) to provide summer food servic
grams carried out by nonprofit food au
ties, local governments, nonprofit
education institutions participating i
National Youth Sports Program, and
dential nonprofit summer camps to ch
from economically disadvantaged fa
and

"(5) to provide nutritious meals t
school age homeless children in shelte
other facilities serving the homeless
lation.

"(b) ADDITIONAL REQUIREMENT.—The
shall ensure that not less than 80 perc
the amount of the grant is used to p
nutritional risk assessment, food assis
based on such nutritional risk assess
and nutrition education and counseli
economically disadvantaged pre
women, postpartum women, breastfe
women, infants, and young children
subsection (a)(1).

"(c) AUTHORITY TO USE AMOUNTS
OTHER PURPOSES.—

"(1) IN GENERAL.—Subject to paragrap
and (3), a State may use not more th
percent of amounts received from a
under this Act for a fiscal year to carr
a State program pursuant to any or all
following provisions of law:

"(A) Part A of title IV of the Social
rity Act (42 U.S.C. 601 et seq.).

"(B) Part B of title IV of the Social
rity Act (42 U.S.C. 620 et seq.).

"(C) Title XX of the Social Security
(42 U.S.C. 1397 et seq.).

"(D) The National School Lunch Ac
U.S.C. 1751 et seq.).

"(E) The Child Care and Develop
Block Grant Act of 1990 (42 U.S.C. 98
seq.).

"(2) SUFFICIENT FUNDING DETERMINATI
Prior to using any amounts received fr
grant under this Act for a fiscal yea
carry out a State program pursuant to
or all of the provisions of law describ
paragraph (1), the appropriate State ag
shall make a determination that suffi
amounts will remain available for such f
year to carry out this Act.

"(3) RULES GOVERNING USE OF AMOUNTS
OTHER PURPOSES.—Amounts paid to the S

nder a grant under this Act that are used to rry out a State program pursuant to a pro-sion of law specified in paragraph (1) shall ot be subject to the requirements of this ct, but shall be subject to the same require-ents that apply to Federal funds provided rectly under the provision of law to carry t the program.

EC. 6. REPORTS.

"The Secretary may provide a grant under is Act to a State for a fiscal year only if e State agrees that it will submit, for such scal year, a report to the Secretary describ-g—

"(1) the number of individuals receiving as-stance under the grant in accordance with ch of paragraphs (1) through (5) of section e);

"(2) the different types of assistance pro-ded to such individuals in accordance with ch paragraphs;

"(3) the extent to which such assistance s effective in achieving the goals de-ribed in section 2(b);

"(4) the standards and methods the State sing to ensure the nutritional quality of ch assistance, including meals and supple-ents;

"(5) the number of low birthweight births the State in such fiscal year compared to e number of such births in the State in the evious fiscal year; and

"(6) any other information the Secretary termines to be appropriate.

EC. 7. PENALTIES.

"(a) PENALTY FOR USE OF AMOUNTS IN VIO-TION OF THIS ACT.—

"(1) IN GENERAL.—The Secretary shall re-ce the amounts otherwise payable to a ate under a grant under this Act by any nount paid to the State under this Act ich an audit conducted pursuant to chap-75 of title 31, United States Code, finds s been used in violation of this Act.

"(2) LIMITATION.—In carrying out para-aph (1), the Secretary shall not reduce any arterly payment by more than 25 percent.

"(b) PENALTY FOR FAILURE TO SUBMIT RE-RED REPORT.—The Secretary shall reduce 3 percent the amount otherwise payable a State under a grant under this Act for iscal year if the Secretary determines that e State has not submitted the report re-ired by section 6 for the immediately pre-ing fiscal year, within 6 months after the d of the immediately preceding fiscal year.

EC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS AND CHILDREN.

(a) IN GENERAL.—Not later than April 1, 6, the Food and Nutrition Board of the In-tute of Medicine of the National Academy Sciences, in cooperation with pediatri-ns, obstetricians, nutritionists, and direc-s of programs providing nutritional risk essment, food assistance, and nutrition ucation and counseling to economically dvantaged pregnant women, postpartum men, breastfeeding women, infants, and ng children, shall develop model nutri-n standards for food assistance provided such women, infants, and children under s Act.

(b) REQUIREMENT.—Such model nutrition ndards shall require that food assistance vided to such women, infants, and chil-n contain nutrients that are lacking in diets of such women, infants, and chil-n, as determined by nutritional research.

(c) REPORT TO CONGRESS.—Not later than ar after the date on which the model nu-ion standards are developed under sub-ion (a), the Food and Nutrition Board of Institute of Medicine of the National demy of Sciences shall prepare and sub-to the Congress a report regarding the efforts of States to implement such model nutrition standards.

"SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act $4,606,000,000 for fiscal year 1996, $4,777,000,000 for fiscal year 1997, $4,936,000,000 for fiscal year 1998, $5,120,000,000 for fiscal year 1999, and $5,308,000,000 for fiscal year 2000.

"(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until the end of the fiscal year subsequent to the fiscal year for which such amounts are appropriated.

"SEC. 10. DEFINITIONS.

"For purposes of this Act:

"(1) BREASTFEEDING WOMEN.—The term 'breastfeeding women' means women up to 1 year postpartum who are breastfeeding their infants.

"(2) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

"(3) INFANTS.—The term 'infants' means individuals under 1 year of age.

"(4) POSTPARTUM WOMEN.—The term 'postpartum women' means women who are in the 180-day period beginning on the termination of pregnancy.

"(5) PREGNANT WOMEN.—The term 'pregnant women' means women who have 1 or more fetuses in utero.

"(6) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

"(7) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(8) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).

"(9) YOUNG CHILDREN.—The term 'young children' means individuals who have attained the age of 1 but have not attained the age of 5.".

CHAPTER 2—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

SEC. 341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'National School Lunch Act'.

"(b) TABLE OF CONTENTS.—The table of contents is as follows:

"SEC. 2. AUTHORIZATION.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, each such State shall be entitled to receive from the Secretary for such fiscal year a grant for the purpose of achieving the goals described in subsection (b). Subject to paragraph (2), the grant shall consist of the allotment for such State determined under section 3 of the school-based nutrition amount for the fiscal year.

"(2) REQUIREMENT TO PROVIDE COMMODITIES.—9 percent of the amount of the assistance available under this Act for each State shall be in the form of commodities.

"(3) SCHOOL-BASED NUTRITION AMOUNT.—

"(A) IN GENERAL.—For purposes of this Act, the term 'school-based nutrition amount' means, subject to the reservation contained in subparagraph (B), $6,681,000,000 for fiscal year 1996, $6,956,000,000 for fiscal year 1997, $7,237,000,000 for fiscal year 1998, $7,538,000,000 for fiscal year 1999, and $7,849,000,000 for fiscal year 2000.

"(B) RESERVATION.—For each fiscal year described in subparagraph (A), the Secretary shall reserve an amount equal to the amount determined under subsection (c) of section 9 for such fiscal year from the school-based nutrition amount for the purpose of establishing and carrying out nutritious food service programs at Department of Defense overseas dependents' schools in accordance with such section.

"(4) AVAILABILITY.—Payments under a grant to a State from the allotment determined under section 3 for any fiscal year may be obligated by the State in that fiscal year or in the succeeding fiscal year.

"(b) GOALS.—The goals of this Act are—

"(1) to safeguard the health and well-being of children through the provision of nutritious, well-balanced meals and food supplements;

"(2) to provide economically disadvantaged children access to nutritious free or low cost meals, food supplements, and low-cost milk;

"(3) to ensure that children served under this Act are receiving the nutrition they require to take advantage of the educational opportunities provided to them;

"(4) to emphasize foods which are naturally good sources of vitamins and minerals over foods which have been enriched with vitamins and minerals and are high in fat or sodium content;

"(5) to provide a comprehensive school nutrition program for children; and

"(6) to minimize paperwork burdens and administrative expenses for participating schools.

"(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

"SEC. 3. ALLOTMENT.

"The Secretary shall allot the amount appropriated to carry out this Act for a fiscal year among the States as follows:

"(1) FIRST FISCAL YEAR.—

"(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides grants to States under this Act, the amount allotted to each State shall bear the same proportion to such amount appropriated as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law were in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

"(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

"(i) The amount received under the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(ii) The amount received under the school lunch program established under this Act (42 U.S.C. 1751 et seq.).

"(iii) 12.5 percent of the sum of the amounts received under the following programs:

"(I) The child and adult care food program under section 17 of this Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of this Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts allotted to all such States from grants under this Act for such preceding fiscal year; and

"(B) 5 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the relative number of meals served during the 1-year period ending on June 30 of the preceding fiscal year in a State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of meals served in all States from amounts received from grants under this Act for the preceding fiscal year.

"(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

"(A) 90 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 10 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

"(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

"(A) 85 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 15 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

"SEC. 4. APPLICATION.

"The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

"(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

"(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for meals provided under this Act based on the most recent tested nutritional research available, except that—

"(A) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

"(B) such requirements shall, at a minimum, be based on—

"(i) the weekly average of the nutrient content of school lunches; or

"(ii) such other standards as the State may prescribe;

"(3) an agreement that the State, with respect to the provision of meals to students, shall—

"(A) implement the minimum nutritional requirements described in paragraph (2) for such meals; or

"(B) implement the model nutrition standards developed under section 10 for such meals;

"(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

"(5) an agreement that the State will use not more than 2 percent of the amount of such grant for administrative costs incurred to provide assistance under this Act; and

"(6) an agreement that the State will submit to the Secretary a report in accordance with section 6.

"SEC. 5. USE OF AMOUNTS.

"(a) IN GENERAL.—The Secretary may provide a grant under this Act to a State only if the State agrees that it will use all amounts received from such grant to provide assistance to schools to establish and carry out nutritious food service programs that provide affordable meals and supplements to students, which may include—

"(1) nonprofit school breakfast programs;

"(2) nonprofit school lunch programs;

"(3) nonprofit before and after school supplement programs;

"(4) nonprofit low-cost milk services; and

"(5) nonprofit summer meals programs.

"(b) ADDITIONAL REQUIREMENTS.—

"(1) MINIMUM AMOUNT OF GRANT FOR FREE OR LOW COST MEALS OR SUPPLEMENTS.—In providing assistance to schools to establish and carry out nutritious food service programs in accordance with subsection (a), the State shall ensure that not less than 80 percent of the amount of the grant is used to provide free or low cost meals or supplements to economically disadvantaged children.

"(2) PROVISION OF FOOD SERVICE PROGRAMS IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS.—To the extent consistent with the number of children in the State who are enrolled in private nonprofit schools and Department of Defense domestic dependents' schools, the State, after timely and appropriate consultation with representatives of such schools, as the case may be, shall ensure that nutritious food service programs are established and carried out in such schools in accordance with subsection (a) on an equitable basis with nutritious food service programs established and carried out in public nonprofit schools in the State.

"(c) AUTHORITY TO USE AMOUNTS FOR OTHER PURPOSES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), a State may use not more than 20 percent of amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(B) Part B of title IV of the Social Security Act (42 U.S.C. 620 et seq.).

"(C) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(D) The Child Nutrition Act of 19[illegible] U.S.C. 1771 et seq.).

"(E) The Child Care and Develop[illegible] Block Grant Act of 1990 (42 U.S.C. 9[illegible] seq.).

"(2) SUFFICIENT FUNDING DETERMINATI[illegible] Prior to using any amounts received fr[illegible] grant under this Act for a fiscal ye[illegible] carry out a State program pursuant to[illegible] or all of the provisions of law describ[illegible] paragraph (1), the appropriate State ag[illegible] shall make a determination that suffi[illegible] amounts will remain available for such [illegible] year to carry out this Act.

"(3) RULES GOVERNING USE OF AMOUNTS [illegible] OTHER PURPOSES.—Amounts paid to the S[illegible] under a grant under this Act that are us[illegible] carry out a State program pursuant to a [illegible] vision of law specified in paragraph (1) [illegible] not be subject to the requirements of [illegible] Act, but shall be subject to the same req[illegible] ments that apply to Federal funds prov[illegible] directly under the provision of law to c[illegible] out the program.

"(d) LIMITATION ON PROVISION OF COM[illegible] ITIES TO CERTAIN SCHOOL DISTRICTS, PRI[illegible] NONPROFIT SCHOOLS, AND DEPARTMENT OF[illegible] FENSE DOMESTIC DEPENDENTS' SCHOOLS.—

"(1) IN GENERAL.—A State may not rec[illegible] a school district, private nonprofit schoo[illegible] Department of Defense domestic depende[illegible] school described in paragraph (2), ex[illegible] upon the request of such school district, [illegible] vate school, or domestic dependents' sch[illegible] as the case may be, to accept commodi[illegible] for use in the food service program of [illegible] school district, private school, or dome[illegible] dependents' school in accordance with [illegible] section. Such school district, private sch[illegible] or domestic dependents' school may cont[illegible] to receive commodity assistance in the f[illegible] that it received such assistance as of Ja[illegible] ary 1, 1987.

"(2) SCHOOL DISTRICT, PRIVATE NONPR[illegible] SCHOOL, AND DEPARTMENT OF DEFENSE DO[illegible] TIC DEPENDENTS' SCHOOL DESCRIBED.—[illegible] school district, private nonprofit school[illegible] Department of Defense domestic depende[illegible] school described in this paragraph is a sch[illegible] district, private nonprofit school, or Dep[illegible] ment of Defense domestic depende[illegible] school, as the case may be, that as of Ja[illegible] ary 1, 1987, was receiving all cash payme[illegible] or all commodity letters of credit in lie[illegible] entitlement commodities for the sch[illegible] lunch program of such school district, [illegible] vate school, or domestic dependents' sch[illegible] under section 18(b) of the National Sch[illegible] Lunch Act (42 U.S.C. 1751 et seq.), as [illegible] section was in effect on the day before [illegible] date of the enactment of the Personal [illegible] sponsibility Act of 1995.

"(e) PROHIBITION ON PHYSICAL SEGRE[illegible] TION, OVERT IDENTIFICATION, OR OTHER D[illegible] CRIMINATION WITH RESPECT TO CHILDREN E[illegible] GIBLE FOR FREE OR LOW COST MEALS OR S[illegible] PLEMENTS.—In providing assistance [illegible] schools to establish and carry out nutritio[illegible] food service programs in accordance w[illegible] subsection (a), the State shall ensure th[illegible] such schools do not—

"(1) physically segregate children eligi[illegible] to receive free or low cost meals or supp[illegible] ments on the basis of such eligibility;

"(2) provide for the overt identification [illegible] such children by special tokens or ticke[illegible] announced or published list of names, [illegible] other means; or

"(3) otherwise discriminate against su[illegible] children.

"SEC. 6. REPORTS.

"The Secretary may provide a grant und[illegible] this Act to a State for a fiscal year only [illegible] the State agrees that it will submit, for su[illegible] fiscal year, a report to the Secretary descri[illegible] ing—

"(1) the number of individuals receiving assistance under the grant;

"(2) the different types of assistance provided to such individuals;

"(3) the total number of meals served to students under the grant, including the percentage of such meals served to economically disadvantaged students;

"(4) the extent to which such assistance was effective in achieving the goals described in section 2(b);

"(5) the standards and methods the State is using to ensure the nutritional quality of such assistance, including meals and supplements; and

"(6) any other information the Secretary determines to be appropriate.

"SEC. 7. PENALTIES.

"(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION OF THIS ACT.—

"(1) IN GENERAL.—The Secretary shall reduce the amounts otherwise payable to a State under a grant under this Act by any amount paid to the State under this Act which an audit conducted pursuant to chapter 75 of title 31, United States Code, finds has been used in violation of this Act.

"(2) LIMITATION.—In carrying out paragraph (1), the Secretary shall not reduce any quarterly payment by more than 25 percent.

"(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.—The Secretary shall reduce by 3 percent the amount otherwise payable to a State under a grant under this Act for a fiscal year if the Secretary determines that the State has not submitted the report required by section 6 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS IN CASE OF RESTRICTIONS ON STATE OR FAILURE BY STATE TO PROVIDE ASSISTANCE.

"(a) IN GENERAL.—If, by reason of any other provision of law, a State is prohibited from providing assistance from amounts received from a grant under this Act to private nonprofit schools or Department of Defense domestic dependents' schools for a fiscal year to establish and carry out nutritious food service programs in such schools in accordance with section 5(a), or the Secretary determines that a State has substantially failed or is unwilling to provide such assistance to such private nonprofit schools or domestic dependents' schools for such fiscal year, the Secretary shall, after consultation with appropriate representatives of the State and private nonprofit schools or domestic dependents' schools, as the case may be, arrange for the provision of such assistance to private nonprofit schools or domestic dependents' schools in the State for such fiscal year in accordance with the requirements this Act.

"(b) REDUCTION IN AMOUNT OF STATE GRANT.—If the Secretary arranges for the provision of assistance to private nonprofit schools or Department of Defense domestic dependents' schools in a State for a fiscal year under subsection (a), the amount of the grant for such State for such fiscal year shall be reduced by the amount of such assistance provided to such private nonprofit schools or domestic dependents' schools, as the case may be.

"SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

"(a) IN GENERAL.—The Secretary shall make available to the Secretary of Defense for each fiscal year funds and commodities in an amount determined in accordance with subsection (c) for the purpose of establishing and carrying out nutritious food service programs that provide affordable meals and supplements to students attending Department of Defense overseas dependents' schools.

"(b) REQUIREMENTS.—In carrying out nutritious food service programs under subsection (a), the Secretary of Defense—

"(1) shall ensure that not less than 80 percent of the amount of assistance provided to each school for a fiscal year is used to provide free or low cost meals or supplements to economically disadvantaged children; and

"(2) shall ensure that, with respect to the provision of meals to students, each such school will—

"(A) implement minimum nutritional requirements for meals provided under this section based on the most recent tested nutritional research available, except that—

"(i) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

"(ii) such requirements shall, at a minimum, be based on—

"(I) the weekly average of the nutrient content of school lunches; or

"(II) such other standards as the Secretary of Agriculture may prescribe; or

"(B) implement the model nutrition standards developed under section 10 for such meals.

"(c) AMOUNT AND SOURCE OF FUNDS AND COMMODITIES.—

"(1) AMOUNT.—The Secretary, in consultation with the Secretary of Defense, shall determine the amount of funds and commodities necessary for each fiscal year to establish and carry out nutritious food service programs described in subsection (a).

"(2) SOURCE.—Such amount of funds and commodities shall consist of the reservation of the school-based nutrition amount in accordance with section 2(a)(3)(B).

"SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR STUDENTS.

"(a) MODEL NUTRITION STANDARDS.—Not later than April 1, 1996, the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, in cooperation with nutritionists and directors of programs providing meals to students under this Act, shall develop model nutrition standards for meals provided to such students under this Act.

"(b) REPORT TO CONGRESS.—Not later than 1 year after the date on which the model nutrition standards are developed under subsection (a), the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences shall prepare and submit to the Congress a report regarding the efforts of States to implement such model nutrition standards.

"SEC. 11. DEFINITIONS.

"For purposes of this Act:

"(1) DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL.—The term 'Department of Defense domestic dependents' school' means an elementary or secondary school established pursuant to section 2164 of title 10, United States Code.

"(2) DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOL.—The term 'Department of Defense overseas dependents' school' means a Department of Defense dependents' school which is located outside the United States and the territories or possessions of the United States.

"(3) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

"(4) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

"(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(6) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).".

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 361. REPEALERS.

The following Acts are repealed:

(1) The Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 101 Stat. 1733).

(2) The Child Nutrition and WIC Reauthorization Act of 1989 (Public Law 101-147; 103 Stat. 877).

Subtitle C—Other Repealers and Conforming Amendments

SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD PROTECTION BLOCK GRANT.

(a) ABANDONED INFANTS ASSISTANCE.—

(1) REPEALER.—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

(2) CONFORMING AMENDMENT.—Section 421(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061(7)) is amended to read as follows:

"(7) the term 'boarder baby' means an infant who is medically cleared for discharge from an acute-care hospital setting, but remains hospitalized because of a lack of appropriate out-of-hospital placement alternatives;".

(b) CHILD ABUSE PREVENTION AND TREATMENT.—

(1) REPEALER.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—The Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is amended—

(A) in section 1402—

(i) in subsection (d)—

(I) by striking paragraph (2); and

(II) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(ii) by striking subsection (g); and

(B) by striking section 1404.

(c) ADOPTION OPPORTUNITIES.—The Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.) is repealed.

(d) CRISIS NURSERIES.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is amended—

(1) in the title heading by striking "AND CRISIS NURSERIES";

(2) in section 201 by striking "and Crisis Nurseries";

(3) in section 202—

(A) by striking "provide: (A) temporary" and inserting "to provide temporary"; and

(B) by striking "children, and (B)" and all that follows through the period and inserting "children.";

(4) by striking section 204; and

(5) in section 205—

(A) in subsection (a)—

(i) in paragraph (1)(A) by striking "or 204"; and

(ii) in paragraph (2)—

(I) by striking subparagraph (D); and

(II) by redesignating subparagraph (E) as subparagraph (D);

(B) by striking subsection (b)(3); and

(C) in subsection (d)—

(i) by striking paragraph (3); and

(II) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively.

(e) MISSING CHILDREN'S ASSISTANCE ACT.—The Missing Children's Assistance Act (42 U.S.C. 5771-5779) is repealed.

(f) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481-11489) is repealed.

(g) INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.—Subtitle A of title II of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001-13004) is repealed.

(h) REPEAL OF FAMILY UNIFICATION PROGRAM.—Subsection (x) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

Subtitle D—Related Provisions

SEC. 381. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1996 and at least every second year thereafter; and

(B) for each school district, in 1998 and at least every second year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) DEFINITION.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1996 through 2000.

SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUTCOMES.

(a) IN GENERAL.—The Secretary shall produce data relating to participation in programs authorized by this Act by families and children. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce comprehensive and reliable data.

(b) CONTENT.—Data under this section shall include, but not be limited to—

(1) changes in participation in welfare, health, education, and employment and training programs, for families and children, the duration of such participation, and the causes and consequences of any changes in program participation;

(2) changes in employment status, income and poverty status, family structure and process, and children's well-being, over time, for families and children participating in Federal programs and, if appropriate, other low-income families and children, and the causes and consequences of such changes; and

(3) demographic data, including household composition, marital status, relationship of householders, racial and ethnic designation, age, and educational attainment.

(c) FREQUENCY.—Data under this section shall reflect the period 1993 through 2002, and shall be published as often as practicable during that time, but in any event no later than December 31, 2003.

(d) DEFINITION.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,500,000 in fiscal year 1995, $10,000,000 for each of fiscal years 1997 through 2002, and $2,000,000 for fiscal year 2003.

Subtitle E—General Effective Date; Preservation of Actions, Obligations, and Rights

SEC. 391. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.

An amendment or repeal made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided before the effective date of amendment or repeal, as the case may be, under the Act so amended or so repealed; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders n depend on public resources to meet the needs, but rather rely on their own capabi ties and the resources of their families, th sponsors, and private organizations, and

(B) the availability of public benefits n constitute an incentive for immigration the United States.

(3) Despite the principle of self-sufficienc aliens have been applying for and receivi public benefits from Federal, State, a local governments at increasing rates.

(4) Current eligibility rules for public a sistance and unenforceable financial suppo agreements have proved wholly incapable assuring that individual aliens not burd the public benefits system.

(5) It is a compelling government intere to enact new rules for eligibility and spo sorship agreements in order to assure th aliens be self-reliant in accordance with n tional immigration policy.

(6) It is a compelling government intere to remove the incentive for illegal immigr tion provided by the availability of publ benefits.

Subtitle A—Eligibility for Federal Benefits Programs

SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FO CERTAIN PUBLIC BENEFITS PR GRAMS.

(a) IN GENERAL.—Notwithstanding an other provision of law and except as provide in subsections (b) and (c), any alien who not lawfully present in the United State shall not be eligible for any Federal mean tested public benefits program (as defined i section 431(d)(2)).

(b) EXCEPTION FOR EMERGENCY ASSIST ANCE.—Subsection (a) shall not apply to th provision of non-cash, in-kind emergency as sistance (including emergency medical serv ices).

(c) TREATMENT OF HOUSING-RELATED AS SISTANCE.—Subsection (a) shall not apply t any program for housing or community de velopment assistance administered by th Secretary of Housing and Urban Develop ment, any program under title V of th Housing Act of 1949, or any assistance unde section 306C of the Consolidated Farm an Rural Development Act, except that in th case of financial assistance (as defined i section 214(b) of the Housing and Communit Development Act of 1980), the provisions o section 214 of such Act shall apply instead o subsection (a).

SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is lawfully present in the United States as a nonimmigrant shall not be eligible for any Federal means-tested public benefits program.

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) CURRENT LEGAL RESIDENT EXCEPTION.—Subsection (a) shall not apply to the eligibility of an alien for a program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully residing in any State or any territory or possession of the United States and is eligible for the program.

(4) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not

apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

(d) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this subtitle, to be lawfully present in the United States as a nonimmigrant.

SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5 SPECIFIED FEDERAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is lawfully present in the United States (other than as a nonimmigrant to which section 402(a) or 402(c) applies) shall not be eligible for any of the following Federal means-tested public benefits programs:

(1) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(2) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(3) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(4) MEDICAID.—The program of medical assistance under title XIX of the Social Security Act.

(5) FOOD STAMPS.—The program under the Food Stamp Act of 1977.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—Subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—Subsection (a) shall not apply to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION FOR CURRENT BENEFICIARIES.—Subsection (a) shall not apply to the eligibility of an alien for a program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully residing in any State or any territory or possession of the United States and is eligible for the program.

SEC. 404. NOTIFICATION.

Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subtitle.

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is not lawfully present in the United States (as determined in accordance with regulations of the Attorney General) shall be eligible for any State means-tested public benefits program (as defined in section 431(d)(3)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is lawfully present in the United States as a nonimmigrant shall be eligible for any State means-tested public benefits program (as defined in section 431(d)(3)).

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—The limitations under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this subtitle, to be lawfully present in the United States as a nonimmigrant.

SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IMMIGRANTS FOR STATE AND LOCAL MEANS-TESTED PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, a State is authorized to determine eligibility requirements for aliens who are lawfully present in the United States (other than as a nonimmigrant to which section 412(a) or 412(c) applies) for any State means-tested public benefits program.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—The authority under subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—The authority under subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—The authority under subsection (a) shall not apply to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—The authority under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION.—The authority under subsection (a) shall not apply to eligibility of an alien for a State means-tested public benefits program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully present in the United States and is eligible for benefits under the program. Nothing in the previous sentence is intended to address alien eligibility for such a program before the date of the enactment of this Act.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO FAMILY-SPONSORED IMMIGRANTS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (c), in determining the eligibility and the amount of benefits of an alien for any means-tested public benefits program (as defined in section 431(d)) the income and resources of the alien shall be deemed to include—

(1) the income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 422) in behalf of such alien, and

(2) the income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act.

(c) EXCEPTION FOR HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the

Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act.

SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(1) which is legally enforceable against the sponsor by the Federal Government and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit; and

"(2) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

Such contract shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to grant third party beneficiary rights to any sponsored alien under an affidavit of support.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1) The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1).

"(2) Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the sponsored alien has received any benefit under any means-tested public benefits program, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over; and

"(C) is domiciled in any State.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this section, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) LAWFUL PRESENCE.—For purposes of this title, the determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An individual shall not be considered to be lawfully present in the United States for purposes of this title merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

(c) STATE.—As used in this title, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

(d) PUBLIC BENEFITS PROGRAMS.—As used in this title—

(1) MEANS-TESTED PROGRAM.—The term "means-tested public benefits program" means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) FEDERAL MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term "Federal means-tested public benefits program" means a means-tested public benefits program of (or contributed to by) the Federal Government and under which the Federal Government specified standards for eligibility and cludes the programs specified in sec 403(a).

(3) STATE MEANS-TESTED PUBLIC BENE PROGRAM.—The term "State means-te public benefits program" means a me tested public benefits program of a Stat political subdivision of a State under w the State or political subdivision spec the standards for eligibility, and does no clude any Federal means-tested public b fits program.

SEC. 432. CONSTRUCTION.

Nothing in this title shall be construe addressing alien eligibility for governme programs that are not means-tested pu benefits programs.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELAT TO ASSISTED HOUSING.

Section 214 of the Housing and Commu Development Act of 1980 (42 U.S.C. 1436a amended—

(1) by striking "Secretary of Housing Urban Development" each place it app and inserting "applicable Secretary";

(2) in subsection (b), by inserting a "National Housing Act," the following: ' direct loan program under section 502 of Housing Act of 1949 or section 502(c)(5) 504, 521(a)(2)(A), or 542 of such Act, subtitl of title III of the Cranston-Gonzalez Natio Affordable Housing Act,";

(3) in paragraphs (2) through (6) of s section (d), by striking "Secretary" e place it appears and inserting "applica Secretary";

(4) in subsection (d), in the matter foll ing paragraph (6), by striking "the te 'Secretary'" and inserting "the term 'ap cable Secretary'"; and

(5) by adding at the end the following n subsection:

"(h) For purposes of this section, the te 'applicable Secretary' means—

"(1) the Secretary of Housing and Urb Development, with respect to financial sistance administered by such Secretary financial assistance under subtitle A of ti III of the Cranston-Gonzalez National Affo able Housing Act; and

"(2) the Secretary of Agriculture, with spect to financial assistance administered such Secretary.".

TITLE V—FOOD STAMP REFORM AND COMMODITY DISTRIBUTION

SEC. 501. SHORT TITLE.

This title may be cited as the "Fo Stamp Reform and Commodity Distributi Act".

Subtitle A—Commodity Distribution Provisions

SEC. 511. SHORT TITLE.

This subtitle may be cited as the "Co modity Distribution Act of 1995".

SEC. 512. AVAILABILITY OF COMMODITIES.

(a) Notwithstanding any other provision law, the Secretary of Agriculture (herei after in this subtitle referred to as the "Se retary") is authorized during fiscal yea 1996 through 2000 to purchase a variety of n tritious and useful commodities and distri ute such commodities to the States for di tribution in accordance with this subtitle.

(b) In addition to the commodities d scribed in subsection (a), the Secretary m expend funds made available to carry o section 32 of the Act of August 24, 1935 U.S.C. 612c), which are not expended or nee ed to carry out such sections, to purchas process, and distribute commodities of t types customarily purchased under such se tion to the States for distribution in accor ance with this subtitle.

(c) In addition to the commodities described in subsections (a) and (b), agricultural commodities and the products thereof made available under clause (2) of the second sentence of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), may be made available by the Secretary to the States for distribution in accordance with this subtitle.

(d) In addition to the commodities described in subsections (a), (b), and (c), commodities acquired by the Commodity Credit Corporation that the Secretary determines, in the discretion of the Secretary, are in excess of quantities need to—

(1) carry out other domestic donation programs;

(2) meet other domestic obligations;

(3) meet international market development and food aid commitments; and

(4) carry out the farm price and income stabilization purposes of the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act;

shall be made available by the Secretary, without charge or credit for such commodities, to the States for distribution in accordance with this subtitle.

(e) During each fiscal year, the types, varieties, and amounts of commodities to be purchased under this subtitle shall be determined by the Secretary. In purchasing such commodities, except those commodities purchased pursuant to section 520, the Secretary shall, to the extent practicable and appropriate, make purchases based on—

(1) agricultural market conditions;

(2) the preferences and needs of States and distributing agencies; and

(3) the preferences of the recipients.

SEC. 513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION OF COMMODITIES.

(a) The Secretary shall establish procedures under which State and local agencies, recipient agencies, or any other entity or person may supplement the commodities distributed under this subtitle for use by recipient agencies with nutritious and wholesome commodities that such entities or persons donate for distribution, in all or part of the State, in addition to the commodities otherwise made available under this subtitle.

(b) States and eligible recipient agencies may use—

(1) the funds appropriated for administrative cost under section 519(b);

(2) equipment, structures, vehicles, and all other facilities involved in the storage, handling, or distribution of commodities made available under this subtitle; and

(3) the personnel, both paid or volunteer, involved in such storage, handling, or distribution;

to store, handle or distribute commodities donated for use under subsection (a).

(c) States and recipient agencies shall continue, to the maximum extent practical, to use volunteer workers, and commodities and other foodstuffs donated by charitable and other organizations, in the distribution of commodities under this subtitle.

SEC. 514. STATE PLAN.

(a) A State seeking to receive commodities under this subtitle shall submit a plan of operation and administration every four years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

(b) The State plan, at a minimum, shall—

(1) designate the State agency responsible for distributing the commodities received under this subtitle;

(2) set forth a plan of operation and administration to expeditiously distribute commodities under this subtitle in quantities requested to eligible recipient agencies in accordance with sections 516 and 520;

(3) set forth the standards of eligibility for recipient agencies; and

(4) set forth the standards of eligibility for individual or household recipients of commodities, which at minimum shall require—

(A) individuals or households to be comprised of needy persons; and

(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of application for assistance.

(c) The Secretary shall encourage each State receiving commodities under this subtitle to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this subtitle in the State.

(d) A State agency receiving commodities under this subtitle may—

(1)(A) enter into cooperative agreements with State agencies of other States to jointly provide commodities received under this subtitle to eligible recipient agencies that serve needy persons in a single geographical area which includes such States; or

(B) transfer commodities received under this subtitle to any such eligible recipient agency in the other State under such agreement; and

(2) advise the Secretary of an agreement entered into under this subsection and the transfer of commodities made pursuant to such agreement.

SEC. 515. ALLOCATION OF COMMODITIES TO STATES.

(a) In each fiscal year, except for those commodities purchased under section 520, the Secretary shall allocate the commodities distributed under this subtitle as follows:

(1) 60 percent of the such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 60 percent of such total value as the number of persons in households within the State having incomes below the poverty line bears to the total number of persons in households within all States having incomes below such poverty line. Each State shall receive the value of commodities allocated under this paragraph.

(2) 40 percent of such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 40 percent of such total value as the average monthly number of unemployed persons within the State bears to the average monthly number of unemployed persons within all States during the same fiscal year. Each State shall receive the value of commodities allocated to the State under this paragraph.

(b)(1) The Secretary shall notify each State of the amount of commodities that such State is allotted to receive under subsection (a) or this subsection, if applicable. Each State shall promptly notify the Secretary if such State determines that it will not accept any or all of the commodities made available under such allocation. On such a notification by a State, the Secretary shall reallocate and distribute such commodities as the Secretary deems appropriate and equitable. The Secretary shall further establish procedures to permit States to decline to receive portions of such allocation during each fiscal year as the State determines is appropriate and the Secretary shall reallocate and distribute such allocation as the Secretary deems appropriate and equitable.

(2) In the event of any drought, flood, hurricane, or other natural disaster affecting substantial numbers of persons in a State, county, or parish, the Secretary may request that States unaffected by such a disaster consider assisting affected States by allowing the Secretary to reallocate commodities from such unaffected State to States containing areas adversely affected by the disaster.

(c) Purchases of commodities under this subtitle shall be made by the Secretary at such times and under such conditions as the Secretary determines appropriate within each fiscal year. All commodities so purchased for each such fiscal year shall be delivered at reasonable intervals to States based on the allocations and reallocations made under subsections (a) and (b), and or carry out section 520, not later than December 31 of the following fiscal year.

SEC. 516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF COMMODITIES.

(a) In distributing the commodities allocated under subsections (a) and (b) of section 515, the State agency, under procedures determined by the State agency, shall offer, or otherwise make available, its full allocation of commodities for distribution to emergency feeding organizations.

(b) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 515 through distribution to organizations referred to in subsection (a), its remaining allocation of commodities shall be distributed to charitable institutions described in section 523(3) not receiving commodities under subsection (a).

(c) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 515 through distribution to organizations referred to in subsections (a) and (b), its remaining allocation of commodities shall be distributed to any eligible recipient agency not receiving commodities under subsections (a) and (b).

SEC. 517. INITIAL PROCESSING COSTS.

The Secretary may use funds of the Commodity Credit Corporation to pay the costs of initial processing and packaging of commodities to be distributed under this subtitle into forms and in quantities suitable, as determined by the Secretary, for use by the individual households or eligible recipient agencies, as applicable. The Secretary may pay such costs in the form of Corporation-owned commodities equal in value to such costs. The Secretary shall ensure that any such payments in kind will not displace commercial sales of such commodities.

SEC. 518. ASSURANCES; ANTICIPATED USE.

(a) The Secretary shall take such precautions as the Secretary deems necessary to ensure that commodities made available under this subtitle will not displace commercial sales of such commodities or the products thereof. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by December 31, 1997, and not less than every two years thereafter, a report as to whether and to what extent such displacements or substitutions are occurring.

(b) The Secretary shall determine that commodities provided under this subtitle shall be purchased and distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under this subtitle in excess of anticipated use, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

(a) PURCHASE OF COMMODITIES.—To carry out this subtitle, there are authorized to be appropriated $260,000,000 for each of the fiscal years 1996 through 2000 to purchase, process, and distribute commodities to the States in accordance with this subtitle.

(b) ADMINISTRATIVE FUNDS.—

(1) There are authorized to be appropriated $40,000,000 for each of the fiscal years 1996 through 2000 for the Secretary to make available to the States for State and local payments for costs associated with the distribution of commodities by eligible recipient agencies under this subtitle, excluding costs associated with the distribution of those commodities distributed under section 520. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis dividing such funds among the States in the same proportions as the commodities distributed under this subtitle for such fiscal year are allocated among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States in a manner the Secretary deems appropriate and equitable.

(2)(A) A State shall make available in each fiscal year to eligible recipient agencies in the State not less than 40 percent of the funds received by the State under paragraph (1) for such fiscal year, as necessary to pay for, or provide advance payments to cover, the allowable expenses of eligible recipient agencies for distributing commodities to needy persons, but only to the extent such expenses are actually so incurred by such recipient agencies.

(B) As used in this paragraph, the term "allowable expenses" includes—

(i) costs of transporting, storing, handling, repackaging, processing, and distributing commodities incurred after such commodities are received by eligible recipient agencies;

(ii) costs associated with determinations of eligibility, verification, and documentation;

(iii) costs of providing information to persons receiving commodities under this subtitle concerning the appropriate storage and preparation of such commodities; and

(iv) costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this subtitle.

(C) If a State makes a payment, using State funds, to cover allowable expenses of eligible recipient agencies, the amount of such payment shall be counted toward the amount a State must make available for allowable expenses of recipient agencies under this paragraph.

(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No such funds may be used by States or eligible recipient agencies for costs other than those involved in covering the expenses related to the distribution of commodities by eligible recipient agencies.

(4)(A) Except as provided in subparagraph (B), to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

(i) the amount of such funds so received; and

(ii) any part of the amount allocated to the State and paid by the State—

(I) to eligible recipient agencies; or

(II) for the allowable expenses of such recipient agencies; for use in carrying out this subtitle.

(B) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

(C) Any funds distributed for administrative costs under section 520(b) shall not be covered by this paragraph.

(5) States may not charge for commodities made available to eligible recipient agencies, and may not pass on to such recipient agencies the cost of any matching requirements, under this subtitle.

(c) The value of the commodities made available under subsections (c) and (d) of section 512, and the funds of the Commodity Credit Corporation used to pay the costs of initial processing, packaging (including forms suitable for home use), and delivering commodities to the States shall not be charged against appropriations authorized by this section.

SEC. 520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) From the funds appropriated under section 519(a), $84,500,000 shall be used for each fiscal year to purchase and distribute commodities to supplemental feeding programs serving woman, infants, and children or elderly individuals (hereinafter in this section referred to as the "commodity supplemental food program"), or serving both groups wherever located.

(b) Not more than 20 percent of the funds made available under subsection (a) shall be made available to the States for State and local payments of administrative costs associated with the distribution of commodities by eligible recipient agencies under this section. Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

(c)(1) During each fiscal year the commodity supplemental food program is in operation, the types, varieties, and amounts of commodities to be purchased under this section shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or amounts from those that were available or were planned at the beginning of the fiscal year the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1996 through 2000 to the Secretary. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

(d) The Secretary shall, in each fiscal year, approve applications of additional sites for the program, including sites that serve only elderly persons, in areas in which the program currently does not operate, to the full extent that applications can be approved within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (e)) in areas in which the program is in effect.

(e) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency with the approval of the Secretary, may permit low-income elderly persons (as defined by the Secretary) to participate in and be served by such program.

(f)(1) If it is necessary for the Secretary to pay a significantly higher than expected price for one or more types of commodities purchased under this section, the Secretary shall promptly determine whether the price is likely to cause the number of persons that can be served in the program in a fiscal year to decline.

(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.

(g) Commodities distributed to States pursuant to this section shall not be considered in determining the commodity allocation to each State under section 515 or priority of distribution under section 516.

SEC. 521. COMMODITIES NOT INCOME.

Notwithstanding any other provision of law, commodities distributed under this subtitle shall not be considered income or resources for purposes of determining recipient eligibility under any Federal, State, or local means-tested program.

SEC. 522. PROHIBITION AGAINST CERTAIN STATE CHARGES.

Whenever a commodity is made available without charge or credit under this subtitle by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge recipient agencies any amount that is in excess of the State's direct costs of storing, and transporting to recipient agencies the commodities minus any amount the Secretary provides the State for the costs of storing and transporting such commodities.

SEC. 523. DEFINITIONS.

As used in this subtitle:

(1) The term "average monthly number of unemployed persons" means the average monthly number of unemployed persons within a State in the most recent fiscal year for which such information is available as determined by the Bureau of Labor Statistics of the Department of Labor.

(2) The term "elderly persons" means individuals 60 years of age or older.

(3) The term "eligible recipient agency" means a public or nonprofit organization that administers—

(A) an institution providing commodities to supplemental feeding programs serving women, infants, and children or serving elderly persons, or serving both groups;

(B) an emergency feeding organization;

(C) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that such institution serves needy persons;

(D) a summer camp for children, or a child nutrition program providing food service;

(E) a nutrition project operating under the Older Americans Act of 1965, including such project that operates a congregate nutrition site and a project that provides home-delivered meals; or

(F) a disaster relief program and that has been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under this subtitle.

(4) The term "emergency feeding organization" means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food

pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

(5) The term "food bank" means a public and charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products thereof, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

(6) The term "food pantry" means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

(7) The term "needy persons" means—

(A) individuals who have low incomes or who are unemployed, as determined by the State (in no event shall the income of such individual or household exceed 185% of the poverty line);

(B) households certified as eligible to participate in the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(C) individuals or households participating in any other Federal, or Federally assisted, means-tested program.

(8) The term "poverty line" has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(9) The term "soup kitchen" means a public and charitable institution that, as integral part of its normal activities, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

SEC. 524. REGULATIONS.

(a) The Secretary shall issue regulations within 120 days to implement this subtitle.

(b) In administering this subtitle, the Secretary shall minimize, to the maximum extent practicable, the regulatory, recordkeeping, and paperwork requirements imposed on eligible recipient agencies.

(c) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register a nonbinding estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this subtitle during the fiscal year.

(d) The regulations issued by the Secretary under this section shall include provisions that set standards with respect to liability for commodity losses for the commodities distributed under this subtitle in situations in which there is no evidence of negligence or fraud, and conditions for payment to cover such losses. Such provisions shall take into consideration the special needs and circumstances of eligible recipient agencies.

SEC. 525. FINALITY OF DETERMINATIONS.

Determinations made by the Secretary under this subtitle and the facts constituting the basis for any donation of commodities under this subtitle, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

SEC. 526. SALE OF COMMODITIES PROHIBITED.

Except as otherwise provided in section 517, none of the commodities distributed under this subtitle shall be sold or otherwise disposed of in commercial channels in any form.

SEC. 527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.

(a) The Secretary, or a designee of the Secretary, shall have the authority to—

(1) determine the amount of, settle, and adjust any claim arising under this subtitle; and

(2) waive such a claim if the Secretary determines that to do so will serve the purposes of this subtitle.

(b) Nothing contained in this section shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

SEC. 528. REPEALERS; AMENDMENTS.

(a) The Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

(b) AMENDMENTS.—

(1) The Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by striking section 110;

(C) by striking subtitle C; and

(B) by striking section 502.

(2) The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking section 4.

(3) The Charitable Assistance and Food Bank Act of 1987 (7 U.S.C. 612c note) is amended by striking section 3.

(4) The Food Security Act of 1985 (7 U.S.C. 612c note) is amended—

(A) by striking section 1571; and

(B) in section 1562(d), by striking "section 4 of the Agricultural and Consumer Protection Act of 1973" and inserting "section 110 of the Commodity Distribution Act of 1995".

(5) The Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(A) in section 4(a), by striking "institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants and children or elderly persons, or both, wherever located, disaster areas, summer camps for children" and inserting "disaster areas";

(B) in subsection 4(c), by striking "the Emergency Food Assistance Act of 1983" and inserting "the Commodity Distribution Act of 1995"; and

(C) by striking section 5.

(6) The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 612c note) is amended by striking section 1773(f).

Subtitle B—Simplification and Reform of Food Stamp Program

SEC. 531. SHORT TITLE.

This subtitle may be cited as the "Food Stamp Simplification and Reform Act of 1995".

CHAPTER 1—SIMPLIFIED FOOD STAMP PROGRAM AND STATE ASSISTANCE FOR NEEDY FAMILIES

SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP PROGRAM.

Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) At the request of the State agency, a State may operate a program, as provided in section 24, within the State or any political subdivisions within the State in which households with one or more members receiving regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant will be issued food stamp benefits in accordance with the rules and procedures established—

"(A) by the State under the Temporary Assistance for Needy Families Block Grant or this Act; or

"(B) under the food stamp program.".

SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.

(a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding the following new section:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) If a State elects to operate a program under section 4(a)(2) within the State or any political subdivision within the State—

"(1) households in which all members receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant shall be automatically eligible to participate in the food stamp program;

"(2) benefits under such program shall be determined under the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, subject to subsection (g).

"(b) In approving a State plan to carry out a program under section 4(a)(2), the Secretary shall certify that the average level of food stamp benefits per household participating in the program under such section for the State or political subdivision in which such program is in operation is not expected to exceed the average level of food stamp benefits per household that received benefits under the program established by a State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in such area in the preceding fiscal year, adjusted for any changes in the thrifty food plan under section 3(o). The Secretary shall compute the permissible average level of food stamp benefits per household each year for each State or political subdivision in which such program is in operation and may require a State to report any information necessary to make such computation.

"(c) When the Secretary determines that the average level of food stamp benefits per household provided by the State or political subdivision under such program has exceeded the permissible average level of food stamp benefits per household for the State or political subdivision in which the program was in operation, the State or political subdivision shall pay to the Treasury of the United States the value of the food stamp benefits in excess of the permissible average level of food stamp benefits per household in the State or political subdivision within 90 days after the notification of such excess payments.

"(d)(1) A household against which a penalty is imposed (including a reduction in benefits or disqualification) for noncompliance with the program established by the State under the Temporary Assistance for Needy Families Block Grant may have the same penalty imposed against it (including a reduction in benefits or disqualification) in the program administered under this section.

"(2) If the penalty for noncompliance with the program established by the State under the Temporary Assistance for Needy Families block grant is a reduction in benefits in such program, the household shall not receive an increased allotment under the program administered under this section as a result of a decrease in the household's income (as determined by the State under this section) caused by such penalty.

"(3) Any household disqualified from the program administered under this subsection may, after such disqualification period has expired, apply for food stamp benefits under this Act and shall be treated as a new applicant.

"(e) If a State or political subdivision, at its option, operates a program under section

4(a)(2) for households that include any member who does not receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant, the Secretary shall ensure that the State plan provides that household eligibility shall be determined under this Act, benefits may be determined under the rules and procedures established by the State under the Temporary Assistance for Needy Families Block Grant or this Act, and benefits provided under this section shall be equitably distributed among all household members.

"(f)(1) Under the program operated under section 4(a)(2), the State may elect to provide cash assistance in lieu of allotments to all households that include a member who is employed and whose employment produces for the benefit of the member's household income that satisfies the requirements of paragraph (2).

"(2) The State, in electing to provide cash assistance under paragraph (1), at a minimum shall require that such earned income is—

"(A) not less that $350 per month;

"(B) earned from employment provided by a nongovernmental employer, as determined by the State; and

"(C) received from the same employer for a period of employment of not less than 3 consecutive months.

"(3) If a State that makes the election described in paragraph (1) identifies each household that receives cash assistance under this subsection—

"(A) the Secretary shall pay to the State an amount equal to the value of the allotment that such household would be eligible to receive under this section but for the operation of this subsection;

"(B) the State shall provide such amount to the household as cash assistance in lieu of such allotment; and

"(C) for purposes of the food stamp program (other than this section and section 4(a)(2))—

"(i) such cash assistance shall be considered to be an allotment; and

"(ii) such household shall not receive any other food stamp benefit for the period for which such cash assistance is provided.

"(4) A State that makes the election in paragraph (1) shall—

"(A) increase the cash benefits provided to households under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by any household receiving cash benefits under this subsection, unless the Secretary determines or the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(B) pay the cost of any increase in cash benefits required by paragraph (1).

"(5) After a State operates a program under this subsection for 2 years, the State shall provide to the Secretary a written evaluation of the impact of cash assistance.

"(g) In operating a program under section 4(a)(2), the State or political subdivision may follow the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, except that the State or political subdivision shall comply with the requirements of—

"(1) subsections (a) through (g) of section 7 (relating to the issuance and use of coupons);

"(2) section 8(a) (relating to the value of allotments, except that a household's income may be determined under the program established by the State under the Temporary Assistance for Needy Families Block Grant);

"(3) section 8(b) (allotment not considered income or resources);

"(4) subsections (a), (c), (d), and (n) of section 11 (relating to administration);

"(5) paragraphs (8), (12), (17), (19), (21), (26), and (27) of section 11(e) (relating to the State plan);

"(6) section 11(e)(10) (relating to a fair hearing) or a comparable requirement established by the State under the Temporary Assistance for Needy Families Block Grant; and

"(7) section 16 (relating to administrative cost-sharing and quality control).".

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(26) the plans of the State agency for operating, at the election of the State, a program under section 4(a)(2), including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits;

"(B) a statement specifying whether the program operated by the State under section 4(a)(2) will include households that include members who do not receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant; and

"(C) a description of the method by which the State or political subdivision will carry out a quality control system under section 16(c).".

SEC. 543. CONFORMING AMENDMENTS.

(a) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (e).

(b) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) by striking subsection (i); and

(2) by redesignating subsections (j), (k), and (l) as subsections (i), (j), and (k), respectively.

CHAPTER 2—FOOD STAMP PROGRAM

SEC. 551. THRIFTY FOOD PLAN.

Section (3)(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking "(4) through January 1, 1980, adjust the cost of such diet every January 1 and July 1" and all that follows through the end of the subsection, and inserting the following: "(4) on October 1, 1995, adjust the cost of the thrifty food plan to reflect 103 percent of the cost of the thrifty food plan in June 1994 and increase such amount by 2 percent, rounding the result to the nearest lower dollar increment for each household size, and (5) on October 1, 1996, and each October 1 thereafter, increase the amount established for the preceding October 1, before such amount was rounded, by 2 percent, rounding the result to the nearest lower dollar increment for each household size.".

SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.

(a) Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A)"; and

(2) by striking "or (B) under any State or local laws," and all that follows through "or impracticable to do so.".

(b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended to read as follows:

"(e)(1) DEDUCTIONS FOR STANDARD AND EARNED INCOME.—

"(A) In computing household income, the Secretary shall allow a standard deduction of $134 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $189, $269, and $118, respectively.

"(B) All households with earned inc shall also be allowed an additional dedu of 20 percent of all earned income (c than that excluded by subsection (d) of section and that earned under section 1 to compensate for taxes, other manda deductions from salary, and work expe except that such additional deduction not be allowed with respect to earned inc that a household willfully or fraudule fails (as proven in a proceeding provide in section 6(b)) to report in a timely mar

"(2) DEPENDENT CARE DEDUCTION.— Secretary shall allow households, a de tion with respect to expenses other thar penses paid on behalf of the household third party or amounts made available excluded for the expenses under subsec (d)(3), the maximum allowable level of w shall be $200 a month for each depen child under 2 years of age and $175 a m for each other dependent, for the actual of payments necessary for the care of a pendent when such care enables a house member to accept or continue employm or training or education which is paratory for employment.

"(3) EXCESS SHELTER EXPENSE DE TION.—

"(A) The Secretary shall allow househo other than those households containing elderly or disabled member, with respec expenses other than expenses paid on be of the household by a third party, an ex shelter expense deduction to the extent t the monthly amount expended by a ho hold for shelter exceeds an amount equa 50 percent of monthly household inc after all other applicable deductions h been allowed.

"(B) Such excess shelter expense deduct shall not exceed $231 a month in the 48 c tiguous States and the District of Colum and shall not exceed, in Alaska, Haw Guam, and the Virgin Islands of the Uni States, $402, $330, $280, and $171 a month, spectively.

"(C)(i) Notwithstanding section 2605(f) the Low-Income Home Energy Assista Act of 1981 (42 U.S.C. 8624(f)), a househ may not claim as a shelter expense any p ment received, or costs paid on its beh under the Low-Income Home Energy Ass ance Act of 1981 (42 U.S.C. 8621 et seq.).

"(ii) Notwithstanding section 2605(f)) of Low-Income Home Energy Assistance Act 1981 (42 U.S.C. 8624(f)), a State agency m use a standard utility allowance as provi under subparagraph (D) for heating and co ing expenses only if the household inc out-of-pocket heating or cooling expenses excess of any payment received or costs pa on its behalf, under the Low-Income Ho Energy Assistance Act of 1981 (42 U.S.C. 8 et seq.).

"(iii) For purposes of the food stamp p gram, assistance provided under the Low- come Home Energy Assistance Act of 19 shall be considered to be prorated over t entire heating or cooling season for which was provided.

"(iv) At the end of any certification peri and up to one additional time during ea twelve-month period, a State agency sh allow a household to switch between a standard utility allowance and a deducti based on its actual utility costs.

"(D)(i) In computing the excess shelter e pense deduction, a State agency may use standard utility allowance in accordan with regulations promulgated by the Se retary, except that a State agency may u an allowance which does not fluctuate wit in a year to reflect seasonal variations.

"(ii) An allowance for a heating or cooli expense may not be used for a househo

that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs.

"(iii) No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(4) HOMELESS SHELTER DEDUCTION.—(A) A State shall develop a standard homeless shelter deduction, which shall not exceed $139 a month, for the expenses that may reasonably be expected to be incurred by households in which all members are homeless but are not receiving free shelter throughout the month. Subject to subparagraph (B), the State shall use such deduction in determining eligibility and allotments for such households.

"(B) The Secretary may prohibit the use of the standard homeless shelter deduction for households with extremely low shelter costs.

"(5) ELDERLY AND DISABLED HOUSEHOLDS.—

"(A) The Secretary shall allow households containing an elderly or disabled member, with respect to expenses other than expenses paid on behalf of the household by a third party—

"(i) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by elderly or disabled members, exclusive of special diets, that exceed $35 a month; and

"(ii) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) State agencies shall offer eligible households a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction provided for in subparagraph (A), in lieu of submitting information or verification on actual expenses on a monthly basis. The method described in the preceding sentence shall be designed to minimize the administrative burden for eligible elderly and disabled household members choosing to deduct their recurrent medical expenses pursuant to such method, shall rely on reasonable estimates of the member's expected medical expenses for the certification period (including changes that can be reasonably anticipated based on available information about the member's medical condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the member), and shall not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(6) CHILD SUPPORT DEDUCTION.—Before determining the excess shelter expense deduction, the Secretary shall allow all households a deduction for child support payments made by a household member to or for an individual who is not a member of the household if such household member was legally obligated to make such payments, except that the Secretary is authorized to prescribe by regulation the methods, including calculation on a retrospective basis, that State agencies shall use to determine the amount of the deduction for child support payments.".

(c) Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by striking "Under the rules prescribed by the Secretary, a State agency shall develop standard estimates" and all that follows through the end of the paragraph.

SEC. 553. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking "a level set by the Secretary, which shall be $4,500 through August 31, 1994," and all that follows through the end of the paragraph, and inserting "$4,550.".

SEC. 554. WORK REQUIREMENTS.

(a) Section 6(d) of the Food Stamp Act of 1977 (42 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)(A)(ii), by striking "an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4)" and inserting "a State job search program";

(2) in paragraph (2)(A)—

(A) by striking "title IV of the Social Security Act (42 U.S.C. 602)" and inserting "the program established by the State under the Temporary Assistance for Needy Families Block Grant"; and

(B) by striking "that is comparable to a requirement of paragraph (1)"; and

(3) by amending paragraph (4) to read as follows:

"(4)(A) Except as provided in subparagraphs (B), (C), and (D), an individual shall not be denied initial eligibility but shall be disqualified from the food stamp program if after 90 days from the certification of eligibility of such individual the individual was not employed a minimum of 20 hours per week, or does not participate in a program established under section 20 or a comparable program established by the State or local government.

"(B) Subparagraph (A) shall not apply in the case of an individual who—

"(i) is under eighteen or over fifty years of age;

"(ii) is certified by a physician as physically or mentally unfit for employment;

"(iii) is a parent or other member of a household with responsibility for the care of a dependent;

"(iv) is participating a minimum of 20 hours per week and is in compliance with the requirements of—

"(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(III) a program of employment or training operated or supervised by an agency of State or local government which meets standards deemed appropriate by the Governor; or

"(v) would otherwise be exempt under subsection (d)(2).

"(C) Upon request of the State, the Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of the State if the Secretary makes a determination that such area—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis on which the Secretary made such a decision.

"(D) An individual who has been disqualified from the food stamp program under subparagraph (A) may reestablish eligibility for assistance if such person becomes exempt under subparagraph (B) or by—

"(i) becoming employed for a minimum of 20 hours per week during any consecutive thirty-day period; or

"(ii) participating in a program established under section 20 or a comparable program established by the State or local government.".

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by section 543(b), is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (k) as subsections (d) through (j), respectively.

(d) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended to read as follows:

"SEC. 20. (a)(1) The Secretary shall permit a State that applies and submits a plan in compliance with guidelines promulgated by the Secretary to operate a program within the State or any political subdivision within the State, under which persons who are required to work under section 6(d)(4) may accept an offer from the State or political subdivision to perform work on its behalf, or on behalf of a private nonprofit entity designated by the State or political subdivision, in order to continue to qualify for benefits after they have initially been judged eligible.

"(2) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a State or political subdivision to design and operate a program that is compatible and consistent with similar programs operated by the State or political subdivision.

"(b) To be approved by the Secretary, a program shall provide that participants work, in return for compensation consisting of the allotment to which the household is entitled under section 8(a), with each hour of such work entitling that household to a portion of its allotment equal in value to 100 percent of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

"(c) No State or political subdivision that receives funds provided under this section shall replace any employed worker with an individual who is participating in a program under this section for the purposes of complying with section 6(d)(4). Such an individual may be placed in any position offered by the State or political subdivision that—

"(1) is a new position;

"(2) is a position that became available in the normal course of conducting the business of the State or political subdivision;

"(3) involves performing work that would otherwise be performed on an overtime basis by a worker who is not an individual participating in such program; or

"(4) that is a position which became available by shifting a current employee to an alternate position.

"(d) The Secretary shall allocate among the States or political subdivisions in each fiscal year, from funds appropriated for the fiscal year under section 18(a)(1), the amount of $75,000,000 to assist in carrying out the program under this section during the fiscal year.

"(e)(1) In making the allocation required under subsection (d), the Secretary shall allocate to each State operating a program under this section that percentage of the total funds allocated under subsection (d) which equals the estimate of the Secretary of the percentage of participants who are required to work under section 6(d)(4) that reside in such State.

"(2) The State shall promptly notify the Secretary if such State determines that it will not expend the funds allocated it under

paragraph (1) and the Secretary shall reallocate such funds as the Secretary deems appropriate and equitable.

"(f) Notwithstanding subsection (d), the Secretary shall ensure that each State operating a program under this section is allocated at least $50,000 by reducing, to the extent necessary, the funds allocated to those States allocated more than $50,000.

"(g) If, in carrying out such program during such fiscal year, a State or political subdivision incurs costs that exceed the amount allocated to the State agency under subsection (d)—

"(1) the Secretary shall pay such State agency an amount equal to 50 percent of such additional costs, subject to the first limitation in paragraph (2); and

"(2) the Secretary shall also reimburse each State agency in an amount equal to 50 percent of the total amount of payments made or costs incurred by the State or political subdivision in connection with transportation costs and other expenses reasonably necessary and directly related to participation in a program under this section, except that such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs and such reimbursement shall not be made out of funds allocated under subsection (d).

"(h) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a State or political subdivision to operate a program, upon a finding that the State or political subdivision has failed to comply with the requirements of this section.".

(e) Section 7(i)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(i)(6)) is amended by striking "section 17(f)" and inserting "17(e)".

SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED INDIVIDUALS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following new subsection:

"(i) An individual who is a member of a household who would otherwise be eligible to participate in the food stamp program under this section and who has been disqualified for noncompliance with program requirements from the program established by the State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not be eligible to participate in the food stamp program during the period such disqualification is in effect.".

SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) State agencies are encouraged to implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) or section 24 are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

"(B) Subject to paragraph (2), a State is authorized to procure and implement an on-line electronic benefit transfer system under the terms, conditions, and design that the State deems appropriate.

"(C) Upon request of a State, the Secretary may waive any provision of this Act prohibiting the effective implementation of an electronic benefit transfer system under this subsection.";

(2) in paragraph (2), by striking "the approval of"; and

(3) in paragraph (3), by striking "the Secretary shall not approve such a system unless—" and inserting "such system shall provide that—".

(b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 542(a), is amended by adding at the end the following new section:

"SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

"(a) Upon fully implementing an electronic benefit transfer system which operates in the entire State, a State may, subject to the provisions of this section, elect to receive a grant for any fiscal year to operate a low-income nutrition assistance program in such fiscal year in lieu of the food stamp program.

"(b)(1) A State that meets the requirements of this section and elects to operate such program, shall receive each fiscal year under this section the sum of—

"(A)(i) the total dollar value of all benefits issued under the food stamp program by the State during fiscal year 1994; or

"(ii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during fiscal years 1992 through 1994; and

"(B)(i) the total amount received by the State for administrative costs under section 16(a) for fiscal year 1994; or

"(ii) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) for fiscal years 1992 through 1994.

"(2) Upon approval by the Secretary of the plan submitted by a State under subsection (c), the Secretary shall pay to the State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1).

"(c) To be eligible to operate a low-income nutrition assistance program under this section, a State shall submit for approval each fiscal year a plan of operation specifying the manner in which such a program will be conducted by the State. Such plan shall—

"(1) certify that the State has implemented a state-wide electronic benefit transfer system in accordance with section 7(i);

"(2) designate a single State agency responsible for the administration of the low-income nutrition assistance program under this section;

"(3) assess the food and nutrition needs of needy persons residing in the State;

"(4) limit the assistance to be provided under this section to the purchase of food;

"(5) describe the persons to whom such assistance will be provided;

"(6) assure the Secretary that assistance will be provided to the most needy persons in the State and that applicants for assistance shall have adequate notice and fair hearings comparable to those required under section 11;

"(7) provide that, in the operation of the low-income nutrition assistance program, there shall be no discrimination on the basis of race, sex, religion, national origin, or political beliefs; and

"(8) include other information as may be required by the Secretary.

"(d) Payments made under this section to the State may be expended only in the fiscal year for which such payments are distributed, except that the State may reserve up to 5 percent of the grant received for a fiscal year to provide assistance under this section in the subsequent fiscal year: *Provided*, That such reserved funds may not total more than 20 percent of the total grant received under this section for a fiscal year.

"(e) The State agency shall keep records concerning the operation of the program carried out under this section and shall make such records available to the Secretary and the Comptroller General of the United States.

"(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section, or th approved under subsection (c), then th retary shall take one or more of the ing actions:

"(1) Suspend all or part of such pa authorized by subsection (b)(2) to be available to such State, until the Sec determines the State to be in subst compliance with such requirements.

"(2) Withhold all or part of such pay until the Secretary determines that th no longer failure to comply with su quirements, at which time the withhel ment may be paid.

"(3) Terminate the authority of the to operate the low-income nutrition a ance program.

"(g)(1) States which receive grants this section shall provide for—

"(A) a biennial audit, conducted in ac ance with the standards of the Compt General, of expenditures for the provisi nutrition assistance under this section;

"(B) not later than 120 days after th of each fiscal year in which an audit is ducted, provide the Secretary with audit.

States shall make the report of such available for public inspection.

"(2) Not later than 120 days after the e the fiscal year for which a State recei grant under this section, such State prepare an activities report comparing tual expenditures for such fiscal year fo trition assistance under this section wit expenditures for such fiscal year predict the plan submitted in accordance with section (c). Such State shall make the tivities report available for public ins tion.

"(h) Whoever knowingly and willfully bezzles, misapplies, steals, or obtains fraud, false statement, or forgery, any fu assets, or property provided or fina under this section shall be fined not m than $10,000 or imprisoned for not more 5 years, or both.".

SEC. 557. VALUE OF MINIMUM ALLOTMENT.

Section 8(a) of the Food Stamp Act of (7 U.S.C. 2017(a)) is amended by strikin and shall be adjusted on each October 1" all that follows through the end of such section, and inserting a period.

SEC. 558. INITIAL MONTH BENEFIT DETERM TION.

Section 8(c)(2)(B) of the Food Stamp Ac 1977 (7 U.S.C. 2017(c)(2)(B)) is amended striking "of more than one month" a "following any period".

SEC. 559. IMPROVING FOOD STAMP PROGR MANAGEMENT.

(a) Section 13(a)(1) of the Food Stamp of 1977 (7 U.S.C. 2022(a)(1)) is amended—

(1) in the fifth sentence, by insert "(after a determination on any request fo waiver for good cause related to the cla has been made by the Secretary)" after " for collection"; and

(2) in the sixth sentence, by striking year" and inserting "2 years".

(b) Section 16(c) of the Food Stamp Act 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) by striking "national performan measure" and inserting "payment error t erance level"; and

(B) by striking "equal to—" and all th follows through the period at the end and i serting the following:

"equal to its payment error rate less su tolerance level times the total value of allo ments issued in such a fiscal year by su State agency. The amount of liability sha not be affected by corrective action und subparagraph (B).";

(2) in paragraph (3)(A), by striking "120 days" and inserting "60 days (or 90 days at the discretion of the Secretary)";

(3) in the last sentence of paragraph (6), by inserting "shall be used to establish a payment-error tolerance level. Such tolerance level for any fiscal year will be one percentage point added to the lowest national performance measure ever announced up to and including such fiscal year under this section. The payment-error tolerance level" after "The announced national performance measure"; and

(4) by striking paragraphs (8) and (9).

SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

(a) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by section 542(b), is amended—

(1) in paragraph (25), by striking "and";

(2) in paragraph (26), by striking the period and inserting "; and" at the end; and

(3) by adding at the end the following new paragraph:

"(27) the plans of the State agency for including eligible food stamp recipients in a work supplementation or support program under section 16(j).".

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 554(b), is amended by adding at the end the following new subsection:

"(j) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) A State may elect to use the sums equal to the food stamp benefits that would otherwise be allotted to participants under the food stamp program but for the operation of this subsection for the purposes of providing and subsidizing or supporting jobs under a work supplementation or support program established by the State.

"(2) If a State that makes the election described in paragraph (1) identifies each household that participates in the food stamp program which contains an individual who is participating in such work supplementation or support program—

"(A) the Secretary shall pay to the State an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State shall expend such amount in accordance with its work supplementation or support program in lieu of the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered as the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation program.

"(3) No person shall be excused by reason of the fact that such State has a work supplementation or support program from any work requirement under section 6(d), except during the periods in which such individual is employed under such work supplementation or support program.

"(4) For purposes of this subsection, the term "work supplementation or support program" shall mean a program in which, as determined by the Secretary, public assistance, including any benefits provided under a program established by the State and the food stamp program, is provided to an employer to be used for hiring a public assistance recipient.".

SEC. 561. OBLIGATIONS AND ALLOTMENTS.

Section 18 of the Food Stamp Act of 1977 Act (7 U.S.C. 2027) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "are authorized to be appropriated such sums as are necessary for each of the fiscal years 1991 through 1995" and inserting the following:

"is provided to be obligated, not in excess of the cost estimate made by the Congressional Budget Office for this Act, as amended by the Food Stamp Simplification and Reform Act of 1995, for the fiscal year ending September 30, 1996, with adjustments for any estimates of total obligations for additional fiscal years made by the Congressional Budget Office to reflect the provisions contained in the Food Stamp Simplification and Reform Act of 1995";

(ii) by striking "In each monthly report, the Secretary shall also state" and inserting "Also, the Secretary shall file a report every February 15, April 15, and July 15, stating"; and

(iii) by striking "supplemental appropriations" and inserting "additional obligational authority"; and

(B) in paragraph (2), by striking "authorized to be appropriated" and inserting "obligated";

(2) in subsection (b)—

(A) in the first sentence, by striking "appropriation" and inserting "total obligations limitation provided"; and

(B) in the second sentence, by striking "appropriation" and inserting "obligational amount provided in subsection (a)(1)";

(3) in subsection (c)—

(A) by inserting "or under section 24" after "under sections 5(d) and 5(e)";

(B) by inserting "or under section 24" after "under section 5(c)";

(C) by striking "and" after "or otherwise disabled"; and

(D) by inserting before the period at the end ", and (3) adequate and appropriate recommendations on how to equitably achieve such reductions"; and

(4) in subsection (f), by striking "No funds appropriated" and inserting "None of the funds obligated".

CHAPTER 3—PROGRAM INTEGRITY

SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following new sentence:

"The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system under the food stamp program shall be valid.".

SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as previously amended by this title, is amended by adding at the end the following new sentence:

"No retail food store or wholesale food concern shall be approved for participation in the food stamp program unless, wherever possible, an authorized employee of the Department of Agriculture, or an official of the State or local government designated by the Department of Agriculture, has visited such retail food store or wholesale food concern for the purpose of determining whether such retail food store or wholesale food concern should be so approved.".

SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS THAT ARE DENIED APPROVAL TO ACCEPT COUPONS.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following new sentence:

"Such retail food store or wholesale food concern shall not submit an application under subsection (a)(1) for six months from the date of receipt of the notice of denial.".

SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended—

(1) by inserting "(1)" after "(a); and

(2) by inserting the following new paragraph:

"(2) A retail food store or wholesale food concern that is disqualified from participating in the program under section 17 of the Child Nutrition Act of 1966 shall for such period of disqualification also be disqualified from participating in the food stamp program.".

SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by adding at the end the following new sentence:

"Notwithstanding any other provision of law, the permanent disqualification of a retail food store or wholesale food concern under section 12(b)(3) shall be effective from the date of receipt of the notice of disqualification.".

SEC. 576. CRIMINAL FORFEITURE.

Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended to read as follows:

"(g)(1) The court, in imposing sentence on a person convicted of an offense in violation of subsection (b) or (c), shall order, in addition to any other sentence imposed pursuant to this subsection, that the person forfeit to the United States all property described in paragraph (2).

"(2) All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), is subject to forfeiture to the United States.

"(3) No property shall be forfeited under this subsection to the extent of an interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner.

"(4) The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding that caused the sale that produced such proceeds;

"(B) to reimburse the Department of Agriculture Office of Inspector General for any costs it incurred in the law enforcement effort resulting in the forfeiture;

"(C) to reimburse any Federal or State law enforcement agencies for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores under section 9.".

SEC. 577. EXPANDED DEFINITION OF "COUPON".

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of

certificate, authorization cards, cash or checks issued in lieu of coupons, or access devices, including, but not limited to, electronic benefit transfer cards or personal identification numbers".

SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new subclause:

"(IV) a conviction of an offense under subsection (a) or (b) of section 15 involving items referred to in such subsection having a value of $500 or more.".

SEC. 580. CLAIMS COLLECTION.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code".

(b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting before the period at the end "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code".

Subtitle C—Effective Dates and Miscellaneous Provisions

SEC. 591. EFFECTIVE DATES.

(a) Except as provided in subsection (b) and (c), this title and amendments made by this title shall take effect on October 1, 1995.

(b) The amendments made by section 554 shall take effect on October 1, 1996.

(c) The amendments made by section 560 shall take effect on October 1, 1994.

SEC. 592. SENSE OF THE CONGRESS.

It is the sense of the Congress that States that operate electronic benefit systems to transfer benefits provided under the Food Stamp Act of 1977 should operate electronic benefit systems that are compatible with each other.

SEC. 593. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from subtitle B shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) of such Act (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking "(I)"; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking "(ix)" and inserting "(viii)";

(C) in clause (ix)—

(i) by striking "(viii)" and inserting "(vii)"; and

(ii) in subclause (II), by striking all that follows "15 years" and inserting a period;

(D) in clause (xiii)—

(i) by striking "(xii)" and inserting "(xi)"; and

(ii) by striking "(xi)" and inserting "(x)"; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) of such Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows "$25.00 per month" and inserting a period.

(5) Section 1634 of such Act (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place such term appears;

(B) by striking "and" the 3rd place such term appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995, and shall apply with respect to months beginning on or after such date.

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following: "and for each of the fiscal years 1995 through 2000"; and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclu grants under this section.

"(2) REQUIREMENTS.—The Director make a grant under paragraph (1) only if the date specified by the Director, the S submits to the Director an application the grant that is in such form, is mad such manner, and contain such agreeme assurances, and information as the Dire determines to be necessary to carry out subsection, and if the application cont an agreement by the State in accorda with the following:

"(A) The State will expend the grant in cordance with the priority described in s section (b)(1).

"(B) The State will comply with the co tions described in each of subsections (c), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the lotment under this paragraph for a State a fiscal year shall, except as provided in s paragraph (B), be the product of—

"(i) the amount appropriated in sect 601(d)(1) of the Personal Responsibility of 1995 for the fiscal year, together with a additional amounts appropriated to ca out this section for the fiscal year; and

"(ii) the percentage determined for State under the formula established in s tion 1933(a).

"(B) Subsections (b) through (d) of secti 1933 apply to an allotment under subpa graph (A) to the same extent and in the sa manner as such subsections apply to an lotment under subsection (a) of secti 1933.".

SEC. 602. SUPPLEMENTAL SECURITY INCO BENEFITS FOR DISABLED CH DREN.

(a) RESTRICTIONS ON ELIGIBILITY FOR CA BENEFITS.—

(1) IN GENERAL.—Section 1614(a)(3)(A) the Social Security Act (42 U.S. 1382c(a)(3)(A)) is amended—

(A) by inserting "(i)" after "(3)(A)";

(B) by inserting "who has attained 18 yea of age" before "shall be considered";

(C) by striking "he" and inserting "the i dividual";

(D) by striking "(or, in the case of an ind vidual under the age of 18, if he suffers fro any medically determinable physical or me tal impairment impairment of comparab severity)"; and

(E) by adding after and below the end th following:

"(ii) An individual who has not attained years of age shall be considered to be di abled for purposes of this title for a month the individual—

"(I) meets all non-disability-related re quirements for eligibility for cash benefit under this title;

"(II) has any medically determinable phys ical or mental impairment (or combinatio of impairments) that meets the require ments, applicable to individuals who hav not attained 18 years of age, of the Listing of Impairments set forth in appendix 1 o subpart P of part 404 of title 20, Code of Fed eral Regulations (revised as of April 1, 1994) or that is equivalent in severity to such a impairment (or such a combination of im pairments); and

"(III)(aa) for the month preceding the first month for which this clause takes effect, wa eligible for cash benefits under this title by reason of disability; or

"(bb) as a result of the impairment (or comoination of impairments) involved—

"(1) is in a hospital, skilled nursing facility, nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or other medical institution; or

"(2) would be required to be placed in such an institution if the individual were not receiving personal assistance necessitated by the impairment (or impairments).

"(iii) As used in clause (ii)(III)(bb)(2), the term 'personal assistance' includes at least hands-on or stand-by assistance, supervision, or cueing, with activities of daily living and the administration of medical treatment (where applicable). For purposes of the preceding sentence, the term 'acitivities of daily living' means eating, toileting, dressing, bathing, and transferring.".

(2) NOTICE.—Within 1 month after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual whose eligibility for cash supplemental security income benefits under title XVI of the Social Security Act will terminate by reason of the amendments made by paragraph (1) of such termination.

(3) ANNUAL REPORTS ON LISTINGS OF IMPAIRMENTS.—The Commissioner of Social Security shall annually submit to the Congress a report on the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), that are applicable to indivduals who have not attained 18 years of age, and recommend any necessary revisions to the listings.

(b) ESTABLISHMENT OF PROGRAM OF BLOCK GRANTS REGARDING CHILDREN WITH DISABILITIES.—

(1) IN GENERAL.—Title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) is amended by adding at the end the following:

"PART C—BLOCK GRANTS TO STATES FOR CHILDREN WITH DISABILITIES

"SEC. 1641. ENTITLEMENT TO GRANTS.

"Each State that meets the requirements of section 1642 for fiscal year 1997 or any subsequent fiscal year shall be entitled to receive from the Commissioner for the fiscal year a grant in an amount equal to the allotment (as defined in section 1646(1)) of the State for the fiscal year.

"SEC. 1642. REQUIREMENTS.

"(a) IN GENERAL.—A State meets the requirements of this section for a grant under section 1641 for a fiscal year if by the date specified by the Commissioner, the State submits to the Commissioner an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Commissioner determines to be necessary to carry out this part, and if the application contains an agreement by the State in accordance with the following:

"(1) The grant will not be expended for any purpose other than providing authorized services (as defined in section 1646(2)) to qualifying children (as defined in section 1646(3)).

"(2)(A) In providing authorized services, the State will make every reasonable effort to obtain payment for the services from other Federal or State programs that provide payment for such services and from private entities that are legally liable to make the payments pursuant to insurance policies, prepaid plans, or other arrangements.

"(B) The State will expend the grant only to the extent that payments from the programs and entities described in subparagraph (A) are not available for authorized services provided by the State.

"(3) The State will comply with the condition described in subsection (b).

"(4) The State will comply with the condition described in subsection (c).

"(b) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—The condition referred to in subsection (a)(3) for a State for a fiscal year is that, with respect to the purposes described in paragraph (2), the State will maintain expenditures of non-Federal amounts for such purposes at a level that is not less than the following, as applicable:

"(A) For the first fiscal year for which the State receives a grant under section 1641, an amount equal to the difference between—

"(i) the average level of such expenditures maintained by the State for the 2-year period preceding October 1, 1995 (except that, if such first fiscal year is other than fiscal year 1997, the amount of such average level shall be increased to the extent necessary to offset the effect of inflation occurring after October 1, 1995); and

"(ii) the aggregate of non-Federal expenditures made by the State for such 2-year period pursuant to section 1618 (as such section was in effect for such period).

"(B) For each subsequent fiscal year, the amount applicable under subparagraph (A) increased to the extent necessary to offset the effect of inflation occurring after the beginning of the fiscal year to which such subparagraph applies.

"(2) RELEVANT PURPOSES.—The purposes described in this paragraph are any purposes designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments, including such purposes that are authorized to be carried out under title XIX.

"(3) RULE OF CONSTRUCTION.—With respect to compliance with the agreement made by a State pursuant to paragraph (1), the State has discretion to select, from among the purposes described in paragraph (2), the purposes for which the State expends the non-Federal amounts reserved by the State for such compliance.

"(4) USE OF CONSUMER PRICE INDEX.—Determinations under paragraph (1) of the extent of inflation shall be made through use of the consumer price index for all urban consumers, U.S. city average, published by the Bureau of Labor Statistics.

"(c) ASSESSMENT OF NEED FOR SERVICES.—The condition referred to in subsection (a)(4) for a State for a fiscal year is that each qualifying child will be permitted to apply for authorized services, and will be provided with an opportunity to have an assessment conducted to determine the need of such child for authorized services.

"SEC. 1643. AUTHORITY OF STATE.

"The following decisions are in the discretion of a State with respect to compliance with an agreement made by the State under section 1642(a)(1):

"(1) Decisions regarding which of the authorized services are provided.

"(2) Decisions regarding who among qualifying children in the State receives the services.

"(3) Decisions regarding the number of services provided for the qualifying child involved and the duration of the services.

"SEC. 1644. AUTHORIZED SERVICES.

"(a) AUTHORITY OF COMMISSIONER.—The Commissioner, subject to subsection (b), shall issue regulations designating the purposes for which grants under section 1641 are authorized to be expended by the States.

"(b) REQUIREMENTS REGARDING SERVICES.—The Commissioner shall ensure that the purposes authorized under subsection (a)—

"(1) are designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments;

"(2) include medical and nonmedical services; and

"(3) do not include the provision of cash benefits.

"SEC. 1645. GENERAL PROVISIONS.

"(a) ISSUANCE OF REGULATIONS.—Regulations under this part shall be issued in accordance with procedures established for the issuance of substantive rules under section 553 of title 5, United States Code. Payments under grants under section 1641 for fiscal year 1997 shall begin not later than January 1, 1997, without regard to whether final rules under this part have been issued and without regard to whether such rules have taken effect.

"(b) PROVISIONS REGARDING OTHER PROGRAMS.—

"(1) INAPPLICABILITY OF VALUE OF SERVICES.—The value of authorized services provided under this part shall not be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or federally-assisted program.

"(2) MEDICAID PROGRAM.—For purposes of title XIX, each qualifying child shall be considered to be a recipient of supplemental security income benefits under this title (without regard to whether the child has received authorized services under this part and without regard to whether the State involved is receiving a grant under section 1641). The preceding sentence applies on and after the date of the enactment of this part.

"(c) USE BY STATES OF EXISTING DELIVERY SYSTEMS.—With respect to the systems utilized by the States to deliver services to individuals with disabilities (including systems utilized before the date of the enactment of the Personal Responsibility Act of 1995), it is the sense of the Congress that the States should utilize such systems in providing authorized services under this part.

"(d) REQUIRED PARTICIPATION OF STATES.—Subparagraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall not apply to a State that does not participate in the program established in this part for fiscal year 1997 or any succeeding fiscal year.

"SEC. 1646. DEFINITIONS.

"As used in this part:

"(1) ALLOTMENT.—The term 'allotment' means, with respect to a State and a fiscal year, the product of—

"(A) an amount equal to the difference between—

"(i) the number of qualifying children in the State (as determined for the most recent 12-month period for which data are available to the Commissioner); and

"(ii) the number of qualifying children in the State receiving cash benefits under this title by reason of disability (as so determined); and

"(B) an amount equal to 75 percent of the mean average of the respective annual totals of cash benefits paid under this title to each qualifying child described in subparagraph (A)(ii) (as so determined).

"(2) AUTHORIZED SERVICE.—The term 'authorized service' means each purpose authorized by the Commissioner under section 1644(a).

"(3) QUALIFYING CHILD.—

"(A) IN GENERAL.—The term 'qualifying child' means an individual who—

"(i) has not attained 18 years of age; and

"(ii)(I) is eligible for cash benefits under this title by reason of disability; or

"(II) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii), but (by reason of subclause (III) of such section) is not eligible for such cash benefits.

"(B) RESPONSIBILITIES OF COMMISSIONER.—The Commissioner shall provide for determinations of whether individuals meet the criteria established in subparagraph (A) for status as qualifying children. Such determinations shall be made in accordance with the provisions otherwise applicable under this title with respect to such criteria.".

(2) RULE REGARDING CERTAIN MILITARY PARENTS; CASH BENEFITS FOR QUALIFYING CHILDREN.—Section 1614(a)(1)(B)(ii) of the Social

Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended by striking "United States, and who, for the month" and all that follows and inserting the following: "United States, and—

"(I) who, for the month before the parent reported for such assignment, received a cash benefit under this title by reason of blindness, or

"(II) for whom, for such month, a determination was in effect that the child is a qualifying child under section 1646(3).".

(c) PROVISIONS RELATING TO SSI CASH BENEFITS AND SSI SERVICE BENEFITS.—

(1) CONTINUING DISABILITY REVIEWS FOR CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

(A) by inserting "(i)" after "(G)"; and

(B) by adding at the end the following:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for cash benefits under this title and for services under part C—

"(aa) of each individual who has not attained 18 years of age and is eligible for such cash benefits by reason of disability; and

"(bb) of each qualifying child (as defined in section 1646(3)).

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.".

(2) DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.—

(A) IN GENERAL.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraph (1) of this subsection, is amended by adding at the end the following:

"(iii)(I) The Commissioner shall redetermine the eligibility of a qualified individual for supplemental security income benefits under this title by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

"(II) The redetermination required by subclause (I) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

"(III) As used in this clause, the term 'qualified individual' means an individual who attains 18 years of age and is a recipient of cash benefits under this title by reason of disability or of services under part C.

"(IV) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.".

(B) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(G)(iii) of the Social Security Act.

(C) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(3) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraphs (1) and (2) of this subsection, is amended by adding at the end the following:

"(iv)(I) The Commissioner shall redetermine the eligibility for—

"(aa) cash benefits under this title by reason of disability of an individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled; and

"(bb) services under part C of an individual who is eligible for such services by reason of low birth weight.

"(II) The redetermination required by subclause (I) shall be conducted once the individual has received such benefits for 12 months.

"(III) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.".

(4) APPLICABILITY OF MEDICAID RULES REGARDING COUNTING OF CERTAIN ASSETS AND TRUSTS OF CHILDREN.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended to read as follows:

"TREATMENT OF CERTAIN ASSETS AND TRUSTS IN ELIGIBILITY DETERMINATIONS FOR CHILDREN

"(c) Subsections (c) and (d) of section 1917 shall apply to determinations of eligibility for benefits under this title in the case of an individual who has not attained 18 years of age in the same manner as such subsections apply to determinations of eligibility for medical assistance under a State plan under title XIX, except that—

"(1) the amount described in section 1917(c)(1)(E)(i)(II) shall be the amount of cash benefits payable under this title to an eligible individual who does not have an eligible spouse and who has no income or resources;

"(2) the look-back date specified in section 1917(c)(1)(B) shall be the date that is 36 months before the date the individual has applied for benefits under this title; and

"(3) any assets in a trust over which the individual has control shall be considered assets of the individual.".

(d) CONFORMING AMENDMENTS.—

(1) Subsections (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B) of section 1611 of the Social Security Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B)) are each amended by inserting "cash" before "benefit under this title".

(2) Section 1611(c)(1) of such Act (42 U.S.C. 1382(c)(1)) is amended—

(A) by striking "a benefit" and inserting "benefits";

(B) by striking "such benefit" and inserting "the cash benefit under this title"; and

(C) by striking "and the amount of such benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(3) Section 1611(c)(2) of such Act (42 U.S.C. 1382(c)(2)) is amended—

(A) by striking "such benefit" and inserting "the cash benefit";

(B) by inserting "cash" before "benefits" each place such term appears: and

(C) in subpargraph (B), by inserting "cash" before "benefit".

(4) Section 1611(c)(3) of such Act (42 U.S.C. 1382(c)(3)) is amended by inserting "cash" before "benefits under this title".

(5) Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by inserting "cash" before "benefit of".

(6) Section 1614(a)(4) of such Act (42 U.S.C. 1382c(a)(4)) is amended by inserting "or impairment" after "disability" each place such term appears.

(7) Section 1614(f)(1) of such Act (42 U.S.C. 1382c(f)(1)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(8) Section 1614(f)(2)(A) of such Act (42 U.S.C. 1382c(f)(2)(A)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit".

(9) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(10) Section 1616(e)(1) of such Act (42 U.S.C. 1382e(e)(1)) is amended by inserting "c before "supplemental".

(11) Section 1621(a) of such Act (42 U.S.C. 1382j(a)) is amended by striking "and amount of benefits" and inserting "ben under this title and the amount of any benefit under this title".

(12) Section 1631(a)(4) of such Act (42 U.S.C. 1383(a)(4)) is amended by inserting "cash" fore "benefits" the 1st place such term pears in each of subparagraphs (A) and (B

(13) Section 1631(a)(7)(A) of such Act U.S.C. 1383(a)(7)(A)) is amended by inser "cash" before "benefits based".

(14) Section 1631(a)(8)(A) of such Act U.S.C. 1383(a)(8)(A)) is amended by strik "benefits based on disability or blindn under this title" and inserting "bene under this title (other than by reason age)".

(15) Section 1631(c) of such Act (42 U.S.C. 1383(c)) is amended—

(A) by striking "payment" each place s term appears and inserting "benefits"; an

(B) by striking "payments" each pl such term appears and inserting "benefi

(17) Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(A) in paragraph (1)(B), by strik "amounts of such benefits" and insert "amounts of cash benefits under this tit

(B) in paragraph (2), by inserting "ca before "benefits" each place such term pears;

(C) by redesignating the 2nd paragraph and paragraph (7) as paragraphs (7) and respectively; and

(D) in paragraph (7) (as so redesignated), inserting "cash" before "benefits" e place such term appears.

(18) Section 1631(g)(2) of such Act (42 U.S.C. 1383(g)(2)) is amended by striking "supp mental security income" and insert "cash".

(19) Section 1635(a) of such Act (42 U.S.C. 1383d(a)) is amended by striking "by reas of disability or blindness".

(e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS FOR POOR DISABLED CHILDREN RESIDING IN STATES APPLYING ALTERNATIVE INCOME ELIGIBILITY STANDARDS UNDER MEDICAID.—

(1) IN GENERAL.—For the period beginning upon the 1st day of the 1st month that beg 90 or more days after the date of the ena ment of this Act and ending upon the cl of fiscal year 1996, an individual described paragraph (2) shall be considered to be eli ble for cash benefits under title XVI of t Social Security Act, notwithstanding th the individual does not meet any of the co ditions described in secti 1614(a)(3)(A)(ii)(III) of such Act.

(2) REQUIREMENTS.—For purposes of para graph (1), an individual described in th paragraph is an individual who—

(A) has not attained 18 years of age;

(B) meets the conditions described subclauses (I) and (II) of secti 1614(a)(3)(A)(ii) of the Social Security Act;

(C) resides in a State that, pursuant to se tion 1902(f) of such Act, restricts eligibili for medical assistance under title XIX such Act with respect to aged, blind, and di abled individuals; and

(D) is not eligible for medical assistan under the State plan under such title XIX.

(f) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e)(1)(B) of the Social Security Act (42 U.S.C. 1382(e)(1)(B)) is amended by inserting "or under any health insurance policy issued by a private provider of su insurance" after "title XIX".

(g) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a)(1), (c), (d) and (f) and section 1645(b)(2) of the Social Security Act (as added by the amendment made by subsection (b) of this section), shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) DELAYED APPLICABILITY TO CURRENT SSI RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The amendments made by subsection (a)(1) shall not apply, during the first 6 months that begin after the month in which this Act becomes law, to an individual who is a recipient of cash supplemental security income benefits under title XVI of the Social Security Act for the month in which this Act becomes law.

(h) REGULATIONS.—Within 3 months after the date of the enactment of this Act—

(1) the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by subsections (a)(1), (c), (d), and (f) and to implement subsection (e); and

(2) the Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement section 1645(b)(2) of the Social Security Act, as added by the amendment made by subsection (b) of this section.

SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DETERMINE ELIGIBILITY OF CHILDREN FOR SSI BENEFITS BY REASON OF DISABILITY.

Section 202(e)(2) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note) is amended—

(1) by striking "and" at the end of subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (H) and inserting after subparagraph (F) the following:

"(G) whether the criteria in the mental disorders listings in the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, are appropriate to ensure that eligibility of individuals who have not attained 18 years of age for cash benefits under the supplemental security income program by reason of disability is limited to those who have serious disabilities and for whom such benefits are necessary to improve their condition or quality of life; and".

SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM UNDER PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.

Section 1108 of the Social Security Act (42 U.S.C. 1308), as amended by section 104(e)(1) of this Act, is amended by inserting before "The total" the following:

"(a) PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.—The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972)—

"(1) for payment to Puerto Rico shall not exceed $18,053,940;

"(2) for payment to the Virgin Islands shall not exceed $473,659; and

"(3) for payment to Guam shall not exceed $300,718.

"(b) MEDICAID PROGRAMS.—".

SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is hereby repealed.

TITLE VII—CHILD SUPPORT

SEC. 700. REFERENCES.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom cash assistance is provided under the State program funded under part A of this title, benefits or services are provided under the State program funded under part B of this title, or medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child.";

and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrears with respect to the family that accrued before or after the family received cash assistance from the State.

"(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) DEFINITIONS.—As used in subsection (a):

"(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

"(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1996); or

"(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1996).

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1996), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal assistance percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall not be required of such a family and section 454(6)(B) shall not apply to the family.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING TEMPORARY FAMILY ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

SEC. 703. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 711. STATE CASE REGISTRY.

Section 454A, as added by section 745(a)(2) of this Act, is amended by adding at the end the following:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrears, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the p specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANC MEDICAID AGENCIES.—Exchanging in tion with State agencies (of the State other States) administering programs under part A, programs operated unde plans under title XIX, and other pr designated by the Secretary, as neces perform State agency responsibilities this part and under such programs.

"(4) INTRA- AND INTERSTATE INFOR COMPARISONS.—Exchanging informatio other agencies of the State, agencies o States, and interstate information net as necessary and appropriate to carry assist other States to carry out) the pu of this part.".

SEC. 712. COLLECTION AND DISBURSEME SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Sect (42 U.S.C. 654), as amended by section of this Act, is amended—

(1) by striking "and" at the end of graph (24);

(2) by striking the period at the paragraph (25) and inserting "; and"; a

(3) by adding after paragraph (25) t lowing:

"(26) provide that, on and after Oct 1998, the State agency will—

"(A) operate a State disbursement u accordance with section 454B; and

"(B) have sufficient State staff (cons of State employees) and (at State o contractors reporting directly to the agency to—

"(i) monitor and enforce support c tions through the unit (including ca out the automated data processing re sibilities described in section 454A(g)); a

"(ii) take the actions described in se 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISB MENT UNIT.—Part D of title IV (42 U.S.C 669), as amended by section 745(a)(2) o Act, is amended by inserting after se 454A the following:

"SEC. 454B. COLLECTION AND DISBURSEME SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a Sta meet the requirements of this section State agency must establish and oper unit (which shall be known as the 'Stat bursement unit') for the collection and bursement of payments under support o in all cases being enforced by the State suant to section 454(4).

"(2) OPERATION.—The State disburse unit shall be operated—

"(A) directly by the State agency (or more State agencies under a regional co ative agreement), or (to the extent a priate) by a contractor responsible dir to the State agency; and

"(B) in coordination with the autom system established by the State pursua section 454A.

"(3) LINKING OF LOCAL DISBURSE UNITS.—The State disbursement unit ma established by linking local disburse units through an automated informa network, subject to this section.

"(b) REQUIRED PROCEDURES.—The S disbursement unit shall use automated cedures, electronic processes, and compu driven technology to the maximum ex feasible, efficient, and economical, for collection and disbursement of support ments, including procedures—

"(1) for receipt of payments from pare employers, and other States, and for bursements to custodial parents and o obligees, the State agency, and the age of other States;

"(2) for accurate identification of ments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—The State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 745(a)(2) of this Act and as amended by section 711 of this Act, is amended by adding at the end the following:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(i) within 2 business days after receipt (from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State) of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 713. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a) and 712(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYER.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) the date the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1997, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(f) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(g) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—

"(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding

under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking "(5)"; and

(ii) by inserting ", and, at the option of the State, the requirements of subsection (b)(5)" before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part."; and

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting the following:

"any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which is imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage).".; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary s not later than October 1, 1996, establish maintain in the Federal Parent Lo Service an automated directory to be k as the National Directory of New H which shall contain the information sup pursuant to section 453A(f)(2).

"(2) ADMINISTRATION OF FEDERAL LAWS.—The Secretary of the Treasury have access to the information in the eral Directory of New Hires for purpos administering section 32 of the Internal enue Code of 1986, or the advance payme the earned income tax credit under sec 3507 of such Code, and verifying a claim respect to employment in a tax return.

"(j) INFORMATION COMPARISONS AND O DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY MINISTRATION.—

"(A) The Secretary shall transmit infor tion on individuals and employers m tained under this section to the Social S rity Administration to the extent neces for verification in accordance with subp graph (B).

"(B) The Social Security Administra shall verify the accuracy of, correct, or ply to the extent possible, and report to Secretary, the following information plied by the Secretary pursuant to subpa graph (A):

"(i) The name, social security number, birth date of each such individual.

"(ii) The employer identification num of each such employer.

"(2) INFORMATION COMPARISONS.—For purpose of locating individuals in a paterni establishment case or a case involving establishment, modification, or enforcem of a support order, the Secretary shall—

"(A) compare information in the Natio Directory of New Hires against informat in the support order abstracts in the Fede Case Registry of Child Support Orders less often than every 2 business days; and

"(B) within 2 such days after such a co parison reveals a match with respect to individual, report the information to State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISC SURES OF INFORMATION IN ALL REGISTRIES TITLE IV PROGRAM PURPOSES.—To the ext and with the frequency that the Secret determines to be effective in assisting Sta to carry out their responsibilities under p grams operated under this part and progra funded under part A, the Secretary shall—

"(A) compare the information in each co ponent of the Federal Parent Locator Se ice maintained under this section agai the information in each other such com nent (other than the comparison required paragraph (2)), and report instances in whi such a comparison reveals a match with r spect to an individual to State agencies ope ating such programs; and

"(B) disclose information in such registri to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION THE SOCIAL SECURITY ADMINISTRATION.—T National Directory of New Hires shall pr vide the Commissioner of Social Securit with all information in the National Dire tory, which shall be nsed to determine th accuracy of payments under the suppl mental security income program under tit XVI and in connection with benefits unde title II.

"(5) RESEARCH.—The Secretary may pr vide access to information reported by em ployers pursuant to section 453A(b) for r search purposes found by the Secretary to b likely to contribute to achieving the pu poses of part A or this part, but without pe sonal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 715 of this Act, is amended by adding at the end the following:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application; and

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 721. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) EXPANDED APPLICATION.—The State law enacted pursuant to paragraph (1) shall be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) JURISDICTION TO MODIFY ORDERS.—The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) SERVICE OF PROCESS.—The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only one court has issued a child support order, the order of that court must be recognized.

"(2) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715 and 717(a) of this Act, is amended by adding at the end the following:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State;

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case.

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas."

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 714 of this Act, is amended—

(1) in subsection (a)(2), by strking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(D) ACCESS TO PERSONAL AND FINANC INFORMATION.—To obtain access, subject safeguards on privacy and information s rity, to the records of all other State local government agencies (including law forcement and corrections records), inc ing automated access to records maintai in automated data bases.

"(E) CHANGE IN PAYEE.—In cases where s port is subject to an assignment in orde comply with a requirement imposed pu ant to part A or section 1912, or to a requ ment to pay through the State disbursem unit established pursuant to section 45 upon providing notice to obligor and oblig to direct the obligor or other payor change the payee to the appropriate gove ment entity.

"(F) INCOME WITHHOLDING.—To order come withholding in accordance with s sections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in wh there is a support arrearage, to secure ass to satisfy the arrearage by—

"(i) intercepting or seizing periodic lump sum payments from—

"(I) a State or local agency (including u employment compensation, workers' co pensation, and other benefits); and

"(II) judgments, settlements, and lotteri

"(ii) attaching and seizing assets of the o ligor held in financial institutions; and

"(iii) attaching public and private reti ment funds.

"(H) INCREASE MONTHLY PAYMENTS.—F the purpose of securing overdue support, increase the amount of monthly support pa ments to include amounts for arrearag (subject to such conditions or limitations the State may provide).

"(2) SUBSTANTIVE AND PROCEDUR RULES.—The expedited procedures requir under subsection (a)(2) shall include the fo lowing rules and authority, applicable wi respect to all proceedings to establish pate nity or to establish, modify, or enforce su port orders:

"(A) LOCATOR INFORMATION; PRESUMPTION CONCERNING NOTICE.—Procedures unde which—

"(i) each party to any paternity or chil support proceeding is required (subject t privacy safeguards) to file with the tribuna and the State case registry upon entry of a order, and to update as appropriate, informa tion on location and identity of the part (including social security number, reside tial and mailing addresses, telephone num ber, driver's-license number, and name, ad dress, and name and telephone number o employer); and

"(ii) in any subsequent child support en forcement action between the parties, upo sufficient showing that diligent effort ha been made to ascertain the location of suc a party, the tribunal may deem State du process requirements for notice and servic of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between administrative areas in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(b) by striking "(d) If" and inserting the following:

"(d) EXEMPTIONS FROM REQUIREMENTS.—

"(1) IN GENERAL.—Subject to paragraph (2), if"; and

(2) by adding at the end the following:

"(2) NON-EXEMPT REQUIREMENTS.—The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) section 454A (concerning recording of orders in the State case registry);

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(c) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 745(a)(2) of this Act and as amended by sections 711 and 712(c) of this Act, is amended by adding at the end the following:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 731. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF FEDERAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) LEGAL FINDING OF PATERNITY.—Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(iii) RESCISSION.—Procedures under which, after the 60-day period referred to in clause (i), a minor who has signed an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(I) attaining the age of majority; or

"(II) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent or guardian ad litem, or an attorney.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures

for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), and 713(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by inserting after paragraph (27) the following:

"(28) provide that the State agency responsible for administering the State plan—

"(A) shall require each individual who has applied for or is receiving assistance under the State program funded under part A to cooperate with the State in establishing the paternity of, and in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish; and

"(B) may require the individual and the child to submit to genetic tests.".

Subtitle E—Program Administration and Funding

SEC. 741. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The percent specified in this paragraph for any quarter is 66 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following:

"(c) MAINTENANCE OF EFFORT.—Notwithstanding subsection (a), the total expenditures under the State plan approved under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 742. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

"(a) INCENTIVE ADJUSTMENTS.—

"(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify for an incentive adjustment under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 12 percentage points, in connection with paternity establishment; and

"(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds in the State program under this part within 2 years after the date of the payment.

"(b) DEFINITIONS.—As used in this section:

"(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

"(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(B) the total number of children born out of wedlock in the State during the fiscal year.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).".

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the 1st place such term appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(c) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulatic the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) an by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U 652(g)(2)(A)) is amended in the matter ceding clause (i)—

(A) by striking "paternity establish percentage" and inserting "IV-D pate establishment percentage"; and

(B) by striking "(or all States, as the may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(amended—

(A) by striking subparagraph (A) and r ignating subparagraphs (B) and (C) as paragraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so red nated), by striking "the percentage of dren born out-of-wedlock in a State" an serting "the percentage of children State who are born out of wedlock o whom support has not been established"

(C) in subparagraph (B) (as so red nated)—

(i) by inserting "and overall perform in child support enforcement" after "p nity establishment percentages"; and

(ii) by inserting "and securing support fore the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—(A) amendments made by subsections (a) an shall become effective on October 1, 1997 cept to the extent provided in subparag (B).

(B) Section 458 of the Social Security as in effect prior to the enactment of section, shall be effective for purposes o centive payments to States for fiscal y before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The am ments made by subsection (c) shall bec effective with respect to calendar quar beginning on and after the date of the en ment of this Act.

SEC. 743. FEDERAL AND STATE REVIEWS AND DITS.

(a) STATE AGENCY ACTIVITIES.—Section (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" inserting "(14)(A)";

(2) by redesignating paragraph (15) as paragraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the lowing:

"(15) provide for—

"(A) a process for annual reviews of and ports to the Secretary on the State prog operated under the State plan appro under this part, which shall include such formation as may be necessary to meas State compliance with Federal requireme for expedited procedures and timely c processing, using such standards and pr dures as are required by the Secretary, un which the State agency will determine extent to which the program is operated compliance with this part; and

"(B) a process of extracting from the au mated data processing system required paragraph (16) and transmitting to the S retary data and calculations concerning levels of accomplishment (and rates of provement) with respect to applicable formance indicators (including IV-D pat nity establishment percentages and ove performance in child support enforceme to the extent necessary for purposes of s tions 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a (42 U.S.C. 652(a)(4)) is amended to read as lows:

"(4)(A) review data and calculations tra mitted by State agencies pursuant to sect

454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this section.

SEC. 744. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), 713(a), and 733 of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following:

"(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the state,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 703(a)(2) and 712(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1995, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 745(a)(3) of the Personal Responsibility Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16).

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 746. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 716(e) of this Act, is amended by adding at the end the following:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 747. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (I) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv);

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS.—Procedures under which the State shall review and adjust each support order being enforced under this part. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.".

SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following:

"(4) In response to a request by the hea
a State or local child support enforcer
agency (or a State or local government
cial authorized by the head of such an a
cy), if the person making the request
tifies to the consumer reporting ag
that—

"(A) the consumer report is needed for
purpose of establishing an individual's
pacity to make child support payment
determining the appropriate level of
payments;

"(B) the person has provided at leas
days prior notice to the consumer whos
port is requested, by certified or regist
mail to the last known address of
consumer, that the report will be reques
and

"(C) the consumer report will be kept
fidential, will be used solely for a purpose
scribed in subparagraph (A), and will no
used in connection with any other civil,
ministrative, or criminal proceeding, or
any other purpose.

"(5) To an agency administering a S
plan under section 454 of the Social Secu
Act (42 U.S.C. 654) for use to set an initia
modified child support award.".

Subtitle G—Enforcement of Support Ord

SEC. 761. FEDERAL INCOME TAX REFUND
SET.

(a) CHANGED ORDER OF REFUND DISTR
TION UNDER INTERNAL REVENUE CODE.—

(1) Subsection (c) of section 6402 of the
ternal Revenue Code of 1986 is amended
striking the third sentence and inserting
following new sentences: "A reduction ur
this subsection shall be after any other
duction allowed by subsection (d) with
spect to the Department of Health
Human Services and the Department of E
cation with respect to a student loan and
fore any other reduction allowed by law
before such overpayment is credited to
future liability for tax of such person pu
ant to subsection (b). A reduction under
subsection shall be assigned to the St
with respect to past-due support owed to
dividuals for periods such individuals w
receiving assistance under part A or E
title IV of the Social Security Act only a
satisfying all other past-due support.".

(2) Paragraph (2) of section 6402(d) of s
Code is amended—

(A) by striking "Any overpayment" and
serting "Except in the case of past-due
gally enforceable debts owed to the Dep
ment of Health and Human Services or
the Department of Education with respec
a student loan, any overpayment"; and

(B) by striking "with respect to past-
support collected pursuant to an assignm
under section 402(a)(26) of the Social Se
rity Act".

(b) ELIMINATION OF DISPARITIES IN TRE
MENT OF ASSIGNED AND NON-ASSIGNED
REARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a))
amended—

(A) by striking "(a)" and inserting "
OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the 1st sentence, by striking "wh
has been assigned to such State pursuant
section 402(a)(26) or section 471(a)(17)"; and

(ii) in the 2nd sentence, by striking "in
cordance with section 457(b)(4) or (d)(3)" a
inserting "as provided in paragraph (2)";

(C) by striking paragraph (2) and insert
the following:

"(2) The State agency shall distrib
amounts paid by the Secretary of the Tre
ury pursuant to paragraph (1)—

"(A) in accordance with section 457(a),
the case of past-due support assigned t
State pursuant to requirements imposed p
suant to section 405(a)(8); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned."; and

(D) in paragraph (3)—

(i) by striking "or (2)" each place such term appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 454(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting the following:

"(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting the following:

"(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—As used in this section:

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial,

or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)) Secretary concerned shall update the service to indicate the new address member.

(4) AVAILABILITY OF INFORMATION.—Secretary of Defense shall make infor regarding the address of a member Armed Forces listed in the locator available, on request, to the Federal Locator Service established under 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEA ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary o military department, and the Secret Transportation with respect to the Guard when it is not operating as a in the Navy, shall prescribe regulati facilitate the granting of leave to a m of the Armed Forces under the juris of that Secretary in a case in which—

(A) the leave is needed for the mem attend a hearing described in paragra

(B) the member is not serving in or unit deployed in a contingency operati defined in section 101 of title 10, States Code); and

(C) the exigencies of military servi determined by the Secretary concern not otherwise require that such leave granted.

(2) COVERED HEARINGS.—Paragraph plies to a hearing that is conducted court or pursuant to an administrative ess established under State law, in co tion with a civil action—

(A) to determine whether a member Armed Forces is a natural parent of a or

(B) to determine an obligation of a m of the Armed Forces to provide child port.

(3) DEFINITIONS.—For purposes of thi section:

(A) The term "court" has the me given that term in section 1408(a) of ti United States Code.

(B) The term "child support" ha meaning given such term in section 45 the Social Security Act (42 U.S.C. 659(i)

(c) PAYMENT OF MILITARY RETIRED P COMPLIANCE WITH CHILD SUPPORT ORDER

(1) DATE OF CERTIFICATION OF ORDER.—Section 1408 of title 10, U States Code, as amended by section 76 of this Act, is amended—

(A) by redesignating subsections (i) a as subsections (j) and (k), respectively; a

(B) by inserting after subsection (h following:

"(i) CERTIFICATION DATE.—It is not essary that the date of a certification authenticity or completeness of a copy court order for child support received b Secretary concerned for the purposes o section be recent in relation to the da receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH AS MENTS OF RIGHTS TO STATES.—Se 1408(d)(1) of such title is amended by in ing after the 1st sentence the following the case of a spouse or former spouse pursuant to section 405(a)(8) of the Socia curity Act (42 U.S.C. 605(a)(8)), assigns State the rights of the spouse or fo spouse to receive support, the Secretary cerned may make the child support ments referred to in the preceding sent to that State in amounts consistent that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF UNIFORMED SERVICES.—Section 1408(d) of title is amended by adding at the end the lowing:

"(6) In the case of a court order for w effective service is made on the Secre concerned on or after the date of the e ment of this paragraph and which pro

for payments from the disposable retired pay of a member to satisy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the first pay period that begins after such 30-day period.

SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 721 of this Act, is amended by adding at the end the following:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT.

It is the sense of the Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support.

SEC. 766. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 701(a), 715, 717(a), and 723 of this Act, is amended by adding at the end the following:

"(16) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) Procedures requiring the State, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 404(b)(1)) as the court deems appropriate.

"(B) As used in subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

SEC. 767. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 716 and 746(b) of this Act, is amended by adding at the end the following:

"(o) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means an order issued by a court or an administrative process established under State law that requires support and maintenance of a child or of a child and the parent with whom the child is living.".

Subtitle H—Medical Support

SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

Subtitle I—Enhancing Responsibility and Opportunity for Non-residential Parents

SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 791. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. SCORING.

(a) IN GENERAL.—None of the changes in direct spending resulting from this Act shall be reflected in estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) TECHNICAL AMENDMENT.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

"(H) SPECIAL ALLOWANCE FOR WELFARE REFORM.—For any fiscal year, the adjustments shall be appropriations for discretionary programs resulting from the Personal Responsibility Act of 1995 (as described in the joint explanatory statement accompanying a conference report on that Act) in discretionary accounts and the outlays flowing in all years from such appropriations (but not to exceed amounts authorized for those programs by

that Act for that fiscal year) minus appropriations for comparable discretionary programs for fiscal year 1995 (as described in the joint explanatory statement accompanying a conference report on that Act.".

SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

The CHAIRMAN. No further amendment shall be in order except the amendments printed in House Report 104–85, amendments en bloc described in section 2 of House Resolution 119, and the amendments designated in section 3 of that resolution.

Except as specified in section 2, 3, or 4 of the resolution, each amendment made in order by the resolution may be considered only in the order printed in the report, may be offered only by a Member designated in the report, is considered as having been read, is debatable for 20 minutes, equally divided and controlled by the proponent and an opponent of the amendment, is not subject to amendment, and is not subject to a demand for division of the question.

Notwithstanding that amendments printed in the report are not subject to amendment, the chairman and ranking minority member of the Committee on Ways and Means, or their designees, each may offer one pro forma amendment to any amendment printed in the report for the purpose of debate.

Pursuant to section 2 of the resolution, it shall be in order at any time before consideration of the amendments designated in section 3 of the resolution for the chairman of the Committee on Ways and Means or his designee to offer amendments en bloc consisting of amendments printed in the report not earlier disposed of or germane modifications of any such amendment.

Amendments en bloc offered pursuant to section 2 of the resolution are considered as having been read, except that modifications shall be reported, and are debatable for 20 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means or their designees.

For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken.

The original proponent of an amendment included in such amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before the disposition of the amendments en bloc.

After disposition of the amendments printed in the report and any amendments en bloc offered pursuant to section 2 of the resolution, it shall be in order to consider the following amendments in this order:

First, a further amendment in the nature of a substitute consisting of the text of H.R. 1267 by the gentleman from Georgia [Mr. DEAL] or his designee;

Second, a further amendment in the nature of a substitute consisting of the text of H.R. 1250 by the gentlewoman from Hawaii [Mrs. MINK] or her designee; and

Third, a further amendment in the nature of a substitute consisting of the text of the bill, as it had been perfected before the consideration of amendments pursuant to section 3 of the resolution, if offered by the chairman of the Committee on Ways and Means or his designee.

Debate on each of the three amendments just referred to will be 1 hour, equally divided and controlled by the proponent and an opponent of the amendment.

The third amendment, just referred to, shall be subject to amendment by any amendment printed in the report that was not earlier disposed of as an amendment to the bill before consideration of amendments pursuant to section 3 of the resolution.

Amendments to the amendment designated in subparagraph (a)(3) of section 3 shall be considered under the same terms as if offered to the bill, including the requirement of 1 hour's notice pursuant to section 4 of the resolution.

If more than one of the amendm designated in subsection (a) of sect of the resolution is adopted, only one receiving the greater number c firmative votes shall be considere finally adopted. In the case of a ti the greater number of affirma votes, only the last amendment t ceive that number of affirmative v shall be considered as finally adopt

The Chairman of the Committe the Whole may postpone until a during further consideration in Committee of the Whole a request record vote on amendments mad order by the resolution.

The Chairman of the Committe the Whole may reduce to not less 5 minutes the time for voting by e tronic device on any postponed q tion that immediately follows ano vote by electronic device without tervening business, provided that time for voting by electronic devic the first in any series of questions s not be less than 15 minutes.

The Chairman of the Committee the Whole may recognize for consi ation of any amendment printed in report out of the order printed, but sooner than 1 hour after the Chairm of the Committee on Ways and Me or a designee announces from the fl a request to that effect.

□ 1445

It is now in order to consider ame ment No. 1 printed in House Rep 104–85.

AMENDMENT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Chairman, pur ant to the rule, I offer an amendm consisting of technical corrections the bill.

The CHAIRMAN. The Clerk will d ignate the amendment.

The text of the amendment is as f lows:

Amendment offered by Mr. ARCHER:

Page 4, strike the item relating to sect 592 and insert the following:

Sec. 592. Sense of the Congress.

Page 18, strike line 19 and all that foll through line 5 on page 19 and insert the lowing:

"(3) FOR FAILURE TO PARTICIPATE IN THE COME AND ELIGIBILITY VERIFICATION SYSTE If the Secretary determines that a State p gram funded under this part is not part pating during a fiscal year in the income eligibility verification system required section 1137, the Secretary shall reduce b percent the amount of the grant that wo (in the absence of this subsection, subsecti (a)(1)(B) of this section, and section 101(e)(be payable to the State under subsecti (a)(1)(A) for the fiscal year.

Page 32, line 20, strike "subsection (c)(and insert "section 403(c)(1)".

Page 32, line 24, strike ", unless" and that follows through line 13 on page 33 a insert "except consistent with title IV of t Personal Responsibility Act of 1995.".

Page 33, line 16, strike "a State" and inse "A State".

Page 35, beginning on line 16, strike "su section (c)(1)" and insert section 403(c)(1)".

Page 36, line 3, strike "subsection (e)(and insert "section 403(c)(1)".

Page 84, line 18, insert "(42 U.S.C. 130(13004)" after "1990".

Page 123, line 23, strike "amount appropriated" and insert "school-based nutrition amount".

Page 124, line 6, strike "amount appropriated" and insert "school-based nutrition amount".

Page 125, beginning on line 22, strike "amount appropriated" and insert "school-based nutrition amount".

Page 125, line 25, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, beginning on line 6, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, line 9, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, beginning on line 22, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 3, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 11, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 16, strike "amount appropriated" and insert "school-based nutrition amount".

Page 131, line 9, strike "620" and insert "621".

Page 153, strike lines 8 through 14.

Page 153, line 15, strike "(4)" and insert "(3)".

Page 154, strike the parenthetical phrase beginning on line 20.

Page 154, line 18, strike "subsections (b) and (c)" and insert "subsection (b)".

Page 159, line 13, insert "or section 412" after "this section".

Page 159, strike the parenthetical phrase beginning on line 16.

Page 167, line 10, strike "individual" and insert "alien".

Page 169, line 9, insert "(a) LIMITATIONS ON ASSISTANCE.—" before "SECTION".

Page 170, after line 12, insert the following:

(b) CONFORMING AMENDMENTS.—Section 501(h)) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

Page 193, line 4, insert "of title II" after "subtitle C".

Page 203, line 3, strike "Section (3)(o)" and insert "Section 3(o)".

Page 204, line 21, strike the comma after "households".

Page 210, line 16, strike "42" and insert "7".

Page 217, line 17, strike "2015(i)(6)" and insert "2016(i)(6)".

Page 217, line 18, strike "17(e)" and insert "section 17(e)".

Page 221, line 25, strike "the".

Page 222, line 1, strike "year" and insert "years".

Page 228, beginning on line 25, strike "Food Stamp Simplification and Reform" and insert "Personal Responsibility".

Page 229, line 5, strike "Food Stamp Simplification and Reform" and insert "Personal Responsibility".

Page 231, line 10, strike ", wherever possible," and on line 11, insert "wherever possible," after "Agriculture,".

Page 236, line 4, strike "and (c)".

Page 236, strike lines 7 and 8.

Page 236, line 9, strike "(c)" and insert "(b)" and strike "section 560" and insert "section 559".

Page 242, line 4, strike "601(d)(1)" and insert "601(d)(1)(A)".

Page 245, line 10, strike "indivdiuals" and insert "individuals".

Page 255, strike lines 19 and 20 and insert the following: "and for whom, for the month preceding the month in which the individual attained such age, a determination was in effect that the individual is a qualifying child under section 1646(3).".

Page 262, line 9, insert "by reason of disability" after "Act,".

Page 323, line 24, strike "(c)" and insert "(b)".

Page 368, line 20, strike "subparagraphs (A) and (B)" and insert "paragraphs (1) and (2)".

Page 387, line 25, strike "by an administrative adjudicator" and insert "through an administrative process established under State law".

Page 393, strike line 4 and all that follows through line 7.

Page 393, line 5, strike "(b) TECHNICAL AMENDMENT.—".

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] will be recognized for 10 minutes, and the gentleman from Florida [Mr. GIBBONS] will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment consists mainly of technical drafting errors which were discovered by staff after the introduction of the bill.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. KASICH], chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, I rise in favor of the en bloc technical amendment. I support the elimination from the bill of section 801(a) to clarify that the majority is fully committed to paying for the tax cuts pledged in the Contract With America. The majority is committed to paying for the contract with a combination of entitlement cuts and a reduction in the discretionary spending caps, which is different than the current pay-go where we simply permit discretionary savings, the downsizing of government, to be moved in the pay-go category.

Under current pay-go rules, however, a tax cut cannot be paid for with a reduction in the discretionary caps. In other words, if we want to eliminate departments, if we want to fix foreign aid, if we want to eliminate bureaucracy, we believe that those savings ought to be shifted over to the pay-go scorecard in order to pay for any tax cuts. That is why the Budget Committee last week made a change which will allow the discretionary spending cuts to offset tax cuts.

Section 801(a) was inserted into the reintroduced welfare reform bill to clarify that any savings from welfare reform would not be used for new or expanded entitlement programs.

Furthermore, this language was to emphasize that the savings from this bill are part of a total budget package that will cut taxes and reduce the deficit.

For some Members to now imply that this language was meant to be something completely different is inaccurate. It is wrong to interpret section 801(a) to mean that the savings from welfare reform was suddenly designated for deficit reduction. Section 801(a) speaks to pay-go, and Members better understand pay-go before they claim that it is something other than that.

In fact, three separate House committees considered amendments to earmark welfare reform savings for deficit reduction and in each case those attempts were rejected. In fact, it should be noted that section 801(a) was never the result of any committee action to begin with. But there has been some confusion regarding the approach of not placing the welfare reform savings on the pay-go scorecard.

The language as written was intended purely to content with the admittedly arcane requirements of the Budget Enforcement Act. We are proposing to eliminate section 801(a) so that all savings from the welfare reform will score on the pay-go scorecard. This will assure in a less confusing way that the savings will be part of our overall budget of cutting taxes and reducing the deficit.

This is clearly a technical change to ensure that budget score keeping is adhered to and it will not affect the budgetary bottom line. And I will repeat and stress, we are fulfilling our promise of cutting taxes and reducing the deficit.

In a nutshell, what this amendment says is that we will move the discretionary savings onto the pay-go scorecard. When we take the discretionary savings and move them onto the pay-go scorecard, when we take the discretionary savings and add them into the entitlement savings, that pays for our tax cuts. We believe that that in fact will happen.

Discretionary spending caps have the force of law. If in some process people would argue that we would like to have a fail-safe, we have the fail-safe and the fail-safe is the current pay-go rules that say if in fact the tax cuts are not clearly offset by discretionary spending savings and entitlement savings, we will have a sequester. That is the ultimate fail-safe guarantee that our tax cuts will be paid for by spending cuts.

But what I think is instructive to note is not only were we able last week in the Budget Committee to lay down in addition to the entitlement savings the $100 billion in discretionary savings cuts, but we have three times as much tax relief as the President and $60 billion more in deficit reduction than the President has.

Before we make an argument about what this is all about I would commend to the Members that they read 801(a) of the 1990 Budget Act that talks about what the rules are on pay-go, and once they understand it, they are going to be able to effectively argue it from the facts.

Mr. ARCHER. Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute and 15 seconds to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, what nonsense. I am surprised at this amendment, surprised because in Texas we know the difference between straight talk and doubled-talk, and by golly, if double-talk would solve the problems of this deficit, it would be gone this past week. I stood here on the floor of the House and had the distinguished chairman of the Committee on Rules tell me we could not place in order an amendment to be sure that all that money we slashed and burned for summer jobs and for young people in last week's rescission bill could not be used for deficit reduction, said it just could not be done, it just was not proper, but within hours he reversed himself and made it proper. And this House put on a lockbox amendment. And within hours after that we twisted all around again because not two blocks from here, in the Budget Committee, we had the distinguished chairman of the Budget Committee saying that lockbox was just a game, it was just a big game.

Well, it is not a big game to me because we need to be addressing this problem of deficit reduction.

The same thing is happening on this floor today. The bill is clear. It says the money is to be used for deficit reduction, and now we come along with a purportedly technical amendment and now deficit reduction is out.

They have mastered the principle of redistribution of the wealth, taking from the poor and giving to the elite, and that is what this is about.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise to oppose this amendment on three grounds, First, on the ground of fairness, in that I proposed to the Committee on Rules last week an amendment nearly diametrically opposed to this one, in that it would offer members of this committee, just as people across the country are struggling with the opportunity to say no to tax cuts and yes to deficit reduction.

That rule was made not in order, yet this particular rule which offers the opposite was put in place on this floor.

Second, I am opposed on the ground of honesty. This amendment was described as dealing with drafting errors. These are not drafting errors, these are substantive changes from the desire of the committee who reported out this bill, and it is highly, highly suspect to portray it in any other way.

Last, I oppose this issue on grounds of public policy. Our children would be greater served by deficit reduction than tax cuts. It would be more reasonable and infinitely more loving to put the money on the deficit.

Mr. GIBBONS. Mr. Chairman, I yield 30 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would say to the chairman of the Budget Committee, let us make this perfectly clear. The gentleman from Ohio [Mr. KASICH] has just stated unequivocally that any savings from this package will be used to implement your Contract With America for tax cuts. He has made that clear, that there will be no lockbox, there will be no deficit reduction; any savings from this package will go directly to pay for the tax cut; is that not what the gentleman said?

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

□ 1500

Mr. LEVIN. Mr. Chairman, I just want to register my protest to the shell game that is going on here. One moment you see it, and one moment you do not. One moment something is going for deficit reduction, and then another moment it is going for tax cuts.

We need welfare reform. We greatly need it.

But I want everybody to know, for example, regarding SSI kids, where there is going to be a reduction of about $15 billion, that is not downsizing government. That is handicapping the families of handicapped children.

We need to get the inequities and the holes out of SSI, the abuses, but not by hurting families with handicapped children.

Therefore, I rise in opposition to this amendment.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I rise in support of the provision to the en bloc technical amendment which would strike section 801, because, as the chairman of the Committee on the Budget suggested, it eliminates what, I think, is an unnecessary degree of confusion which surrounds this section.

As I listened to this, I think those that are watching this or listening to this debate, they are probably very unclear about what it is all about, and the answer is they are going to continue to be unclear, because this is kind of an esoteric debate. It may not be it is drafting errors, but the intent of what we have had all along in the budget resolution and in the welfare reform and in the tax cut has been clear. It is ridiculous, as one of the speakers suggested, to suggest this is, the bill, is for one purpose or another bill may be for another purpose.

Our purpose in this whole thing is to reduce taxes, to pay for those reductions in taxes, and to drive toward a balanced budget, and that is what we are doing with the change in this legislation.

Let me see if I can explain it bit. Under the existing budgetary the savings for entitlement sp can be used for an increase in other entitlement, or it can be pay for a tax cut, but not for an else. Our intent with the origin guage in section 801 was to rese discretionary spending reducti pay for the tax cuts, by prec these savings from being used f other purpose.

The language we used apparent parently created some confusion how this would be accomplishe this reason, we have asked th language be stricken. When the r tive language is taken out, the e ment savings in this bill will g the pay-go scorecard just as they with any other legislation changes the level of entitlement ing.

Now these savings are then go be combined with the savings other entitlement program reduc the savings from reducing the c tionary spending caps, and the l revenues from the tax cuts. If the nue losses are not offset by the s ing reductions, there is going to sequestration that is required b Budget Act. Either way, the or language or the amendment, spe reductions will be used to offse cuts, and any spending cuts in exc the tax cuts will be used for defic duction.

We should vote for this amendm

Mr. GIBBONS. Mr. Chairman, I 1 minute to the gentleman from ana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, technical amendment releases a wave of spending.

Yogi Berra said it pretty wel misstated it some years back wh said, "Deja vu all over again." week the Republicans removed lockbox which would have had money go toward deficit reduc This time it is page 393, section that they removed that would this money go to deficit reduc Now it is going to go to tax cuts.

If you vote for this technical an ment, you could be saying that ni and dimes from school lunch prog can be spent for tax cuts.

Do not read their lips. Read the Do not vote for this technical an ment if you are concerned about de reduction.

Mr. GIBBONS. Mr. Chairman, I 1 minute to the gentleman from M chusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I th the gentleman for yielding.

Mr. Chairman, I do not think a si person out of 100 would have un stood what the chairman of the C mittee on the Budget had said ear It was Beltway convoluted argum and discussion and apology for wh going on here.

The simple fact of the matter is the amendment that is being off here by the majority would allow

savings from this bill, $50 billion taken from families, 5 million families with 9 million children, $50 billion taken over 5 years from these families who have incomes under $15,000 a year, and give it to 2,000,000 families who have incomes of over $200,000 a year. That is the simple fact of what this amendment allows to happen. That is a result that we should not allow.

It is a shell game and something that one of my colleagues suggested that the majority ought to be ashamed of.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, let us be clear about what is happening here. This amendment clears the way to use any savings in welfare reform to pay for tax cuts, tax cuts that we simply cannot afford.

Several weeks ago on this floor, 300 Members of the House of Representatives voted in favor of the balanced budget amendment, and we did that because we know that nothing is more important for the fiscal health of this country than reducing the budget deficit. Now, with this amendment, we take $70 billion in spending cuts, ignore deficit reduction, and apply these savings to tax cuts which we simply cannot afford.

Mr. Chairman, this is a very bad amendment. I would urge my colleagues to vote against it and vote for the deal substitute that uses its savings for deficit reduction.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Chairman, I am a little tired of all of this about lockboxes and trust funds and setting money aside.

All of the people talking about that stuff know as well as I do that that is a fiction. The simple truth is if you pay out more than you bring in, you have got a deficit. That is what we have been doing in this country for too long.

Yes, some of us want to cut taxes. Every Republican in this body 2 years ago, many Democrats who still remain here now, 2 years ago voted against President Clinton's tax increase.

All we are trying to do this year is get back two-thirds of that tax increase. So if you were against taxes being raised 2 years ago, you ought to be trying to get some of that tax increase back this year.

But we are going to pay for it, plus we are going to reduce the deficit, and we are going to reduce taxes. If you are not for reducing taxes, fine, do not vote for the tax cuts, but do not try to obfuscate the issue with all this talk about lockboxes and trust funds.

Mr. GIBBONS. Mr. Chairman, to extend the time of debate on this amendment, I move to strike the last word. I ask unanimous consent to merge that additional time that I am currently controlling.

The CHAIRMAN. The gentleman has that right.

Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM], the champion budget-cutter, champion of the balanced budget.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I rise admittedly rather confused in some instances regarding what is in 601(a) and what is not.

I still believe I am right. I will not argue the point with the chairman of the Committee on the Budget today. But once again I have to take strong exception to a statement the chairman of the Committee on the Budget just made a moment ago by saying that if we do everything in this contract we are, in fact, going to reduce taxes and reduce the deficit $60 billion, completely ignoring the fact that last Thursday night we voted to cut $55 billion which was double-counted on Friday.

Now, that, again, is something we should not be doing and saying on this floor. Just as the previous speaker has said, I want to reduce the deficit. This argument and why you should vote against this technical amendment, this is your clear expression of whether you want to take any spending cuts, as the Deal substitute does.

The only honest deficit-reduction package we will vote on today is the Deal substitute. If you are for reducing the deficit, you vote for Deal. If you want to keep playing these confusing games about definitions, then support this technical amendment.

Mr. GIBBONS. Mr. Chairman, I yield 2¼ minutes to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Chairman, I rise in strong opposition to this amendment.

This is not a technical amendment. Taking money from children to give tax breaks to the rich is not a technicality.

That is what this amendment does—it takes $65 billion from the disabled, the poor, and the children so that we can give $125 billion to our Nation's richest 1 percent. The American people do not want this. They do not want us betraying our children to pay for tax cuts for the rich.

But that is what we are doing today—we are betraying our children. Not just the children who will be cut off welfare—or do without a school lunch—to pay for the Republican tax cut. But all the children who will grow up to see an exploding deficit—a deficit that exploded because we stole our children's education and food to provide tax cuts for the rich.

The Republican proposal kicks 6 million children off welfare. It kicks a quarter million disabled children off. It cuts money for milk for 1.6 million infants.

And why must we kick so many kids off? To pay for the $320 billion tax cut for those with six figure incomes. To pay for the $125 billion dollar tax cut for the richest 1 percent of Americans.

The Republicans should be forthcoming about what they are doing. This so-called technical amendment states that they are taking $65 billion from children to give to the rich. Do not hide the facts in a technical amendment. Stand up for what you believe in.

I urge my colleagues to reject this so-called technical amendment. For those who do support this amendment, I have a request. Come clean. Lay your cards on the table—face up. You support taking $65 billion from children so that you can give it to the rich.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I want to thank my friend, the gentleman from Florida, for yielding me this time.

Mr. Chairman, one of the reasons why the Democrats opposed the motion that allowed the committees to sit during this debate is we wanted people on the floor to hear the debate.

Under the guise of a technical amendment, we have an amendment being brought to the floor that will be voted on that dramatically changes how the bill's savings can be used. The bill's savings should be used for deficit reduction. That is our highest priority. But this amendment will allow the moneys to be used for a tax cut.

Now, why is that so significant? If you look at H.R. 4, the original bill that was with the Contract With America, that bill provided additional resources for job-training programs, did not produce anywhere near the savings that are in this bill, and that is what was produced by the Republicans.

But now we have a different bill, a bill that brings out a lot of so-called savings, but not in order to reduce the deficit but in order to finance the tax cut.

Well, my colleagues, we are going to have a chance in this debate to vote for a bill that will reduce the deficit. The substitute that will be offered by the gentleman from Georgia [Mr. DEAL] not only will get people off of welfare and get them to work, unlike the Republican bill, by having tough requirements on the individuals to work and on the States to provide job opportunities, but with the Deal bill you will also have a chance, the only chance, to reduce the deficit.

So, I urge my colleagues to listen to the debate. This is a critical amendment. If this amendment passes, the only hope that we have in reducing the deficit on the welfare bill will be the bill offered by the gentleman from Georgia [Mr. DEAL] that I hope my colleagues will support.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I find it passing strange that those of us who voted against the balanced budget amendment in part because we did not believe it was a genuine commitment to deficit reduction are finding ourselves and our position redeemed today with this amendment.

The gentleman from Texas [Mr. STENHOLM] is exactly correct. The gentleman from Oklahoma [Mr. BREWSTER] was correct when he put through his amendment before, and I understand the difficulty of the gentleman from Ohio [Mr. KASICH], because I believe him to be an honest person.

□ 1515

But he is trying to deal with a situation in which he has to do two opposite things: provide money for a tax cut, and reduce the deficit. And he cannot do it.

Now he is doing a ballet with the books in order to try to do it. I understand why he is doing it. But the fact still remains that if you vote for this, you are voting against deficit reduction. And that is coming from somebody who voted against the balanced budget because I knew it was a phony, and that is being proved today. If you are for a balanced budget, vote against this amendment.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. ORTON].

(Mr. ORTON asked and was given permission to revise and extend his remarks.)

Mr. ORTON. I thank the gentleman for yielding, and I rise in opposition to the amendment.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. FORD], the ranking minority member of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. FORD. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the Archer amendment, the so-called technical correction amendment, that is. And I say to the chairman of the Committee on the Budget, who is a very distinguished Member of this body, it is very clear to all of us now that if we pass this technical, so-called technical correction amendment, what basically we will be doing is taking from the mouths of the children of this country and not really bringing about a real deficit reduction package in this Congress, with all of the programs that we are reducing.

I do not think that we are really talking about real welfare reform, sending people to work, in the way that this Personal Responsibility Act—it really abuses kids and is cruel to kids in this country. We are taking those funds and saying to the wealthiest people of this Nation, We will give you a tax break on the backs of the poor children of this country.

I think this so-called technical correction amendment should be voted down.

Now, the Archer amendment, the gentleman himself knows this is a bad amendment. It is not deficit reduction at all.

Mr. GIBBONS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this is not a technical amendment. This is a real wolf in sheep's clothing. This takes $70 billion from children for food or for clothing or for housing and for their well-being, and gives it to the very well-off in this country. This is not a technical amendment. It should be beat. It is a sneak attack on the promise that we made the other day here on this House floor and confirmed by the Members voting on it that the money saved by this terrible program would go to deficit reduction, not to reduction of taxes for very wealthy people.

Mr. ARCHER. Mr. Chairman, under the rule, I move to strike the requisite number of words, and I yield the balance of my time to close debate to the gentleman from Ohio [Mr. KASICH], chairman of the Committee on the Budget.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 7 minutes.

Mr. KASICH. So many of my friends are trying my patience a little bit today, but let me just say that I remain in good cheer because they have difficulty understanding what they are talking about today.

The gentleman from Indiana talked about section 252(d) of the Budget Act. He ought to read section 252(d) of the Budget Act before he makes a speech about it.

Let me tell you what we are doing today. We are saying that the savings that we get on the discretionary savings, the savings we get for lowering the discretionary cap can be combined with entitlement savings to pay for the tax cut. That is what we are doing today, plain and simple.

The Committee on Ways and Means—there must have been a little bit of amnesia—the Committee on Ways and Means had a vote on whether this should all be dedicated deficit reduction. It was rejected.

Now, what did you do, forget that? What we did is we created in the Budget Committee a separate pay-go system. Do you know why we did it? Because the 1990 Budget Act prohibited us from being able to downsize Government and give people some of this money back. This corrects it. This says that we will take discretionary spending, when we cut foreign aid, which you folks refused to do, when we cut duplication, which you refused to do, when we take the real savings from the President's budget—and there are none of those. The President's budget, when scored under the 1995 spending level, increases the deficit by $30 billion. Did you hear that? The President's budget, when scored under the 1995 spending level, does not cut the deficit $5 or $10 billion or $20 billion. It inc the deficit by $30 billion.

What does our bill do? Our bill entitlement savings, this bill inc and we downsize Government, thing that you have not wanted all these years. And I refer you b 1993, when you were quick to taxes in this body. You were qu go into peoples' pockets to spend

You got $200 billion deficits as the eye can see, and you are pr the President's plan? The bottor is this: As we cut spending in d tionary accounts, as we cut bac eign aid, as we cut duplication, going to take those savings and going to add those to the entitl savings, and we are going to giv American people 3 times as muc relief and $60 billion more in defi duction. Then in May, we are goi come back, in May, and you know we are going to do in May? W going to bring out a budget here floor. Do you know what that bud going to do? That budget is not going to guarantee that we pay fo tax reductions but it is also a same time going to put us on the path to a balanced budget by the 2002.

Mr. KOLBE. Mr. Chairman, wil gentleman yield?

Mr. KASICH. I yield to the tleman from Arizona.

Mr. KOLBE. I thank the gentl for yielding.

Mr. Chairman, I listened to the tleman, the chairman of the Com tee on the Budget's explanation and I am reminded, to paraphrase trude Stein, "A rose is a rose rose." Well, a dollar is a dollar is a lar. A dollar saved is what I thi hear the gentleman saying, a d saved, whether it comes from di tionary spending or entitlement ings, a dollar saved is a dollar sav dollar spent is a dollar spent, wh it goes to tax increases or increas titlements or increased discretio spending, it is a dollar spent.

What we are going to do is take savings from the budget savings in Budget Committee and the entitle savings we are going to have here, we are going to pay for the tax cut we are going to have real, real de reduction.

Mr. KASICH. The gentleman is actly correct.

What is under the current pa rules—and I would commend all of Members to get out the pay-go r and read them. Under the pay-go r if you cut discretionary spending, cannot apply that to your entitle savings in order to pay for tax relie

Now, I think the American people serve some tax relief, some of w gets paid for by cutting the excesse Government. That is precisely wha do in this bill. And what we say is change the rules. We say you can discretionary savings and you can c bine it with entitlements, you can h

tax relief. But the beauty of what we have done in our plan is not only to pay for tax relief that amounts to three times as much as the President's but also makes a down payment on the deficit so that we have $60 billion more in deficit reduction. In May, we will come back again and we will complete the job. We will have more entitlement savings, we will have more discretionary savings. You know what happens at the end of the day? At the end of the day, by having real cuts in spending, real savings in entitlements, we are going to be able to not only have our tax relief but at the same time be able to have a balanced budget.

Mr. HEFNER. Mr. Chairman, would the gentleman yield?

Mr. KASICH. I would be glad to yield to the gentleman from North Carolina.

Mr. HEFNER. I thank the gentleman for yielding.

Mr. Chairman, just one question to the gentleman from Ohio: "John, we voted here on this House floor on the rescission package in good order, Democrats and Republicans overwhelmingly, that the money would be used for deficit reduction." The same day, the gentleman stated that this was a joke, that it was not going to take place. Is that not right.

Mr. KASICH. Let me suggest to the gentleman that, first of all, I did not use that word. Let me suggest to the gentleman this: When the gentleman goes uptown in North Carolina on a Saturday morning and he knows he is going to spend $5 to get a haircut—and I do not know what the gentleman pays for his, I do not know what the gentleman pays for his haircut—but $5 for a haircut and $5 for lunch, when he leaves his house, I do not think he puts $5 in one pocket and $5 in another pocket and thinks, "Gee, it is working out now." At the end of the day you have spent $10. That is the same $10.

My comment was simply this: At the end of the day, come May, when we have our budget resolution, those savings combined with what we did in the Budget Committee and entitlement savings pays for the package.

Mr. HEFNER. Is the gentleman saying to me that the people of this House did not understand what they were doing the other day when they voted for that reduction? I do not think it is pay-go; I think it is Pogo.

Mr. KASICH. I say to the gentleman, the amendment, the rescission bill effects 1 year. Of course, the savings under the rescissions bill total $9 billion. Guess what, we took that off the table.

Let me tell you one other thing: What we did in the Budget Committee was to lower the budget cap——

The CHAIRMAN. All time has expired.

Mr. TAYLOR of Mississippi. Mr. Chairman, I ask unanimous consent that the gentleman be granted 3 additional minutes so I may ask him a question.

The CHAIRMAN. We are not operating under the 5-minute rule. The time is controlled by the managers of the bill.

The question is on the amendment offered by the gentleman from Texas [Mr. ARCHER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. ARCHER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Texas [Mr. ARCHER] will be postponed.

Mr. GIBBONS. Mr. Chairman, a point of order. I did not understand that last maneuver.

Mr. KOLBE. I think we skipped a step.

PARLIAMENTARY INQUIRIES

Mr. GIBBONS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GIBBONS. Mr. Chairman, I did not understand that last maneuver. I thought we were getting ready to have a recorded vote.

The CHAIRMAN. The rule provides that the Chair may postpone requests for record votes until they are taken, several together, at a certain period of time. The Chair intends to do that by title.

What the Chair said was, pursuant to the rule, further proceedings on the amendment offered by the gentleman from Texas [Mr. ARCHER] will be postponed. The Committee can order a recorded vote at the appropriate time.

Mr. GIBBONS. Could the Chairman give us a little scenario as to when we may have that recorded vote?

The CHAIRMAN. The committee will probably try to handle all of the amendments in title I at one time.

Mr. GIBBONS. All of title I at one time?

The CHAIRMAN. The gentleman is correct.

Mr. HEFNER. Mr. Chairman, could the gentleman give me any indication, will this be a 15-minute vote or a 5-minute vote?

The CHAIRMAN. Under the rule, all original postponed votes are 15-minute votes and all subsequent votes, if there is no intervening business occurring, will be 5-minute votes.

AMENDMENTS EN BLOC OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Chairman, pursuant to the rule, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. ARCHER, printed as Nos. 2, 4, 6, 10, 12, 14, 16, 23, 27, 28 and 29:

Amendment No. 2, offered by Mr. TALENT:

Page 6, after line 3, insert the following:

SEC. 100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) marriage is the foundation of a successful society;

(2) marriage is an essential social institution which promotes the interests of children and society at large;

(3) the negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented as follows:

(A) the illegitimacy rate among black Americans was 26 percent in 1965, but today the rate is 68 percent and climbing;

(B) the illegitimacy rate among white Americans has risen tenfold, from 2.29 percent in 1960 to 22 percent today;

(C) the total of all out-of-wedlock births between 1970 and 1991 has risen from 10 percent to 30 percent and if the current trend continues 50 percent of all births by the year 2015 will be out-of-wedlock;

(D) ¾ of illegitimate births among whites are to women with a high school education or less;

(E) the 1-parent family is 6 times more likely to be poor than the 2-parent family;

(F) children born into families receiving welfare assistance are 3 times more likely than children not born into families receiving welfare to be on welfare when they reach adulthood;

(G) teenage single parent mothering is the single biggest contributor to low birth weight babies;

(D) children born out-of-wedlock are more likely to experience low verbal cognitive attainment, child abuse, and neglect;

(I) young people from single parent or step-parent families are 2 to 3 times more likely to have emotional or behavioral problems than those from intact families;

(J) young white women who were raised in a single parent family are more than twice as likely to have children out-of-wedlock and to become parents as teenagers, and almost twice as likely to have their marriages end in divorce, as are children from 2-parent families;

(K) the younger the single parent mother, the less likely she is to finish high school;

(L) young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time;

(M) between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000;

(N) the absence of a father in the life of a child has a negative effect on school performance and peer adjustment;

(O) the likelihood that a young black man will engage in criminal activities doubles if he is raised without a father and triples if he lives in a neighborhood with a high concentration of single parent families; and

(P) the greater the incidence of single parent families in a neighborhood, the higher the incidence of violent crime and burglary; and

(4) in light of this demonstration of the crisis in our Nation, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis.

Amend the table of contents accordingly.

Amendment No. 4, offered by Mr. HYDE:

Page 8, line 15, strike "births", and insert "pregnancies."

Page 8, strike lines 22–25.

Page 14, line 18, strike "costs." and insert "costs. Not withstanding any other provisions of this act, a state to which a grant is made under section 403 may not use any part of the grant to provide medical services."

Amendment No. 6, offered by Mr. TALENT:

Page 22, strike the table that begins after line 2 and insert the following:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

Amendment No. 10, offered by Mr. SMITH of Texas:

Page 65, line 2, insert after the period: The Secretary may not require a state to alter its child protection law regarding determination of the adequacy, type and timing of health care (whether medical, non-medical or spiritual).

Amendment No. 12, offered by Mr. BURTON of Indiana:

Page 85, after line 15, insert the following:

SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) States should allocate sufficient funds under this title for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(4) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(5) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents.

Amendment No. 14. Offered by Mr. CUNNINGHAM:

Page 114, strike line 4, and insert the following:

"(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

"(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall

Page 114, after line 11, insert the following (and make appropriate conforming amendments):

"(2) ASSISTANCE FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.—The State shall ensure that assistance described in subsection (a)(1) is provided to members of the Armed Forces and dependents of such members (regardless of the State of residence of such members or dependents) who meet the requirements of such subsection on an equitable basis with assistance provided to all other individuals under such subsection in such State.

"(c) ADDITIONAL REQUIREMENT WITH RESPECT TO CHILD CARE ASSISTANCE ON MILITARY INSTALLATIONS.—

"(1) IN GENERAL.—To the extent consistent with the number of children who are receiving assistance under child care programs established and carried out on military installations in such State by the Department of Defense, the State, after timely and appropriate consultation with representatives of such programs, shall provide assistance to such programs for such children (regardless of the State of residence of such children) in accordance with subsection (a)(3) on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out in such State.

"(2) LIMITATION.—In providing assistance to a child care program established and carried out on a military installation under paragraph (1), a State shall not require that such program be licensed under State law if such program is licensed by the Department of Defense.

Amendment No. 16, offered by Mr. GUNDERSON:

Page 116, beginning on line 19, strike "the Secretary determines to be appropriate" and insert "which can be reasonably required by the Secretary".

Page 135, beginning on line 4, strike "the Secretary determines to be appropriate" and insert "which can be reasonably required by the Secretary".

Amendment No. 23, offered by Mr. ROBERTS:

Page 232, strike lines 23 and 24 and insert the following:

"Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following new subsection:".

Page 232, line 25, strike "(g)(1)" and insert "(h)(1)".

Amendment No. 27, offered by Mr. ZIMMER:

Page 37, line 11, strike "CONVICTED OF" and insert "FOUND TO HAVE"

Page 37, line 12, strike "REPRESENTING" and insert "REPRESENTED".

Page 37, line 12, strike "TO A WELFARE PROGRAM" and insert "IN ORDER TO OBTAIN BENEFITS IN 2 OR MORE STATES" after "RESIDENCE".

Page 37, line 13, 14 and 15, strike "A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to an individual" and insert "An individual shall not be considered an eligible individual for the purposes of this title" before "during" on line 15.

Page 37, line 16, insert "found by a State to have made, or is" after "is".

Page 37, line 17, strike "of making" and insert "of having made,".

Page 37, line 20, strike "under 2 or more" and insert "simultaneously from 2 or more States under".

Page 37, line 21, insert ", title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XIV" before the period.

Page 266, after line 15, insert the following:

SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Sec. 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI."

At the end of subtitle B of title V, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. DENIAL OF FOOD STAMP BENEFI... 10 YEARS TO INDIVIDUALS ... TO HAVE FRAUDULENTLY ... REPRESENTED RESIDENCE ... ORDER TO OBTAIN BENEFITS ... TANEOUSLY IN 2 OR MORE STA...

Section 6 of the Food Stamp Act of ... U.S.C. 2015) is amended by adding at t... the following:

"(I) An individual shall be ineligi... participate in the food stamp progra... member of any household during the ... period beginning on the date the ind... is found by a State to have made, or ... victed in Federal or State court of ... made, a fraudulent statement or repre... tion with respect to the place of resid... the individual in order to receive bene... multaneously from 2 or more States ... the food stamp program or under pro... that are funded under part A of title IV ... XIX, or benefits in 2 or more States ... the supplemental security income p... under title XVI."

Amendment No. 28, offered by Mr. SA...

Page 282, line 13, after the period ins... following: "The Secretary must agre... the system will not cost more nor tak... time to establish than a centralized s... In addition, employers shall be given ... tion to which income withholding is ...

Page 322, strike line 23 and all that ... through line 23 on page 323.

Page 323, line 24, strike "(c)" and ... "(b)".

Amendment offered by Ms. DUNN of ... ington:

Page 307, line 4, strike "and".

Page 307, line 8, strike "matter." a... sert "matter; and".

Page 307, after line 8, insert the foll...

"(C) any individual who has died be... in the records relating to the death ... recorded on the death certificate.".

MODIFICATIONS TO AMENDMENTS EN B... OFFERED BY MR. ARCHER

The CHAIRMAN. The Clerk w... port the modifications to the a... ments en bloc.

The Clerk read as follows:

Modifications to the amendments ... offered by Mr. ARCHER:

Amendment No. 4, as modified, offe... Mr. HYDE: (1) Page 8, line 15, strike "b... and insert "pregnancies."

(2) Page 8, lines 24 and 25, strike ... health services"

(3) Page 14, line 18, strike "costs." ... sert "costs. Not withstanding any oth... vision of this act, a state to which a g... made under section 403 may not use a... of the grant to provide medical service...

Amendment No. 12, as modified, offe... Mr. BURTON of Indiana: Page 85, after ... insert the following:

SEC. 205. SENSE OF THE CONGRESS REGA... TIMELY ADOPTION OF CHILD...

It is the sense of the Congress that—

(1) too many children who wish ... adopted are spending inordinate amo... time in foster care;

(2) there is an urgent need for State... crease the number of waiting children ... adopted in a timely and lawful manne...

(3) Studies have shown that State... an excess of $15,000 each year on each ... needs child in foster care, and woul... significant amounts of money if they ... incentives to families to adopt specia... children;

(4) States should allocate sufficien... under this title for adoption assistan... medical assistance to encourage mor... lies to adopt children who otherwise ... languish in the foster care system fo... riod that many experts consider detri... to their development;

(5) State should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligible for adoption to help match them with families around the country.

□ 1530

Mr. ARCHER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments, as modified, be considered as read and printed in the RECORD.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] will be recognized for 10 minutes, and the gentleman from Florida [Mr. GIBBONS] will be recognized for 10 minutes.

PARLIAMENTARY INQUIRIES

Mr. MILLER of California. Mr. Chairman, if I might make a parliamentary inquiry of the Chair?

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MILLER of California. Could the Chair inform us?

As I understand it, there are some 10 amendments that are going to be offered en bloc.

Mr. ARCHER. That is correct, Mr. Chairman.

Mr. MILLER of California. Mr. Chairman, is the debate time going to be expanded since it is now covering—is there just going to be 10 minutes a side? Could we do 20 minutes a side?

I mean these amendments——

The CHAIRMAN. The debate time under the rule is 10 minutes on each side, and each manager has the right to ask unanimous consent——

Mr. MILLER of California. So we have 10 amendments?

The CHAIRMAN. Actually 11 amendments.

Mr. MILLER of California. Eleven amendments. A further parliamentary inquiry:

As I understood the rule, originally those amendments could have been brought up for 20 minutes of debate on each amendment.

The CHAIRMAN. That is correct.

Mr. MILLER of California. And now those 11 amendments have been collapsed into one en bloc amendment, and the debate time is only going to be 10 minutes a side?

The CHAIRMAN. Under the same rule.

Mr. FORD. Mr. Chairman, can we ask unanimous consent that we have 1 hour, to be divided equally on both sides of the aisle, to debate the 11 amendments? I ask unanimous consent.

The CHAIRMAN. Such a request could be entertained under the rule and precedents. The Chair will will entertain that request.

The gentleman from Tennessee [Mr. FORD] asks unanimous consent that the debate time for the 11 en bloc amendments be 30 minutes for each side.

Is there objection to the request of the gentleman from Tennessee?

Mr. ARCHER. Reserving the right to object, Mr. Chairman, this runs contrary to the rule as passed by the House, and we are trying to expedite this debate. These amendments are all relatively noncontroversial. The request has been made by each Member that they be included en bloc, and I must object.

The CHAIRMAN. The gentleman from Texas has that right.

The unanimous consent request of the gentleman from Tennessee [Mr. FORD] is objected to.

Objection is heard.

Mr. RANGEL. Mr. Chairman, I ask unanimous consent to address the chairman of the Committee on Ways and Means.

The CHAIRMAN. The time is controlled on both sides by the managers of the bill, and one of them must give the gentleman time to do that.

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent that this debate be equally divided and we have an hour and a half on these 10 amendments. I do not even know what the amendments are. This comes as such a bolt out of the blue. It is a gag, and I ask unanimous consent that we have an our and a half.

The CHAIRMAN. The Chair is not going to recognize that unanimous consent request. The original unanimous consent request for 1 hour has already been objected to, and it strikes the Chair they will continue to be objected to.

Mr. GIBBONS. Can I ask for less than an hour, Mr. Chairman?

The CHAIRMAN. The gentleman may propound a request.

Mr. GIBBONS. I am sorry?

The CHAIRMAN. The gentleman may propound a request.

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent for 59 minutes, to be equally divided——

Mr. EMERSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent for 58 minutes.

Mr. EMERSON. Mr. Chairman, I object.

Mr. GIBBONS. Mr. Chairman, I ask for 57 minutes.

Mr. EMERSON. Mr. Chairman, I object.

Mr. GIBBONS. Mr. Chairman, I ask for 56 minutes.

Mr. EMERSON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] has made his point, that he disapproves of the time frame. The gentleman from Missouri has appropriately objected.

Objection is heard.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Texas said we had time constraints. Could someone tell me what the legislative calendar is for next week, because my understanding is that we have a very light schedule for next week and that, in fact, we could have this bill go over, and we have plenty of empty days for next week.

The CHAIRMAN. The Chair will respond to the gentleman from Massachusetts [Mr. FRANK] that that is not an appropriate parliamentary inquiry, and at its appropriate time the majority leader will be discussing the schedule for next week.

The Chair recognizes the gentleman from Texas.

Mr. GIBBONS. Mr. Chairman, I ask for 57 minutes and 49 seconds.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. GIBBONS. Mr. Chairman, I ask for 57 minutes and 49 seconds of time to be equally divided.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] has not been recognized.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I mentioned, these amendments were asked to be included en bloc by the colleagues involved. The following items are included as numbered in the report of the Committee on Rules:

Amendment No. 2 offered by the gentleman from Missouri [Mr. TALENT] to express a sense of Congress regarding marriage and the negative consequences of out-of-wedlock births; amendment No. 6 offered by the gentleman from Missouri [Mr. TALENT] to increase mandatory work participation rates; amendment No. 4, as modified, offered by the gentleman from Illinois [Mr. HYDE] to clarify that States cannot use Federal dollars to pay for certain types of medical services to reduce the incidents of out-of-wedlock births; amendment No. 10 offered by the gentleman from Texas [Mr. SMITH] to give States flexibility in defining child abuse and neglect as it applies to health care; amendment No. 12, as modified, offered by the gentleman from Indiana [Mr. BURTON] to express a

sense of Congress that States should promote adoption; amendment No. 14 offered by the gentleman from California [Mr. CUNNINGHAM] to require nutrition block grants to be equitably distributed to members of the Armed Forces; amendment No. 16 offered by the gentleman from Wisconsin [Mr. GUNDERSON] to limit the Secretary of Agriculture's authority to request certain information; amendment No. 23 offered by the gentleman from Kansas [Mr. ROBERTS] to add criminal forfeiture penalties for violators of the Food Stamp Act; amendment No. 27 offered by the gentleman from New Jersey [Mr. ZIMMER] to clarify the penalties that apply in certain cases of welfare fraud; amendment No. 28 offered by the gentleman from Florida [Mr. SHAW] to broaden the Secretary's waiver powers and to restrict the provisions under which States can establish county disbursement units in the child support program, and amendment No. 29 offered by the gentlewoman from Washington [Ms. DUNN] to require the Social Security number of the deceased to appear on death certificates.

Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, when I hear the phrase "cruelty to children" I think of the cruelty that has been perpetuated within the current welfare system in the form of the $34 billion owed to children whose deadbeat parents could keep them off welfare but are not willing to pay up. The Republican welfare bill under debate requires that States list the Social Security numbers of applicants for a number of licenses in order to find these deadbeat parents. My amendment simply adds a provision requiring the Social Security number of the deceased, that it be added to the above list. As my colleagues know, Social Security numbers will be used in tracking down deadbeat parents.

Mr. Chairman, after the conclusion of our committee hearings, a case was brought to my attention where a woman had received $25,000 in delinquent funds from the estate of her deceased former husband who had gone into hiding years earlier, and only through luck did she learn of his estate. This amendment would take the luck out of it. Mr. Chairman. I urge the support of my colleagues.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is the most outrageous procedure that I have ever seen in 32 years here in the House of Representatives. There were 31 amendments made in order by the rule, each amendment to have 20 minutes of debate. The chairman of the Committee on Ways and Means collapsed all that 20 minutes of time on each amendment down to one 20 minutes of time. We cannot even find out what amendments are in this en bloc amendment.

This is outrageous, Mr. Chairman.

Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, as my colleagues know, this is not just a question of rules and regulations in the Congress. Behind these amendments that have been offered en bloc, that are senses of the Congress, are very evil, mean-spirited cuts that are hidden by these sense-of-the-Congress resolutions that are going to be combined in this en bloc amendment. Specifically the gentleman from California [Mr. MATSUI] and I offered an amendment before the Committee on Rules to try and restore $2.7 billion worth of cuts in the foster care and adoptive services programs of this country, $2.7 billion to help 450,000 kids in this country.

Mr. MCDERMOTT. Mr. Chairman, I move that the House do now adjourn.

The CHAIRMAN. That motion is not in order. The gentleman from Massachusetts [Mr. KENNEDY] has the floor.

Mr. MCDERMOTT. A motion to adjourn, Mr. Chairman, is always in order. It is always a privileged motion.

The CHAIRMAN. Not in the Committee of the Whole.

The gentleman from Massachusetts [Mr. KENNEDY] may continue.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield 5 seconds to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, since the gentleman from Massachusetts yielded 5 seconds to me, I move that the Committee do now rise.

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] is under recognition.

Mr. LAFALCE. He yielded to me, Mr. Chairman, and I have now moved to rise.

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] must yield for that purpose.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Massachusetts [Mr. KENNEDY] that the Committee do now rise.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GIBBONS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 242, not voting 4, as follows:

[Roll No. 256]

AYES—188

Abercrombie	Berlenson	Brewster
Ackerman	Bentsen	Brown (CA)
Andrews	Berman	Brown (FL)
Baesler	Bevill	Brown (OH)
Baldacci	Bishop	Bryant (TX)
Barcia	Bonior	Cardin
Barrett (WI)	Borski	Chapman
Becerra	Boucher	Clay
Clayton	Johnson (SD)	Peterson (M
Clement	Johnson, E. B.	Pickett
Clyburn	Johnston	Pomeroy
Coleman	Kanjorski	Poshard
Collins (IL)	Kaptur	Rahall
Collins (MI)	Kennedy (MA)	Rangel
Conditt	Kennedy (RI)	Reed
Conyers	Kennelly	Reynolds
Costello	Kildee	Richardson
Coyne	Kleczka	Rivers
Cramer	Klink	Roemer
Danner	LaFalce	Rose
de la Garza	Lantos	Roybal-Alla
Deal	Laughlin	Rush
DeLauro	Levin	Sabo
Dellums	Lewis (GA)	Sanders
Deutsch	Lincoln	Sawyer
Dicks	Lipinski	Schroeder
Dingell	Lofgren	Schumer
Dixon	Lowey	Scott
Doggett	Luther	Serrano
Dooley	Maloney	Sisisky
Durbin	Manton	Skaggs
Engel	Markey	Skelton
Eshoo	Martinez	Slaughter
Evans	Mascara	Spratt
Farr	Matsui	Stark
Fattah	McCarthy	Stenholm
Fazio	McDermott	Stokes
Fields (LA)	McHale	Studds
Filner	McKinney	Stupak
Flake	McNulty	Tanner
Foglietta	Meehan	Taylor (MS)
Ford	Miller (CA)	Tejeda
Frank (MA)	Mineta	Thompson
Frost	Mink	Thornton
Furse	Moakley	Thurman
Gejdenson	Mollohan	Torres
Gephardt	Montgomery	Towns
Gibbons	Moran	Tucker
Gonzalez	Murtha	Velazquez
Green	Nadler	Vento
Gutierrez	Neal	Visclosky
Hall (OH)	Oberstar	Volkmer
Hall (TX)	Obey	Ward
Hamilton	Olver	Waters
Harman	Ortiz	Watt (NC)
Hastings (FL)	Orton	Waxman
Hefner	Owens	Williams
Hilliard	Pallone	Wise
Hinchey	Parker	Woolsey
Holden	Pastor	Wyden
Hoyer	Payne (NJ)	Wynn
Jackson-Lee	Pelosi	Yates
Jefferson	Peterson (FL)	

NOES—242

Allard	Collins (GA)	Geren
Archer	Combest	Gilchrest
Armey	Cooley	Gillmor
Bachus	Cox	Gilman
Baker (CA)	Crane	Goodlatte
Baker (LA)	Crapo	Goodling
Ballenger	Cremeans	Gordon
Barr	Cubin	Goss
Barrett (NE)	Cunningham	Graham
Bartlett	Davis	Greenwood
Barton	DeFazio	Gunderson
Bass	DeLay	Gutknecht
Bateman	Diaz-Balart	Hancock
Bereuter	Dickey	Hansen
Bilbray	Doolittle	Hastert
Bilirakis	Dornan	Hastings (WA)
Bliley	Doyle	Hayes
Blute	Dreier	Hayworth
Boehlert	Duncan	Hefley
Boehner	Dunn	Heineman
Bonilla	Ehlers	Herger
Bono	Ehrlich	Hilleary
Brownback	Emerson	Hobson
Bryant (TN)	English	Hoekstra
Bunn	Ensign	Hoke
Bunning	Everett	Horn
Burr	Ewing	Hostettler
Burton	Fawell	Houghton
Buyer	Fields (TX)	Hunter
Callahan	Flanagan	Hutchinson
Calvert	Foley	Hyde
Camp	Forbes	Inglis
Canady	Fowler	Istook
Castle	Fox	Jacobs
Chabot	Franks (CT)	Johnson (CT)
Chambliss	Franks (NJ)	Johnson, Sam
Chenoweth	Frelinghuysen	Jones
Christensen	Frisa	Kasich
Chrysler	Funderburk	Kelly
Clinger	Gallegly	Kim
Coble	Ganske	King
Coburn	Gekas	Kingston

Klug	Ney	Smith (NJ)
Knollenberg	Norwood	Smith (TX)
Kolbe	Nussle	Smith (WA)
LaHood	Oxley	Solomon
Largent	Packard	Souder
Latham	Paxon	Spence
LaTourette	Payne (VA)	Stearns
Lazio	Petri	Stockman
Leach	Pombo	Stump
Lewis (CA)	Porter	Talent
Lewis (KY)	Portman	Tate
Lightfoot	Pryce	Tauzin
Linder	Quillen	Taylor (NC)
Livingston	Quinn	Thomas
LoBiondo	Radanovich	Thornberry
Longley	Ramstad	Tiahrt
Lucas	Regula	Torkildsen
Manzullo	Riggs	Torricelli
Martini	Roberts	Traficant
McCollum	Rogers	Upton
McCrery	Rohrabacher	Vucanovich
McDade	Ros-Lehtinen	Waldholtz
McHugh	Roth	Walker
McInnis	Roukema	Walsh
McIntosh	Royce	Wamp
McKeon	Salmon	Watts (OK)
Menendez	Sanford	Weldon (FL)
Metcalf	Saxton	Weldon (PA)
Meyers	Scarborough	Weller
Mfume	Schaefer	White
Mica	Schiff	Whitfield
Miller (FL)	Seastrand	Wicker
Molinari	Sensenbrenner	Wilson
Moorhead	Shadegg	Wolf
Morella	Shaw	Young (AK)
Myers	Shays	Young (FL)
Myrick	Shuster	Zeliff
Nethercutt	Skeen	Zimmer
Neumann	Smith (MI)	

NOT VOTING—4

Browder	Meek
Edwards	Minge

□ 1600

Mr. JEFFERSON changed his vote from "no" to "aye."

So the motion to rise was rejected.

The result of the vote was announced as above recorded.

Mr. GIBBONS. You all sit down and shut up. Sit down and shut up.

The CHAIRMAN. The Committee will be in order.

Mr. GIBBONS. That is what I am asking for, regular order. Sit down and shut up.

The CHAIRMAN. The gentleman from Florida is entirely out of order. The gentleman will suspend.

The Committee will be in order.

Mr. GIBBONS. Mr. Chairman, I have time, and I want to use the time.

The CHAIRMAN. Will those Members in the aisles please repair to the cloakroom.

Mr. GIBBONS. Mr. Chairman, I have time, and I want to use the time.

The CHAIRMAN. Will the gentleman from Florida please suspend until the Chair obtains order in the Chamber.

PARLIAMENTARY INQUIRY

Mr. McCRERY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCRERY. Mr. Chairman, is petulance a proper form of behavior for a Member of Congress?

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. GIBBONS. I will be as petulant as I want to be. The American people ought to know what is going on.

The CHAIRMAN. All Members will be in order.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, inasmuch as I am not comfortable with the amount of time that was given in advance to the minority about this en bloc amendment, I ask unanimous consent that the time for debate on this amendment be extended an additional 30 minutes, 15 minutes on each side; coupled with the 10 minutes on each side and the motion to strike for an extra 5 that will give 30 minutes to each side. I ask unanimous consent for that.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GIBBONS. Reserving the right to object, Mr. Chairman, I am the second ranking Member of this House. I have been here longer than any other person except one Member.

This procedure that is being used on this outrageous piece of legislation is the most unusual, outrageous maneuver I have ever seen.

Mr. Chairman, reserving the right to object, had these amendments not been handled like they are being handled by the chairman of the Committee on Ways and Means, the House of Representatives would have 3½ hours of debate on these amendments, 3½ hours.

The gentleman from Texas [Mr. ARCHER] collapsed our 3½ hours down to 10 minutes on each side for a whole group of amendments that I have yet to figure out what is in them.

There are 31 amendments before the House. I do not know nor do I think any Member on this side of the aisle knows what is in the en bloc amendments, as the gentleman from Texas [Mr. ARCHER] has put them forward.

Now, I have said that this is a mean bill. It is mean to children.

Boo if you want to. Boo if you want to. Make asses out of yourselves for the American people. Let them boo, Mr. Chairman.

Mr. Chairman, reserving the right to object, this is a cruel, mean bill to children. It takes $70 billion, reserving the right to object, it takes $70 billion from children.

The CHAIRMAN. Regular order has been ordered for every Member of the Chamber.

Let the Chair just say that the gentleman from Florida, under his reservation with respect to the unanimous consent request, is going rather far afield in discussing the bill, but the Chair is going to be as lenient as he can be and let him discuss his reservation.

Mr. LIVINGSTON. I demand regular order.

Mr. GIBBONS. I have the floor, Mr. Chairman.

The CHAIRMAN. Once regular order has been demanded, the gentleman may not continue to reserve.

Is there objection to the request of the gentleman from Texas?

Mr. GIBBONS. Reserving the right to object, Mr. Chairman——

The CHAIRMAN. The gentleman may not reserve the right to object. He lost the right to object when regular order was demanded.

Mr. GIBBONS. I think I have established the point, Mr. Chairman, that we are proceeding on a cruel bill in an unusual manner.

Mr. Chairman, I withdrawn my reservation of objection because I do not want to be an obstructionist.

The CHAIRMAN. Without objection, the unanimous-consent request is granted.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HYDE].

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I am not sure this is the greatest time to talk about anything, but I have an amendment that is designed solely to ensure that the funds in this block grant program do not get spent for abortions. That is simply what it does.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Pennsylvania.

Mr. GREENWOOD. Mr. Chairman, I thank the gentleman for yielding so we may engage in a brief colloquy.

An essential purpose of this bill is to reduce out-of-wedlock, unintended and teenage pregnancies. Clearly the strategy to help us reach this goal is to ensure that poor families have access to family planning services. The gentleman's amendment states that "notwithstanding any other provision of this Act, a state to which a grant is made under section 403 may not use any part of the grant to provide 'medical services.'"

I was concerned that the gentleman's amendment might be interpreted to mean that grant funds could not be used to provide family planning services. But the gentleman has assured me in conversations both yesterday afternoon and early this morning that it is not his intent to prohibit the States from using the block grant funds for family planning services.

I hope the gentleman could assure me for the RECORD here, assure the House for the RECORD, as he did in our personal conversations, that his amendment will still permit States to use temporary assistant block grant funds for prepregnancy-related services.

Mr. HYDE. The gentleman is exactly correct. My amendment is to prevent any funds under this legislation to pay for abortions, whether surgical, drug-induced or otherwise. But in no way is it intended to interfere with access to prepregnancy-related services.

Mr. GIBBONS. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I recognize that the chairman of the Committee on Ways and Means has said that all of these provisions are noncontroversial, but the one line that I have that describes the gentleman's amendment says that it ensures that no funds under the bill can be used for medical services and not for abortion.

Is this wrong what is being circulated around?

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Illinois.

Mr. HYDE. The gentleman has to interpret medical services. If he would check with the gentleman from Maryland [Mr. CARDIN]——

Mr. RANGEL. Medical services mean abortion. I thank the gentleman.

Mr. HYDE. Mr. Chairman, if the gentleman will continue to yield, we wanted to make sure that it does not mean abortion.

Mr. RANGEL. Mr. Chairman, why is the gentleman circulating this around?

Mr. HYDE. I did not circulate anything, Mr. RANGEL.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I thank the chairman for allowing me to continue after I so rudely interrupted myself my last time up here.

I would like to thank the gentleman from Florida [Mr. GIBBONS] for the time and for the effort that he has made in making this bill at least be heard by the American people. I notice time and time again the Republicans seem to object to strongly when anybody brings up the fact that this bill is mean spirited towards the children of this country.

Let me just explain exactly how it is mean spirited to the children of this country. You cut in this bill $2.7 billion out of a program that provides foster care and adoptive services for the poorest kids of this country, for sexually-abused kids, for children that come out of families where they are being beaten, and you do nothing to provide those services in any other way. You are going to sentence those innocent children to going back into the very families that are abusing them. There is no comment, there is no substitution.

It is cold-blooded and mean spirited. And you ought to recognize what happens.

Sure, we have an amendment that is supposedly noncontroversial that says that we want to provide adoption care services and it is the sense of the Congress that states ought to get $15,000 to people to give to adopted children.

□ 1615

That is wonderful. However, it does not deal with the fact that the kids themselves that are in these foster care situations are in desperate need of foster care. The gentleman from Georgia [NEWT GINGRICH] walks around talking about orphanages. Orphanages cost seven times more money than foster care, yet this bill will send kids into orphanages and take them out of foster care.

The fact of the matter is, Mr. Chairman, that we have a serious problem in this country. There are a number of children that are at risk.

Mr. Chairman, I would like to just make the final point. There are 3.5 million children abused in this country every year. There are only 450,000 foster care slots, and they are cutting them. It is on their conscience that this bill hurts the poor and hurts the kids of America. That is why we are upset. That is why the gentleman from Florida [Mr. GIBBONS] is angry. That is why we want to change this bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, one of my colleagues earlier in the afternoon said this ought to be a debate about fact, and that we should not let rhetoric obscure reality. I rise to say that what my colleague, the gentleman from Massachusetts [Mr. KENNEDY], just said about the funding in the child protection block grant is simply not accurate. That block grant goes up to guarantee that every single child predicted to come into the system will have dollars waiting for him for placement.

We have guaranteed that airtight, and CBO figures have always been high.

Furthermore, we have gone a step further. We have not kept that money segregated. We do not say "You only get that money if you take that child out of the home." We say "You get that money, and you can use it to preserve families, to prevent out-of-home placement, but if you need to place the child out of home, you will have the resources to do so."

I just want to point out that over the years of this bill that account goes from $3.9 billion to over $5.5 billion, an increase of $1.6 billion over 5 years, or an increase of 25 percent. This is not mean-spirited.

There are 22 states that are under court order because their programs are so lousy, so there is not anyone that testified before my subcommittee when we had the oversight hearing on the child protective services section, that maintained that this was a system that was working.

The gentleman may differ with the solution of putting these funds in a block grant, but I can go through in line and detail why this section of the bill is far more tightly governed than any other section of the bill, and why I think it will work. But to say that it cuts funding for children for foster care is simply false.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] and the gentleman from Texas [Mr. AR control the time.

Mr. GIBBONS. Mr. Chairman, I 3 minutes to the gentleman from York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, if dren were not being hurt, I would this is the best political thing could happen to the Democrat really expose what is going on where we take 10 of these amendn and each time someone stands u asks "What does it mean," the gentleman's time has expired.

We have all of these amendr that Democrats have put in to guarantee something for the chil and the gentlewoman knows that is no guarantee here except to the ernors. Everything that is in thi guarantees the Governors that the the package on the block grant there is nothing that is guarante the child, because the entitlement shattered which we had before.

Take a look at some of these things in this en bloc amendment first one is here, by the gentl from Missouri [Mr. TALENT], whe says "Every problem the United S of America has in crime, in welfa poverty, in drugs, is due to the that we have a single parent." Wh this? A sense of the Congress?

Then we have a gentleman comes here from Illinois and he language circulated in all of the ments which says that "403 of the is to ensure that no funds under bill can be used for medical servi The chairman of the Committee Ways and Means said this is not troversial, but the gentleman from nois [Mr. HYDE] claims it only m to stop abortions.

Then we have another provision, deadbeat dads who die are still li under the bill. This is very import

Another provision provides tha you are a fugitive of justice you ar nied welfare. Give me a break.

What we should have is debate the good parts of the bill, which this: "We want people to work." ask that our Members, what, give t the training, give them the op tunity, and put them to work. If t is no job available to them, do make that child suffer.

We ask Members to take a look the 18-year-old, and we say if she m a mistake, do not punish the ch Make certain that she lives with a supervision, that she gets train that she gets a job, but no, they that they have a better way to do it cause we did not do it right.

Mr. Chairman, all we are askin this. They have the votes. They k darned well that the substance is on their side. The whole world looks at this bill and they know what the other side are really tryin do. That is to get the Federal Gov ment out of caring, to get them ou education. They are going to abo the whole department, to get them of welfare, to get them out of Medic

All of the problems of the poor their leadership said should be handled by orphanages and by the private sector and by charities.

All we are saying is one thing: Give us a chance to debate these things. Do not shove it down the American people's throat.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would just like to bring attention to one amendment included in the en bloc amendments that I believe even the gentleman from New York [Mr. RANGEL] will find agreeable. It clarifies and expands the language that was adopted in the Committee on Ways and Means, to make it clear that if anyone simultaneously collects welfare payments in two separate States, that person will be prohibited from collecting means-tested welfare payments for ten years thereafter.

This is a serious problem. It is a national problem. It came to light in my area when it was discovered that people were jumping the turnstiles for the trains connecting New York and New Jersey. They were found to have dual identifications. They were collecting welfare in New Jersey, going to New York, establishing themselves as homeless in New York, and collecting benefits from both States.

Obviously, this is ripping off the system. It is taking money that should go to the needy and should go to those who are deserving. This amendment extends the 10-year prohibition to all needs-tested programs.

Mr. GIBBONS. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. CLAY], and I ask unanimous consent that he may be allowed to control that time and to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from by Florida?

There was no objection.

Mr. CLAY, Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, let me say that this is one of the worst gag rules that I have seen in my 27 years here. A great Supreme Court Justice once said that shouting to the top of your voice in a telephone booth is not exercising free speech. Limiting speech to 30 minutes to discuss measures affecting the lives of millions of people is not full and free debate. It is a charade, a sham, a disgrace.

The reason Republicans want to limit debate on this issue is because they know that they are not telling the truth. They get incensed every time somebody mentions Nazi Germany in relation to what they want to do to poor people in this country. Let me say, Hitler had a minister of propaganda that said "Tell a lie, tell it big enough, tell if often enough, and it will become the truth."

Yes, they get incensed, because they are telling the biggest lie in the world, that they are going to help poor kids, that they are going to help mothers, pregnant mothers. What they are saying is that they are going to block grant this money, reduce the amount of it, give it to the Governors. It is a big conduit for passing money on to Governors with no responsibility, no strings attached.

I say they ought to be ashamed, and they ought to go back into history and look and see if it is close to what Adolph Hitler did to people in that country.

Let me say, if their level of frustration is such that they think that all of the problems of this country depend on what is happening in welfare, and if this does not work, if their frustration stays there, what is next? Castration? Sterilization? After that, I hate to say what is next, if they continue to be as frustrated as they are today.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, as I understood the debate on the rules, there was an intent on the part of the majority to permit extensive debate on the amendments that had been agreed to for discussion, so it comes as a great shock to me that out of 26 amendments that the majority is to offer, nearly a third were put together in an en bloc amendment without even the Members of the committees affected by this consolidation having been consulted, and even knowing what it was all about.

There is one amendment that I want to address attention to, particularly, that is included in this en bloc amendment offered by the gentleman from California [Mr. CUNNINGHAM]. It has to do with an amendment which attempts to set aside specific monies for children going to child care facilities under the Defense Department on military installations, as somehow carving out a preferential category for child care food programs for these youngsters on military bases.

I would like the House to know that what happened in the bill that is coming up to the floor for consideration is that the block grants for all of the children of America in child care facilities, outside of school programs, have no guarantee whatsoever for any participation in any food or nutrition program whatsoever, so it is a real farce.

Talk about setting aside money specially for military children, obviously we want to see that they are fed in the child care programs, but the very heart of the legislation that we are dealing with in terms of nutrition carves out that guarantee for children in child care programs that are not in a school situation, so I think that putting this into an en block situation, not allowing us time to fully debate it, really makes it impossible for the Members of this House to understand the cruelty of the Republican bill and how it is killing child care nutrition programs outside of the school.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, it has become very clear that the Republicans do not want a debate or a discussion on this bill because they understand how quickly and clearly the American public is coming to understand what they are doing, how terribly mean they are being to children of this Nation. This goes far beyond pregnant women and young children. This goes to disabled children, to abused children.

The gentleman from Massachusetts [Mr. KENNEDY] was absolutely right. The block grants here for Federal protection of children, abused children, are greatly diminished, and those children are placed at risk. There is no guarantee of that funding being there.

If Members read the letter they received from the American Bar Association, it simply states that we are now taking the most vulnerable children in this Nation, that now have the Federal protection, where we have gone into the court, and we have over 20 States who now have their foster care systems run by the courts because the States have refused to administer the system for the protection of these children.

Those are the States that the gentlewoman from Connecticut [Mrs. JOHNSON] wants to give more say to, fewer protections for these children. Those are the very States that the gentlewoman wants to give these children back to.

Those States, like the District of Columbia, they cannot find their children. States like New York, they cannot find their children. Why? Because they refuse to comply with the law. It is not the Federal law, it is the law they refuse to comply with, so now we are going to take these States with a history of abusing these children.

We have all been treated to the headlines of children being killed, maimed, sexually abused, scalded, burned, axed up, all of this? Why? Because they have some notion that the States can do it better, the very same States that are constantly in court for failing to protect the most vulnerable citizens.

That is why they do not want to discuss this amendment. That is why they gave away the debate time. That is why they put these amendments into a block grant, because they refuse to discuss what this bill does, far beyond the question of mothers on welfare: what it does to disabled children, what it does to abused children, what it does to children in child care, all of which has nothing to do with welfare reform as the American people understand it.

No wonder they are trying to hide the facts from the American public. No wonder they refuse to debate this bill. No wonder they do not want to talk about this bill. No wonder they do not

want to deal with it on an up-and-coming basis.

□ 1630

This was supposed to be one of the most important parts of the contract. Yet when it came to the most important part of the contract, you chose to close down the debate. You just continued to close down debate. I don't get it.

You said you wanted open rules, you said you wanted free debate, and now you are closing it down because you don't want America to find out what you are doing to the children of this Nation.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it does no credit to this House that the tone of the debate has been what it has been so far. Extra time was asked for and was granted on the en bloc amendment.

The amendments, themselves, all of which are in the en bloc amendment, were printed and made available to everyone last week. This is not a new set of amendments. The only thing that was not made public far in advance was that 11 of these would be included in one amendment. There is nothing unusual about that.

But it is sad to me that the minority has taken over half of the time that they said they needed to discuss these amendments to talk about what should have belonged in a discussion on the rule or a discussion in general debate and it is not even related to what is in these en bloc amendments. They are free to use their time in whatever way they wish. But debate would be better served by talking about the amendments that are here en bloc.

Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding me the time.

I know the gentlewoman from Hawaii did not want to mischaracterize what the gentleman from California is doing with his amendment. I know she wants it to be exactly as it is.

It does not carve out anything. What it says is, "on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out in such State." It does not carve out anything special. It merely says "on an equitable basis."

I am sure everybody would want that to happen. Just because children are in one State, because they are in the military, they should not be penalized because they are in that State but it may not be the State of their normal residence, but that is where they are stationed at the present time.

What the gentleman from California [Mr. CUNNINGHAM] is merely saying is that it should be handled on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out by the State.

I think that is pretty plain and does not carve out anything particularly.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, we have 2 programs that we are using right now that work very well. One promotes the adoption of special needs children. These are children that have physical or emotional difficulties and it is very hard when they are up for adoption to find a home for them. This program finds a loving home for these children.

The second program is adoption assistance and it helps a family cope with the additional costs associated with problems with children having to find a permanent home and parents who want to adopt them can afford it and this program helps them afford adoption.

This program also works. These two programs are rolled into a block grant that cuts child welfare funding by $2.6 billion over 5 years.

What happened today? We had these amendments put en bloc and one of the amendments, amendment 12 says, "It is the sense of Congress."

We all know a sense of Congress is only worth this paper, a sense of Congress to strongly urges States to allow sufficient funds under the Child Protection Act.

What is happening here is these good programs are being rolled in with other programs. It is a block grant. As people well know, it is not only a block grant back to the Governor, before it goes back to the Governor, it goes to the Committee on Appropriations and has to compete with every other program such as veterans programs and elderly programs.

Therefore, we cannot promise anything under this situation. A sense of the Congress does not promise. We getting rid of these programs means children who need homes will not get them. I really wish this could be taken out of this bill.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. WARD].

Mr. WARD. Mr. Chairman, I have heard speakers before me talk about being here for 20 and 25 years. I have been here just 2 months. But I came from a State legislature where we took the time to debate these kinds of issues.

I have heard the majority say that they are frustrated that we Democrats are raising our voices, that we Democrats are saying that this is an injustice.

You know why we are doing it? Because we are not being given the time truly to debate each of these amendments.

Real quickly, let's just tell the American people something. When the Republican Contract With America signers get up and say they are not putting children at risk, just remember, these block grants. It does not make sense to people in the real world what a block grant is. A block grant is saying that there is no entitlement for childr eat or to be cared for by society.

I think while we need to deal entitlements, we need to reme there is an entitlement for childr this country. It is not to be t granted. It cannot be given 4 perc year and told to go away.

Mr. SHAW. Mr. Chairman, I myself such time as I may consum

Mr. Chairman, this has I think ten to be one of the most bizarr bates that I have ever heard.

The other side raised all kin points that we did not have en time on this amendment. I do think that they have spent 2 mi of the time on this particular an ment. They are going back and t to disturb the whole issue. I think it is important that this committe alize that under the 40 years of ardship of the Democrats, nothing pened.

I would hope that it is not the r vation right now or the objective o minority to disrupt the process so we cannot go ahead with welfar form. This is desperately needed.

I believe and I hope that the com tee will focus on let's get a bill o they want the Deal bill, let's get i regular order and let's go forv Let's bring dignity back to the H

Mr. Chairman, I yield 3 minute the gentleman from Missouri [Mr. ENT].

Mr. TALENT. I thank the gentle for yielding me the time.

Mr. Chairman, what this debate i vealing is the fundamental underl difference of visions about what need to do in this country to care the poor.

Let me just say very briefly bef talk about my two amendments in en bloc, 30 years ago, the Federal ernment basically preempted the of welfare. Took it over. In doing conditioned the receipt of assistanc people doing things which undermi the values that are necessary to people out of poverty. Conditioned sistance on people first and foren having a child without being marr Punished people if they worked, cause the size and the incentives in welfare package became such tha was more attractive financially. It rational in the short term for pe not to work and to receive welfare.

These facts, I do not think, are puted. Everybody has said. The Pr dent has said these things. The Fed Government progressively took c control. Took the welfare system i lock grip and has maintained it e since.

As a result, Mr. Chairman, pove has not gone down in the last 30 ye It was declining for the 20 years bef then. It has gone up slightly. That not for want of the taxpayers tryi We have spent, depending on how y define welfare, at least trillions of d lars on welfare. It is not owing t lack of generosity in the Americ people of either party. It is owing t

system that is at the same time as it is trying to give people material wealth and lift them out of poverty, is luring them into a kind of spiritual poverty by destroying their families and their incentives to work. That is what this bill is designed to change. I think everybody here wants to do that.

Let's take the en bloc amendments we are talking about as far as illegitimacy is concerned. Yes, I put an amendment in here which is on the en bloc, it is a sense of Congress, it says the out-of-wedlock birth rate is one out of three and that is leading to an awful lot of terrible social pathologies, drug use, alienation crime.

We cannot do anything about that unless we reduce the out-of-wedlock birth rate. I do not know a sociologist who disagrees with it.

I have an amendment in here which increase work participation requirements. But the bill is focused on people who are closest to employability, two-parent AFDC families, single parents with kids school age or older. If you are able-bodied and your child is at school or you have another parent at home, there is no reason you cannot work. That is not punitive. That is good for you. If you work, you will be able to get off the welfare rolls. That is good.

The other thing the bill does broadly is it takes control away from the Federal Government and returns it, not to the States but closer to the people of the United States. That is what the bill expresses trust in. It says the people of the United States if they have control over this system will do a much better job of providing for the needy amongst them than the Federal Government has done.

It is a conflict in visions here. I understand people who sincerely, deeply believe in the existing system, but it is not working.

Mr. GIBBONS. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. The gentleman from Misouri [Mr. TALENT] said all of these problems that society is facing is because the children are born out of wedlock.

You describe it a crime, that drugs, that poverty is all due to this. But it could very easily be said that it is poverty that has driven the very same things that you are talking about.

It is so unfair for you to pick one of these things, and you are right. You are right, that these things are all there together. But if a person was working, they would not be making the babies.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. DEAL], who has spent hours and hours and hours and hours working on this subject.

Mr. DEAL of Georgia. I thank the gentleman for yielding me the time.

I would like to commend the gentleman from Missouri [Mr. TALENT] for one of his amendments that is a part of en bloc, and, that is, the criticism that we have raised about the original Republican bill and, that is, that it was weak on work. The gentleman from Missouri [Mr. TALENT] does raise those percentages. In the process he has caused me to have to amend my chart, but I have done so rather hastily and I think I reflect the changes in the percentages that his amendment addresses.

It increases, as you will see, over the time period a cumulative increase of 52 percent from the original percentage in the work program as contained in the original bill.

However, during that same time period, I would point out that there is only one of those years in which they exceed the percentages that are included in the Deal substitute.

But I think it does raise some very legitimate questions. First of all, by block-granting, which includes the work program, the bill proposes to save some $8 billion.

It is fine to say on paper that we are raising work percentages, but I do not see any equivalent increase in the funding to make sure that these work programs are able to be implemented. The question then is, if there is no additional funding to achieve this 52 percent cumulative increase in percentages over the years, if there is no additional funding, then is it saying that it does not cost the States anything? If it does not cost the States anything, then why not let us all put 100 percent for every year?

I think that is the fallacy that exists in this proposal.

Mr. TALENT. Mr. Chairman, will the gentleman yield?

Mr. DEAL of Georgia. I yield to the gentleman from Missouri.

Mr. TALENT. I would say this to the gentleman, and I appreciate his work in this area. Work is not expensive if you focus on people who are close to employability. It is expensive if you have huge day care requirements, if work is used as an excuse for vast new expansions of the welfare state, training, day care, et cetera. But if you focus on, say, two-parent families, then you do not need day care. And there are States which are doing——

Mr. DEAL of Georgia. Reclaiming my time. I appreciate the gentleman's statement, but the obvious fact is that it does cost money to put in place programs to move people from welfare into the work force. If it does not cost any money, then we ought to just say the percentages should be much higher for everybody from the outset. If it does cost money, then it is a hollow promise or the largest unfunded mandate we have ever sent to our States.

□ 1645

Mr. SHAW. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding. Like my colleagues, I am concerned about how this legislation will touch, will affect individual child and family. Some have said this is mean legislation, it does not consider the welfare mother.

But let us take a look at what really happens. It is easy to talk in generalities. Let us take a look at how your particular system, the present system operates. Here is right out of the newspaper: Kids go hungry while parents buy drugs. Three children live in a house of roaches, without food, while the parents spend their monthly welfare benefit in narcotics. In 1988 this woman had six children taken from her, put in foster homes. Now she has three more children after her boyfriend moved in, one 15 months, one 2½ weeks.

I am asking my colleagues who is tough on kids? It is your present system. How could you be tougher on kids and families than the present system?

Here is a woman with her boyfriend who took $440 a month on AFDC, $916 of SSI, and all wasted, and the kids are at home starving. Who is tough on kids? Who is tough on families?

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, let me just pick up on the point of the gentleman from Georgia [Mr. DEAL]. You raise the participation rates. But two things: You do not provide a single dollar more; and second, your participation rate is not based on people going to work, your participation rates can be based on knocking people off the rolls.

I care so much about the link between welfare and work. It is the critical link here. We are darn worried about the children. We also have to help the parent and make sure the parent gets out of the cycle of dependency for the sake of the parent and the children.

And it is not a question of vision. Whatever your vision is, you are not willing to act and the Deal bill and the rest of us are willing to act and say we are going to link welfare and work and put resources behind it to make sure it is done, and to grade States not on the basis of knocking people off the rolls but getting them to work.

We are proud to stand for work.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana. [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, let us talk about something positive that we are working on right now. There are 600,000 children in foster care in this country, 30,000 to 35,000 of these kids are up for adoption or available for adoption right now. There are problems with getting them adopted. It costs about $10,000 for a prospective adoptive parent to adopt a child, and because of that, there are a lot of kids that are not adopted that would be.

And many of these kids are shuffled from foster home to foster home and they lose hope, they become full of despair, and many of them turn to crime as they get older. So we need to do something to provide incentive for people to adopt.

In the tax bill that is coming up before this body in about 2 weeks, there is going to be a $5,000 tax credit for parents that adopt children who are in foster care. Now it costs $15,000 to $20,000 for each child that is in foster care. If we get them out of foster care into loving homes by using this tax credit we are going to save $15,000 the first year, $20,000 a year each year after that, the taxpayers are paying to keep those kids in foster care, that is a positive.

In addition, there is an amendment in the bill right now we are talking about which I have sponsored which provides additional incentives to adoptive parents to adopt children who are handicapped, who are having problems being adopted. It provides all kinds of methods for the States to employ incentives to get these children out of the foster care system and in loving homes.

In addition to that we are also going to provide a computerized network if we can get the States to work with us by adopting this amendment I am proposing. And children will be able to be in that computerized system where prospective parents can see their faces, find out a little bit about these kids and decide whether they would like to have them in their homes. There may be a prospective parent in California who cannot find a child they would like to have, an adoptive child that may be handicapped, and through this computerized national system they will be able to find a child in Massachusetts or New York.

So there are some very positive things in the legislation that we have been working on and we should look at the positive and not just negatives.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding the time. I want to also follow up on the comment made by the gentleman from Georgia, Mr. DEAL,, about the unfunded mandates and what it does when we make these requirements and do not provide funds for it.

In the Committee on Agriculture I think they have the good fortune to recognize that we at least need to pay people the minimum wage and find that in fair work when we require the poor to work we should not expect them to work below the standard which the law is now.

Here is this participation when we require them, this does not only provide money for the implementation of the program, nor does it assure that minimum wage is there.

Please understand, block grants is not a magical word in and of itself. When we block grant and reduce a fund we give the inability of States to implement these programs. This can be a hoax. States need to wake up. Block grants is no magic to all of their problems now.

This certainly is not to be expected to cure the minimum wage or the participation in work.

Mr. SHAW. Mr. Chairman, I yield 4 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a member of the committee.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to take a moment to respond to the comments of my colleague from California whose impassioned attack on this bill's child services block grant is heartfelt but in my estimation misguided.

The gentleman from California [Mr. MILLER], and I have long disagreed in the area of foster care. It goes back fundamentally to his belief that the 19 pounds of regulations and the 50 programs currently in place could protect children. They cannot, and they are not.

Listen to the testimony, read the papers, listen. Abuse is exploding, children are being beaten to death. Our programs are not working.

Under this bill for the first time, for the very first time, we will know how many children in America are in foster care; with all of our 50 programs we have never known that. For the first time under this bill States will have to identify quantifiable goals to be achieved that year. That will be easy to oversee, easy to impact.

The current program requires States to write a plan, and you know what happens? My colleague from Connecticut and I spend hours every year trying to get our State relieved of millions of dollars of penalties because the Federal Government and the State of Connecticut disagree on what an administrative expense is.

Under current law, team suicide prevention dollars have to be accounted for separately from family preservation dollars. Let us get with it. We cannot do it that way. The administrative overhead is far too great, the ability to address the holistic needs of a family is far too compelling.

One of my best child services agencies was in to see me only a couple of weeks ago, and I started talking to them about this section of the bill, its accountability, its governance, and I said, "You know what we want you to do is to develop the kind of integrated networks that are based on the model of total quality management and deliver continuous improvement and service that is family-oriented." And she said, "We are doing it, and you are right; one of the barricades and blockades is all of the Federal programs, each with its own bookkeeping, each with its own stream, each with its own interlock."

So I know it is frightening to make change, I know there is risk involved. As chairman of the Oversight Subcommittee, I can tell Members we have put annual quantifiable achievable goals in there because annually they are going to be there defending why they did or did not achieve their goals.

We have provisions in this bill that will look at best case, worst case, so we can help States see where they are going. The old system has failed. We must have the courage to try something new, and we must commit ourselves to something better than the old way we used to proceed, which was do something for 5 years and do not look around until the 5-year reauthorizations came up.

Mr. SHAW. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I would like to commend the gentlewoman from Connecticut for the wonderful work she has done in this area.

What we have here, though, are some 40 of these programs dealing with taking care of kids, 40 Federal programs each having its own set of regulations. The point has been made that some of the States have been called to task on them. Is there any wonder, each having their own sets of bureaucrats here in Washington, tons of regulations? We have taken 23 of them and folded them into this bill, and I think the cries of hysteria we are hearing is about the decrease in the bureaucracy.

Mrs. JOHNSON of Connecticut. I agree.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, while we all agree that welfare must be reformed, I rise in opposition to the en bloc amendment. I am proud of the just anger that my Democratic colleagues have demonstrated on this floor today in defense of children because, Mr. Chairman, this Republican proposal is cruel, yes, cruel to children.

Why? Because it cuts nutrition, child care and opportunity for children. How can we, the greatest country that ever existed on the face of the Earth, come here together on this floor today with the leadership Republican proposal to take food from the mouths of children, take heating oil from senior citizens in order to give a tax break to the wealthiest Americans? This is cruel to children because 2 million children will no longer receive school lunches by the year 2000; it denies SSI benefits to hundreds of thousands of children with disabilities.

And on the subject of abused and neglected children that our colleague from Connecticut just addressed,

abused and neglected children are victims of this bill which cuts $2.7 billion of funding over 5 years.

Vote against this bill which is easy on the rich, tough on children, and weak on work.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I appreciate the gentleman yielding me the time.

Mr. Chairman, they have said that the Republican welfare reform bill is weak on work and hard on kids. It is neither. What is hard on kids is this existing system and it must be changed and indeed it is not weak on work at all.

And this amendment toughens the work requirements even more. For those who want tough work requirements as I do, they want this amendment.

It is total caseload figures that are used so they are real and they are meaningful and they are honest numbers. Three Governors in this country are already meeting these goals, and so in fact they are quite achievable.

We not only provide tough work standards but we aim them and we target them at those who are most employable, one-parent families with older children and two-parent families on AFDC. This is a good amendment. It toughens it; it should satisfy those who have said that this bill is weak on work. In almost half of AFDC families the youngest child is over 5 years old. Those people ought to be working.

I hear every day, every time I have a town meeting, the resentment of the working poor, the resentment of those who look at able-bodied welfare recipients who are receiving a very generous package of benefits while they go to work every day. If a person is able-bodied they ought to be required to work. It will help to solve the welfare dilemma and it is good not only for society, it is good for those individuals who heretofore have been required to go out and provide productive employment.

Promoting a work ethic increases education aspirations and achievement and over 90 percent of the American people support that.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I just want to compliment the gentleman for his work on this part of our legislation that came from our committee and for his amendment which will even make what he did in committee better.

Mr. HUTCHINSON. I thank the chairman, and I appreciate his leadership in bringing a very meaningful and comprehensive welfare reform bill to this House.

□ 1700

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

The problem with the gentleman's argument that has just been completed is the Republican bill is notoriously weak on work. The Democrat substitute is hard on work.

Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, this bill and the amendments continue a pattern that the Republicans have played out in many of our committees of contempt for work, the work ethic treated with great contempt, downgraded, degraded. The gentleman before said work is not expensive. No, work is not expensive if you want to take people back to the days of the plantation.

On the plantation everybody had a job. Plantations had full employment. But plantations are not where we want to go. We do not want to reduce people to involuntary servitude or slavery. We do not want to cheapen the labor market in such a way that the thousands of people out there who are unemployed and not on welfare also have their jobs threatened.

We have a situation here where the State becomes the slave master if you are going to have inexpensive work as was just described before. What is the rate of wages? What hourly rate are you going to pay? If a person is receiving $300 or $400 a month for welfare, do they have to work 120 hours? What is the hourly rate there? That is involuntary servitude, or it moves toward slavery.

What are the working conditions? Are you going to have health care provided at the same time? Are they going to have decent conditions to work in, or are we going to have a situation where there is a competing cheap labor pool in every State so that people who are employed in regular jobs are going to find themselves being laid off, being considered undesirable by the government that they work for because there is a cheap pool of labor that can be employed for almost nothing?

Let us clarify in this bill what we mean when we say we are going to make people work 30 hours a week, which means 120 hours a month. What does that mean? What kind of wage rate are you using? How are you judging that? For what will they be exchanging their labor? Are we going to go back to the plantation and not have them have decent health care provided, no job training?

You said you do not want to provide day care, so that means only people who do not have children can go to work. Everything about work is hanging loose in this bill. It is not about moving from welfare to work.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from Texas for his leadership in the House Committee on Ways and Means.

Mr. Chairman, I have listened with great interest today to the arguments being articulated on this floor, and it is certainly true that good people can disagree on the best methods to redress the problems in our society.

But I have listened with great alarm to a positive program for change being maligned, harkening back to the days of the Plantation South or the Third Reich of Nazi Germany. Mr. Chairman, that is inexcusable.

How can we in the name of freedom and decency stand by silently when we see examples just as we saw a couple of years ago in Chicago during the drug raid when police found 19 children living in squalor in a cold, dark apartment, 2 children in diapers sharing a bone with a family dog, the children belonging to 3 mothers and 6 different fathers who were getting $4,000 in cash benefits per month from the Federal Government? It is this system that is wrong, and when people come here to the well of the House and say that we are trying to take food from the mouths of children, nothing could be further from the truth.

We embrace a program of compassion and positive change, and all the malingering, malicious theatrics of the other side are inexcusable.

I rise in support of the en bloc amendment, and I ask my supporters to do so, and, yes, fair-minded people from the other side of the aisle to change this program for the better to get away from the bankrupt policies of the past that are bankrupting us not only fiscally but morally.

Mr. GIBBONS. Mr. Chairman, I yield 15 seconds to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, would the gentleman stay at the mike and let me ask him one question?

I just want to point out that he is absolutely correct when he talked about the 19 kids in Illinois, but I also want him to know under this Republican bill with neglected and abused kids, the same 19 kids that he made reference to would not be protected under this Personal Responsibility Act.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, what is wrong with this en bloc amendment is the same thing that is wrong with the underlying bill. It covers up the fact that what is being done here is to take away precious resources from the most needy of our citizens and to give them to those who already have more than they know what to do with.

In every civilized society worthy of the name, the first mandate is take care of women and children, protect the women and children, look out for the women and children, except under this new majority in this House.

Here, the mandate is to abuse the women and children, make them suffer, suffer the women and children, make

them pay for the cuts, cuts in resources that will go from the most needy people, women and children in this society, to the richest members.

Give them tax cuts while you take away from those who need it the most, and in New York alone, over 5 years, you will deny $8.5 billion to needy children. Nearly a half a million children in the State of New York alone will not get the needs and attention that they deserve under this bill and these en bloc amendments obfuscate that fact.

The amendment should be defeated as well as the bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SHAW], the chairman of the subcommittee.

Mr. SHAW. Mr. Chairman, I thank the chairman for yielding me this time.

You know, it is very interesting, in listening to the last speaker speak out against the en bloc amendment, he never, never made any specific reference to any one of these amendments that he is criticizing. This is truly an uncontroversial en bloc amendment.

The gentlewoman from Hawaii [Mrs. MINK], I think, is the only speaker on the other side that came down and made reference to one having to do with nutrition programs on military bases.

I, for the life of me, cannot understand. I mean, it is perfectly obvious here that what has happened is procedurally the hysteria that has broken out on the minority side has been geared toward not this amendment. We could have done half the time on this amendment. In fact, I do not think we have argued 6 or 7 minutes on the en bloc amendment.

The gentleman from Missouri [Mr. CLAY], whose name I am often referred to, came down and was making speeches with regard to the big lie. And then we find people coming down on the minority side saying we are cutting funding, where the gentlewoman from Connecticut [Mrs. JOHNSON] got up and showed where we were actually increasing it 25 percent. Nobody comes back down to the well to talk about it again.

Yes, we are talking about the big lie, and the question is how many times can you say it, and how many times do you expect it to get through.

The truth of the matter of what we are doing in this bill is we are cutting down the bureaucracy, and if you want to know where the cuts are, that is exactly where it is. We are simplifying the law. We are taking 40 years of chairmanship held exclusively by the Democrat side, 363 means-tested Federal programs, each having their own regulations.

We are taking a large number of them and we are combining them. We are downsizing government. We are the ones that are truly reinventing government. We are the ones that are getting the money to the people who need it. We are going to stop the trickle-down bureaucracy that has been mandated by existing law.

Mr. GIBBONS. Mr. Chairman, I yield 10 seconds to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. All I have to say to the gentleman from Florida [Mr. SHAW] is each time we try to deal with this document, the gentleman's time has expired. You say it is noncontroversial. You explain the Hyde amendment which says that no funds under section 403 are to be used for any medical services. Then the gentleman from Illinois [Mr. HYDE] says he only means abortion.

That is not controversial?

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding.

I wanted to point out something in relationship to what is in our jobs program, because I have heard some people allude to the fact that perhaps we are not doing anything, providing any money. We provide the States $15 billion to help move people from the welfare roll to the job roll.

Now, we have 163 programs, job-training programs, on the book at the present time. Anytime we have a problem, somebody says, well, let us just pass another job-training program. The problem is they have not been successful. Even JOBS has not been successful. Most people would say it is not successful. Yet we require States to put up 50 percent of that money for something that is not successful, but 163 programs are now on the books for jobs training.

Should we not try to do something about that? Should we not try to consolidate? Should we not try to make them work?

It seems to me that is what we need to do, and I would hope that we can do that, and if we cannot do it through this legislation, we surely have to do it.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER], a member of the Committee on Appropriations.

(Mr. HEFNER asked and was given permission to revise and extend his remarks.)

Mr. HEFNER. Mr. Chairman, there are two things that you can go back to your district and you can always know that you are going to get real positive response for, if you run against your colleagues, and if you run against welfare, and it is fertile ground for the talk shows to pick out isolated instances, and there are many instances, there is no doubt about that.

The gentleman pointed out a couple here a while ago, the gentleman from Arkansas pointed out some abuses, and there are many, but there are many success stories, and there are many people that have been helped through programs that have been instigated by the Federal Government.

Let us make no bones about it, let us make no bones about it, this program, the savings that are going to be from this program, and the gentleman from Ohio [Mr. KASICH] admitted sitting here, they are going to be used for a tax cut and to his credit, the chairman says we are going to pay for this tax cut, and we are going to use these moneys that we get from this welfare reform, we are going to use it to pay for these cuts.

And my three grandchildren at some point in time are going to have to pick up the bills. But let me just tell you this, let us do not hasten to do block grants, because you are not assuring that there is going to be any more efficiency.

Just a few years ago, and my colleagues from North Carolina will bear this out, in North Carolina we could not even find the money to inoculate our children against rubella. So do not tell me that when the tough time comes that they will belly up and do the responsible thing for our children.

So do not be misled that these block grants are a panacea and are going to solve all welfare problems, because it just ain't going to do it.

So let us be very careful what we do, and let us work very hard, and let us support the Deal proposal here, because what it does, it uses the money that we save to pay this deficit down for my grandchildren and for your grandchildren, and it does responsible things for welfare reform in this country. That is what we should all be about.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, the chairman of the subcommittee rather unfairly, it seemed to me, criticized us for not talking enough about the amendments.

The Republican Party has not succeeded at much lately, but they have succeeded in making this debate the most disjointed one possible. Because they have clearly decided that this is not going as well as they would like.

They miscalculated. Attacking welfare recipients is usually more popular than it has been under their leadership, and maybe they will learn as they keep doing it.

But I have an example of an amendment I want to talk about that we have not been to able to talk about. The chairman of the Committee on the Judiciary offered a noncontroversial amendment which said none of these funds can be used to provide medical services. The gentleman from New York raised that question.

When he was asked about it, when the gentleman from Illinois was asked about the phrase medical services, he said it meant abortion.

Mr. Chairman, this is a wonderful, truly wonderful thing. The chairman of the Committee on the Judiciary is empowered apparently not only to change legislation involving the judicial code of the United States, he can change the language. He can say "medical services" and really mean "abortion."

Well, if we had a decent amount of time to debate this, I think we might have been able to pursue this. I do not regard it as noncontroversial when we get an amendment that says none of this can be used for medical services, and one of the moderate Members on the other side, one of the very pliant moderates that they have, got up and said, "Well, do you really mean everything?" He said, "No; I just mean abortion."

Well, the power of the chairman of the Committee on the Judiciary to change the plain meaning of words simply by what he says on the floor contradicting what will be written into statute does not exist. What we have is language that was offered that says medical services. We were told it means only abortion. We do not have time to explain it. We get 11 amendments, and the gentleman graciously gave us an extra half-hour, so we have 4 minutes per amendment.

It is an example of the shambles they have managed to make of this debate.

□ 1715

Mr. GIBBONS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I do not blame the Republicans for trying to hide what they are doing. They have collapsed what was 3½ hours of debate into—well, I get 40 seconds here now and a few others for other Members around here.

To do what? They are hurting 15 million infants and children by this legislation. To do what? To pick up $70 billion. To do what? To buy the crown jewel of the Contract On America, as Mr. GINGRICH calls it, to pass—to help pay for that notorious, stinking, lousy tax bill that they will bring to the floor next week.

Mr. ARCHER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, at times today this debate has been illuminating, but more often it has been emotional, bordering on hysterical. One must wonder why. Yet when you cut through it, you must believe that it is the dying throes of the Federal welfare state that has been built block by block over the last 30 years and which has failed after the expenditure of $5.3 trillion.

I do not believe that the American people will buy off on the rhetoric, if it is repeated over and over and over again, in high emotional decibels. "Mean-spirited. Hitler, cruel, noncompassionate," over and over and over again. That is not talking about facts. The gentleman from Massachusetts knows, because he is very bright on this subject, that the law under the Hyde amendment already prohibits the use of any HHS funds for the purpose of abortion. That is why this amendment by the Mr. HYDE today was noncontroversial. It meant nothing. The law was already there. He knows that.

Mr. Chairman, we have listened today on what has been, as the gentleman from Florida [Mr. SHAW] has said, not discussion on the amendments to elucidate, but more rhetoric that should have been conducted and completed in general debate. That is why they wanted the extra time. Not to learn about this en bloc amendment. That is very, very clear. These amendments in here, I repeat, are relatively noncontroversial and strengthening to the bill.

We hear again the rhetoric, the broken record of cuts, cuts, cruel cuts. The reality about this bill is that it spends 43 percent more than we are currently spending in the next 5 years, $73 billion more than is currently being expended. Under the vocabulary of the average American family, a 42-percent increase in spending over 5 years is an increase, not a cut. But we hear cut, cut, cut. It is time for the American people to know the truth.

The truth is we have a broken, a failed state welfare system laden with Federal bureaucracy, and we are going to start anew. The American people deserve that. Both those that are trapped into the environment of dependency as welfare recipients and the American workers who have to pay the money that goes to keep people who are able to work not working. That is what this is all about; personal responsibility, individual initiative and thrift and sacrifice. I believe that is what the American people want to hear across this great country. And that is what we mean to deliver; a new way, a new approach where we can eliminate fraud and abuse, where we can no longer give cash benefits to drug addicts, so it is available to spend on buying more drugs; no longer give cash to alcoholics so it is available to spend on more alcohol.

The Democrats do not want to talk about this. They built this program. It is out there. They want the status quo. We believe compassion is to help people to help themselves to develop personal responsibility and individual initiative, the great character traits on which this country became the greatest country in the world.

Mr. Chairman, I yield back the balance of my time.

Mrs. LOWEY. Mr. Chairman, I would like to state my opposition to the Hyde amendment and to raise serious concerns about the effect of the amendment.

The author of the amendment states that the amendment would prohibit states from using funds under the bill for any medical services.

But it seems to me that the amendment could have two effects—both of which would hurt the health of women and children.

First, the amendment would seem to broadly prohibit funds under the bill for medical services. While the author of the amendment states that the amendment does not prohibit the use of funds for family planning services—and I am pleased that the author does not intend the amendment to cover family planning services—the amendment still raises numerous questions that could pose grave problems for women and children.

For example, would medical services to disabled children be denied by this amendment? With the cash families receive under the temporary assistance block grant, would families be prohibited from meeting the medical needs of their children? If any of the amendment has any of these effects, it clearly hurts the health of children and women.

If, on the other hand, the intent of the amendment is more narrowly focused on abortion, as the author stated, I am concerned that the amendment could set a precedent for denying coverage of abortion services to poor women. If this is the case, we must beware. If a subsequent decision is made to block grant the Medicaid Program, would this Hyde amendment then apply to Medicaid? By passing this Hyde amendment now—as part of welfare reform—are we forfeiting the opportunity to fight on behalf of the rights of poor women who are victims of rape and incest? I don't think we should take that chance.

Again, the amendment's intent is unclear—but regardless of intent or interpretation, the amendment would seem to hurt the health of women and children. I strongly oppose the Hyde amendment.

Mr. Chairman, I do, however, support the Roberts Amendment which is part of this package. That amendment takes a strong first step toward dealing with the true problems facing the Food Stamp program: fraud and abuse.

All too often in the past several weeks we have heard our colleagues calling for cuts in the benefits provided by the Food Stamp program. These cuts—including a cap on the program approved by the Agriculture Committee—will undermine the ability of many American families to put nutritious meals on their tables and that will have a real impact on the health of those families. But while doing that, these misguided cuts do not get at the fraud and abuse in the Food Stamp program that is really wasting taxpayer dollars. This fraud is the true crime against this important program.

To be sure, Mr. Chairman, the perpetrator of this crime is not the single mother trying to feed her children; it is not the parents who work all day, every day, and still do not make enough to send their children to school with nutritious lunches; and it is not the family that saves up for a month to treat themselves to their favorite cereal. The real perpetrator of this crime is the bogus produce retailer right here in Washington who bought over $50,000 worth of food stamps for a reduced, cash price and tried to redeem them for full value; it is the owner of an Atlanta restaurant who illegally redeemed over $1.6 million in food stamps; and it is the restaurant owner in Maryland who bought almost $250,000 in food stamps from undercover Federal agents in exchange for cash and guns.

Under this amendment, these criminals, who are taking food away from American families and dollars from American taxpayers, would be hit where it hurts the most—in their wallets. Forfeiture programs have proved to be a dramatic success in other Federal agencies, and it is time we create a disincentive for those who would traffic in food stamps. This amendment will tell these criminals, in no uncertain terms, that when they steal from the American taxpayers, we are going to get back all that was lost.

Make no mistake, the Roberts Amendment is not about cutting the budget blindly, and it is not about punishing American families. It is about protecting food stamps for those who

need them. It is about ensuring that American families do not go hungry. And it is about declaring our commitment to protecting the American taxpayer.

Mrs. MORELLA. Mr. Speaker, I rise in opposition to the Hyde amendment included as part of the Archer En Bloc Amendment. The Hyde amendment would prohibit the use of any block grant funds to pay for medical services. It would also strike the section of the bill which would require State plans to address how they intend to reduce teenage pregnancy, including—at the option of the State—the provision of education, counseling, and health services.

I understand that supporters of the amendment argue that they are simply trying to prevent the funding of abortions through the block grants. However, this language would go further than just abortion funding. It would bar States from using any funding in the bill to pay for family planning services. Longstanding language in the Social Security Act requires that States provide family planning services to recipients. While the Committee bill deleted this requirement, language was adopted that encouraged States to reduce teen pregnancy, especially through education, counseling and health services. The Hyde amendment deletes this section and adds the language prohibiting the provision of medical services through the bill.

Family planning services have consistently been considered medical services in Federal programs, and these services are critically important to reducing unwanted pregnancies. For almost 30 years, family planning services have been provided to AFDC recipients, and States should continue to have the flexibility to do so through the block grant funding. Indeed, the fate of Medicaid and Title X funding has not yet been decided, and States must have some source of Federal funding to provide family planning services to poor women, if they so choose.

In addition, it is important to remember that the funding to implement the welfare block grants will be provided under the Labor-Health and Human Services Appropriations bill, which already is restricted by the Hyde Amendment. Thus, the restriction on abortion funding is already addressed.

We must protect the right of States to provide family planning services to low-income women—these services are a vital component of the effort to reduce unwanted pregnancies, and we must give the States the resources to provide those services. I oppose the Hyde amendment, and I will work to ensure that it is not part of the final welfare reform legislation.

The CHAIRMAN pro tempore (Mr. HOBSON). All time having expired, the question is on the amendments en bloc, as modified, offered by the gentleman from Texas [Mr. ARCHER].

The question was taken, and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to the rule, further proceedings on the amendments en bloc, as modified, offered by the gentleman from Texas [Mr. ARCHER] will be postponed.

Mr. GIBBONS. Mr. Chairman, do I get a recorded vote when that time comes up?

The CHAIRMAN pro tempore. The Chair has postponed the request for a recorded vote.

Mr. GIBBONS. I did not ask for—I asked for a recorded vote.

The CHAIRMAN pro tempore. Under the rule, the Chair has the authority to postpone recorded votes.

PARLIAMENTARY INQUIRIES

Mr. HEFNER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. HEFNER. Did the gentleman [Mr. GIBBONS] ask to make a point of order that a quorum is not present?

The CHAIRMAN pro tempore. The gentleman from Florida did not.

Mr. GIBBONS. I will make a point of order that a quorum is not present. Obviously, one is not present.

The CHAIRMAN pro tempore. The point of order is not in order at the present time. The Chair is not now putting a question.

Mr. HEFNER. Mr. Chairman, a further parliamentary inquiry: Has the chairman ruled that there would be a recorded vote, that it would be ruled? I am a little bit confused here. What is the procedure?

The CHAIRMAN pro tempore. The Chair has merely postponed the question for a recorded vote until a later time.

Mr. HEFNER. A further parliamentary inquiry: What the Chair is saying is that at some point in time the gentleman from Florida [Mr. GIBBONS] will have to ask for a recorded vote at a later time when the vote on the amendments en bloc takes place.

The CHAIRMAN pro tempore. He will not have to renew his request.

Mr. HEFNER. He will not have to?

The CHAIRMAN pro tempore. The unfinished business will be that request.

Mr. HEFNER. A further parliamentary inquiry: Could we have any idea, for some of us who have things to do, when we may begin to have some votes on the legislation that we are considering.

The CHAIRMAN pro tempore. It is the understanding of the Chair that after the consideration of amendment No. 8, that votes will then be taken.

Mr. HEFNER. After the consideration on amendment No. 8?

The CHAIRMAN pro tempore. Number 8.

Mr. HEFNER. A further parliamentary inquiry: When does that come? When does that amendment come up?

The CHAIRMAN pro tempore. The Chair cannot give a definitive time. We have to consider numbers 3, 5, 7 and 8, and each of those is 20 minutes each, with 10 minutes on each side.

Mr. HEFNER. A still further parliamentary inquiry: What is the estimated time of adjournment for the evening?

The CHAIRMAN pro tempore. The Chair is not presently aware of that information.

Mr. HEFNER. A further parliam
tary inquiry: Is there anybody in
sound of my voice that would have
idea when we might could expect to
finished with the business for today?

The CHAIRMAN pro tempore.
gentleman will suspend. That is a m
ter for leadership consideration.

Mr. ARCHER. If the gentleman
yield, I will simply say——

The CHAIRMAN pro tempore. Wi
out objection, the gentleman may p
ceed.

Mr. ARCHER. We are at least go
to go through title I and vote on
amendments to title I.

Mr. HEFNER. A further parliam
tary inquiry: Just in the spirit of be
family-friendly, I was just curious
know what time we might be able to
home and watch the Andy Griffith
runs, if it would be possible.

The CHAIRMAN pro tempore. It
now in order to consider amendme
number 3, printed in House Report 1
85.

AMENDMENT OFFERED BY MR. TALENT

Mr. TALENT. Mr. Chairman, purs
ant to the rule, I offer amendme
numbered 3, printed in House Repo
104–85.

The CHAIRMAN pro tempore. T
Clerk will designate the amendment.

The text of the amendment is as fo
lows:

Amendment No. 3 offered by Mr. TALEN
Page 7, strike line 24 and all that follo
through line 3 on page 8 and insert the fo
lowing:

"(B)(i) Require all adult recipients in a
parent family which includes only childr
age 5 or older and who have received benefi
for more than 24 months (whether or n
consecutive) under the program to engage
work activities (as defined in sectio
404(a)(1)(C)(iii)) for at least 30 hours p
week. If a State classifies a family as such
1-parent family on or after the date which
10 months after the date of enactment of th
Personal Responsibility Act of 1995, the fam
ily shall continue to be so classified regard
less of whether an additional child under ag
5 becomes a member of the family.

"(ii) Provide exemptions at the option
the State for not more than 20 percent of th
adult recipients of assistance under the pro
gram who are described in clause (i) from th
requirement set forth in clause (i) for rea
sons set forth by the State.

"(C)(i) Require 1 adult recipient in any 2
parent family who has received assistanc
under the program for more than 24 month
(whether or not consecutive) to engage i
work activities (as defined in sectio
404(a)(1)(C)(iii)) for at least 30 hours pe
week.

"(ii) States may exempt up to 10 percent o
the adult recipients described in clause (i
from the requirement set forth in clause (i
for reasons determined by the State.".

Page 8, line 4, strike "(C)" and insert
"(D)".

Page 8, line 7, strike "(D)" and insert
"(E)".

Page 8, line 10, strike "(E)" and insert
"(F)".

Page 8, line 14, strike "(F)" and insert
"(G)".

Page 8, line 22, strike "(G)" and insert
"(H)".

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from

Missouri [Mr. TALENT] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Mr. GIBBONS. Mr. Chairman, I am opposed to the amendment

The CHAIRMAN pro tempore. The gentleman rises in opposition?

Mr. GBBONS. Yes, I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Florida [Mr. GIBBONS] will be recognized for 10 minutes.

Mr. SHAW. Mr. Chairman, I also oppose the amendment. May I ask under the rule is the opposing time divided, or does it belong to the minority?

Mr. GIBBONS. Under the rule, I control it, Mr. Chairman.

The CHAIRMAN pro tempore. The chairman has recognized the ranking minority member of the committee to control 10 minutes of time.

The Chair recognizes the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Chairman, I yield myself 4 minutes so that I may explain my amendment.

Mr. Chairman, this amendment strengthens the 2 years and work requirement in the underlying bill and it strengthens it in two very important respects. I would like to lay those before the House.

The underlying bill requires that the States have plans to make everybody on welfare work in 2 years, but it does not define work nor does it give the States any direction as to what that would entail. It needs changing and strengthening in two respects.

In the first place, Mr. Chairman, it is very important that when we have work requirements we be up front about what works means. Work means work. It should not mean cart blanche job searching, it should not mean carte blanch education or training. Those are not work. The advantage of work is—there are several advantages to it. One of the chief advantages of it is that people on welfare are working in return for the welfare. It makes welfare a two-way street.

My amendment defines work and harmonizes that with the definitions already in the bill, definitions that relate to the sections about required work participation as far as the States are concerned.

Those sections have been strengthened also, or will be strengthened if the House ends up approving the en bloc amendments.

So what the amendment does is it defines work as work. So when we say people are working, they are actually working.

The second thing that the amendment does which is equally important—and we discussed this before in the debate on the en bloc amendments—it focuses the work requirements on people who are closest to employability. It says the two year-and-out provisions apply specifically to two parent AFDC families. About 10 percent of the caseload consists of families where both parents are at home. One of those families—one of these parents should be working and can be working. And the amendment requires high percentages of those families work.

The second set of families that the amendment focuses on, single parents with kids school age or older: The advantages of focusing on those families are severalfold: First of all, since they are the closest to employability, the burden of work is easiest on them in the short term. It is much easier for them to go out and work. In the second place, when the experience of the State shows when you focus work requirements on those families, work becomes a very effective tool for determining who needs welfare and who does not. It is a nonbureaucratic, nonhumiliating tool for determining who is closest to being in the private sector and off welfare.

Mr. Chairman, States that have experimented with these models have shown when you have real work requirements for those families and have work built into it, they get off welfare rolls. It is reducing the welfare rolls and putting those people to work, which is what we should be trying to do.

There are several advantages to this. It is also much less expensive. We heard talk this evening about work being expensive. It is expensive if you are focusing on single parents with infant kids because they cannot work without day care and probably without extensive training and education, and work does cost an awful lot of money. Work becomes then an excuse for expanding the welfare state, programs that we tried and failed, and it ends up being that nobody is working.

□ 1730

Nobody works. Now sometimes the States spend a lot of money, sometimes they do not, but nobody works. So what this amendment will do is harmonize this portion of the work provision in the bill with the other portion of the work provision in the bill and will make an honest work requirement. We know that these people can work, the States have worked in this kind of field, and I have had good success, it is less expensive, and it is really a way of shifting the system to one that relies on work rather than on dependency.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 3¼ minutes to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, let us have a good, rational discussion of this amendment.

There is a lot of emotion in these issues when we are talking about tough on kids; we can understand that, and I very much share it. When we talk about weakness on work, I think there should be some emotion, too, and I have said forcefully, I think respectfully, that the Republican bill is weak on work, and I think the gentleman is trying to shore it up. But here is the trouble.

I say to the gentleman, Mr. TALENT, your amendment has put in a provision regarding a State plan, and it isn't at all clear, its impact, as a result. I think it's unenforceable. You don't put any more resources into the States so they can meet this if it's meaningful. Just a few months ago you were the second name on a bill, H.R. 4, that had $9 billion in resources for the States. You were the second name. This bill has no resources whatsoever. It really has less for linking people on welfare to work, and I feel strongly that is the key linkage.

No one is excusing, or apologizing, or justifying the status quo; it is gone. How are we going to make it better? We desperately need to do that.

Now CBO, in its now-not-under-Democratic-control says this:

> The literature on welfare to work programs, as well as the experience with the jobs program to date, indicates that States are unlikely to obtain such high rates of participation.

Mr. DEAL's bill puts some resources for the States to meet meaningful participation rates that are based on work, and I say to the gentleman, You have participation rates that don't require the States to put anybody to work, and then you come in with this amendment that is probably unenforceable.

The last point I want to make is it is probably unduly federally bureaucratic. We are telling the States how they can best meet work participation requirements, taking parents with kids under 5 now. In a sense that makes sense, but in a sense it may not. Some of the most trainable people may be people who have a kid who is three. The gentleman is trying to save money for day care, I guess.

I say to the gentleman, You're trying to do this on the cheap, and you bring in this unenforceable requirement. I suggest you face up to the fact your bill is fatally flawed in being work weak.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. LEVIN] has expired.

Mr. TALENT. I yield 30 seconds to the gentleman from Michigan [Mr. LEVIN] if he needs the time. My response is going to take longer than 30 seconds. If the gentleman wanted to finish up his remarks——

Mr. LEVIN. I just think the gentleman realizes there is a weakness here, and he is trying to shore it up, but it is not enforceable, likely, and it says Washington has all the answers. I thought we were going to give the States flexibility to carry out linking people on welfare to work, and here comes the gentleman with a very inflexible provision that is probably unenforceable.

Mr. Chairman, I think the Deal bill is a much better deal for the American people.

Mr. TALENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman certainly for the tone of his comments. Let me just address his remarks.

With regard to CBO, they were referring to the two-parent aspect of this. I would simply say that Utah has had strict work programs in the past focused on two-parent AFDC families. Not only do they work, but we find very large percentages of those families get off welfare because they are able to go into work. The gentleman says it is unenforceable, it sets limits that the States have to meet. It is the underlying bill, which is three sentences, and just says basically that States have to have everybody working in 2 years that I suggest is not going to work. The gentleman says that we are federalizing this whole system. We are settling targets that States have to meet and then allowing them to meet it in any way that they see fit. That is not federalizing. That is consistent with the rest of the bill. The gentleman says it is very costly. My whole point was it is costly if we focus work on single moms with infant kids. Then we have to pay for day care. I say, If you abstract a day care component of work, work is very affordable. In fact, I've talked with Governors who say it saves them money because it moves people off to welfare, which is supposed to be the point. Finally the gentleman makes a good point with regard to moms with younger kids. We are not prohibiting the States from trying to help those moms find work. We are just saying in terms of what we are requiring to focus on the families that are closest to employability. I say, Sure, if you can find a mom with an infant kid who is close to work, yes, by all means help her. We're not prohibiting the States from doing that, but we're trying to shift the focus away, to other families which are closer to work.

Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I just want to underscore how important this amendment is. It is critical for three reasons. The gentleman went over these, but I want to reiterate them.

It is important that we replace the current symbolic requirements in which there are weak definitions of what work really is in which one could have job search being included as work with a real work definition, and this amendment harmonizes those definitions of what work is all about. So, it is very critical from that standpoint, that the very sections of this bill have a common definition of what work is all about.

I think it is important, this amendment is important, because it cuts, rather than increases, total welfare spending by focusing those work requirements on mothers who need little day care. Too often in the past the jobs programs that have been included in welfare reform programs have only been an excuse to expand child welfare, child day care, and, as a result of that, it has become more and more expensive, and, instead of seeing welfare spending controlled, we have seen it exploding.

So, by focusing on those who are most employable or upon those moms who are least in need of child care, we can cut total welfare spending. I think that this is a very critical amendment that the gentleman has brought forward. Work cannot just be symbolic.

In the 1988 welfare reform bill there was great talk about workfare. There was great talk about putting those on welfare into the workplace, and it did not happen. The American people have become cynical about even the terminology of workfare, and if this bill is to be meaningful, and if it is to work, it must be more than just symbolism. Work must mean work, and those work requirements, in order to be best implemented, must focus on those who are most employable. It only makes sense that an AFDC recipient with older children should be required to get into the workplace. It only makes sense that a two-parent AFDC family ought to have one of those parents out in the workplace.

So this amendment focuses, places the focus, where it should be. Work requirements should be implemented in the least expensive way, and this gives the States the kind of guidance to move them in the most productive way in meeting the work participation requirements.

Time and time again I have heard two-parent families who are working hard, trying to make ends meet, trying to be productive members of society, and they come to me, as their Congressman, and say, Well, what about this couple, a man and a woman, on AFDC, able-bodied and yet drawing their package of benefits, drawing their welfare, neither one of them required to work under the current system.

I do not blame the American people for being cynical. I do not blame them for resenting this kind of a system, and it is time that we change it. We have got an opportunity to strengthen a good bill by adopting this amendment.

Mr. CARDIN. Mr. Chairman, on behalf of the gentleman from Florida [Mr. GIBBONS] I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I also believe work should be work, and I believe the best welfare reform is a job at a liberal wage, and for that, Mr. Chairman, I rise in strong opposition to this amendment. The bill, as it is currently written by the majority, requires as much as 80 hours of work for as little as $69 worth of benefits. That is $69 worth of benefits, the smallest amount they will get under food stamps——

Mr. TALENT. Mr. Chairman, wi
gentlewoman yield?

Mrs. CLAYTON. I yield to the
tleman from Missouri.

Mr. TALENT. Mr. Chairman, I s
the gentlewoman, "Lady, that's
second time I've heard that. The
age welfare package is worth, A
Medicaid, food stamps, et cetera,
8 to $15,000 a year. Now let's su
it's in the low end, about $10,000 a
The work participation requiren
in this bill mean, if you're workin
that, you're getting paid about $6
hour, not 60 cents an hour."

Mr. CLAYTON. There are people
receive only food stamps, only
stamps. They do not receive any
any AFDC, and I say to the gentle
"If you require them to work, recl
ing my time, if you require that pe
only receiving food stamps, and th
erage recipient is receiving $69, th
less then $1 an hour. Now your am
ment, your amendment, goes fur
than that. Your amendment would
crease the work requirement to
hours of work for the same ben
This is about 20 cents an hour for
person that only receives the
stamp, and these sometime may
people who temporarily are out
work."

Now I filed an amendment wh
would have made clear that manda
work, which I support, would be
liveable wage. We would not be req
ing persons to work any less than
law requires now. Again I repeat,
best welfare reform is indeed a job
livable wage. This amendment does
allow that. It treats welfare work
different from other people. It re
borders on servitude.

Mr. Chairman, I think the gentle
from New York [Mr. OWENS] is corr
We are moving backward, not forwa
This is the wrong way to treat hun
beings in America.

Mr. TALENT. Mr. Chairman, I yi
myself 15 seconds to say that this
only requires people on—applies to p
ple on AFDC, which means they are
gible for Medicaid, eligible for f
stamps. They are getting a package
benefits worth $8,000 to $15,000 a ye
The work requirements would mean
effect they are paid about 6½ to $7
hour——

The CHAIRMAN. The time of t
gentleman from Missouri [Mr. TALE
has expired.

Mr. TALENT. Mr. Chairman, I yi
myself an additional 15 seconds.

Mr. Chairman, a whole lot of peo
are working at that level. It is not
nitive, and here we have the differenc
in visions. It is not punitive. It is go
for them and their families.

Mr. CARDIN. Mr. Chairman, I yield
minutes to the gentlewoman fro
Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and w
given permission to revise and exte
her remarks.)

Ms. JACKSON-LEE. Mr. Chairma
wish we had the kind of time to de
erate the way the American peop

would want us to do so. The Republican bill. and I appreciate the gentleman from Missouri [Mr. TALENT], his offering of this amendment, but let us talk about the legislation that is on the table. That bill would not ensure safe child care for parents who work, and we would be punishing some 401,600 children.

Now we have mentioned the Deal bill and the Mink bill, and I would hope that, as we debate those substitutes, we will find a way to answer the questions that have been raised by the gentleman's amendment, allegedly to assist in decreasing the amount of dollars we spend on child care.

□ 1745

But I ask the question to the gentleman as to whether or not he has ever sat with welfare mothers. Has he ever had any real experience in understanding what the need is here? The need is that people want to work, and they want to work if their little one is 2 years old or 3 years old.

Do they want to leave them in an abusive situation? No, they do not. They want to have reasonable, safe child care. And the bills by DEAL and MINK and the amendment that I offered to the Committee on Rules dealt with providing child care for those who need it.

This is a discriminatory amendment. What it says is that our young mothers who can most benefit by job training, most benefit by high-technology training to get them into the work force, most benefit by the eagerness with which they want to go and provide for their children, they want to cut them off and discriminate because we are into slashing and burning and cutting off child care.

Child care has to be a realistic component of this welfare reform bill or in fact, Mr. Chairman, we will punish over half a million children. You cannot discriminate against these young women and these young parents, for they have told me face-to-face, for I live in these neighborhoods with these young women, and what they want most of all is to set a role model for their children, whether they are 15 months old, 2 years old, or 4½ years old.

You are not speaking the language of the American people that says we want welfare reform, not welfare punishment. I will not discriminate against young women who want to have a chance and opportunity, and I will not discriminate against their children. It is time to support the bill that this side of the aisle has, because we believe in work programs that do not discriminate and provide child care for our children.

The CHAIRMAN. The gentleman from Missouri [Mr. TALENT] has half a minute left, the gentleman from Maryland [Mr. CARDIN] has 2¾ minutes left and has the right to close because he represents the committee position.

Mr. CARDIN. Mr. Chairman, in order to extend debate, I move to strike the last word.

The CHAIRMAN. The gentleman from Maryland [Mr. CARDIN] is recognized for 7¾ minutes.

Mr. CARDIN. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. CLAY] and ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The gentleman from Missouri [Mr. CLAY] controls the time.

Mr. CLAY. Mr. Chairman, I rise in opposition to the amendment offered by my colleague from Missouri. It seems everyone is trying to prove how tough they are on welfare recipients, to show how many people they will force to work and how fast they will be required to work. But all of these get-tough amendments ignore reality.

The reality is there is not an endless pool of unfilled jobs for unskilled workers. If there were, we would not have 6 million unemployed Americans waiting for jobs. The reality is that most of the jobs being offered do not pay a living wage that can support a family. If we really cared, we would be creating jobs that pay living wages. I tried to offer an amendment to increase the minimum wage to a mere $5.15. But the Committee on Rules refused to make it in order, refused to make it in order.

They asked me whether I checked with the Parliamentarian to see if it was relevant. Of course it is relevant, Mr. Chairman. We cannot talk about welfare reform without talking about raising the minimum wage.

Let me remind my colleagues of these statistics: 4.2 million Americans, half of them women, work for the minimum wage or less; 11 million Americans currently earn less than $5.15. Currently, the poverty level for a family of three is $12,300 a year, yet the minimum wage pays only $8,500 a year, two-thirds of the poverty level. The Contract With America promises an unconscionable tax cut of $11,450 for those earning $200,000, this bill will take the money from the poor, from the welfare recipients, to pay for that tax break for the privileged.

Mr. Chairman, the Talent amendment will do nothing to provide jobs as a living wage, and I urge my colleagues to oppose this amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GENE GREEN].

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the ranking member of the committee for yielding to me.

Mr. Chairman, I had hoped last year when we talked about welfare reform and the President announced his plan that we would have a bipartisan welfare reform bill. But having served on the Committee on Economic and Educational Opportunities, I realize this is not a bipartisan welfare reform bill.

This amendment increases the work requirements, but will it lift a person out of the web of Federal assistance? No, it will not. The best way to end welfare as we know it is to provide a job. If a worker puts in 40 hours a week, 52 weeks a year, their gross pay under our current minimum wage is $8,800. For an individual that is just barely over the poverty level. But if they have just one child, just one child, they are $1,000 under the poverty line. For an average family in the 29th Congressional District in Houston, which I am proud to represent, a family of three, for that amount of money they would be $3,500 below the poverty line without a minimum wage increase.

That is why a minimum wage increase should be part of our welfare reform bill. This would make them eligible for assistance at this 3,500 less for many of the programs that we want to reform. If Members on the majority side wish to save on welfare and wish people to work, we should increase the minimum wage so full-time workers would not be eligible for that assistance.

Over half the workers earning the minimum wage are over 26 years old. We are not just talking about teenagers or young people, we are talking about people who have to support a family on the minimum wage. The purchasing power of the current minimum wage has declined by 40 percent since 1990 due to inflation.

We must end this shell game, this Republican shell game, and this partisan bill to give tax cuts and take our children's lunch money. We need to stop paying for tax cuts with infant formula money. The best way to stop welfare is to provide a job, and a job that lifts people out of welfare at a decent wage.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend from Missouri for yielding.

Mr. Chairman, you know, it really boggles the mind. We have 31 amendments, only 5 Democratic amendments, and nothing on child nutrition, and the amendments I had hoped to offer are not around. Now we are talking about participation and how many welfare recipients are going to participate in work.

Well, people will participate in work only if you pay them a living wage, only if you pay them a fair wage, only if you provide them with the job training so that they can get a job, and if you provide them with the child care so that they can leave their children while they work. This bill does none of that, and that is why I believe it is a farce and a sham.

Today's minimum wage is worth 30 percent less than what is was worth in the 1970's. An increase in the minimum wage is a necessary step in providing

people with the tools they need to bring themselves out of poverty. We cannot move welfare recipients into a position where they join the growing number of working poor. Again, my amendment, which was not allowed to be brought to the floor, would have allowed working poor to continue to get child care to keep them off welfare, but the Republican majority did not even want to let that happen.

Thirty-eight percent of all poor children under six have parents who work full or part-time. They are working to support their families, but cannot make enough money to live above the poverty line. In 1992, a full-time worker only grossed $8,800. That is $3,500 below the poverty line for a family of three, $11,186. How can we expect to move welfare recipients into this subsistence level of employment with no health care and no job training? But the Republicans do not care about that either.

We must create a system that rewards work and does not punish someone for trying to be independent. We must make the tough decisions. We must say that job creation, training, and increased wages are national priorities. We must commit to programs that will help us reach a goal of a stable, self-sufficient employment for all Americans, not the farce that the Republicans are trying to pass off as welfare reform.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentlewoman from Hawaii [Mrs. MINK].

The CHAIRMAN. The gentlewoman from Hawaii is recognized for 30 seconds.

Mr. SHAW. Mr. Chairman, at the appropriate time, I intend as the designee of the gentleman from Texas [Mr. ARCHER] to move to strike the last word, which under the rule will give me 5 minutes of time. I believe the minority has the right to close debate on this particular amendment. I do not want to preempt that right.

The CHAIRMAN. The gentleman has the right to do that.

Mr. SHAW. Mr. Chairman, I move to strike the requisite number of words, and would ask unanimous consent to be able to divide my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentlewoman from Hawaii [Mrs. MINK] is recognized for 30 seconds.

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the issue really is the question of forcing people to work without a standard of compensation. That is what the chairman on our side has been trying to say to the majority. If you are going to make an individual work, and under your amendment they are going to be required to work for 30 hours in order to stay on their welfare cash assistance, then, for heaven's sake, pay them at least a living wage and make it comparable to the Federal minimum wage; and, better yet, increase the minimum wage, as the President has requested.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the gentleman from Missouri [Mr. TALENT].

The CHAIRMAN. The gentleman from Missouri [Mr. TALENT] is recognized for 2 minutes.

Mr. TALENT. Mr. Chairman, I thank the gentleman for his generosity.

Mr. Chairman, let us define what we are talking about here and what this amendment does. We are talking about people who are receiving the range of welfare benefits, cash, food stamps, Medicaid, maybe subsidized housing, a package of benefits worth conservatively about $10,000 a year. That means if they have to work under the hours this bill requires, they will be working for between $6.50 an hour and $9.00 an hour. There are a whole lot of Americans doing that.

What the bill says is if you are on welfare for 2 years, if you do not have a young child at home that requires day-care and you are able-bodied, you have got to work. And what we are dealing with here again is a difference of visions, because some people here think that is a punitive. I think that is the way out of welfare.

Here is what the amendment does not do. It does not do what the 1988 bill does and what most work provisions purport to do. People say we need to provide a job. What that really means is we need to spend thousands and thousands of dollars trying to train somebody to be a vice president.

What we need to do is just provide work. Work is available for people. It does not provide day-care for people. We focus on people that do not need day-care. That does not increase the cost of the bill by billions of dollars.

We have heard from the other side the Republican bill is weak on work. If you want to strengthen the bill on work, and I do, vote for this amendment, because it is going to require that people work. It is not going to cost billions of dollars. It will save money, move people off welfare, and mean that when people are on welfare they are getting a paycheck and their kids are seeing them get a paycheck. That is what this bill is about; work, responsibility, and family.

Mr. SHAW. Mr. Chairman. I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, there are some real misunderstandings about this amendment, and, with all due respect, I would like to point out that it actually weakens the work requirements of current law. Current law requires you to work once your youngest child is 3 years old. This raises that threshold so you do not have to work until your youngest child is 5 years old. That weakens the work requirements in current law, and it weakens dramatically the work requirements in the bill before us.

Sixty-three percent of all families on AFDC have children under 5. Sixty-three percent. However are States going to meet the work standards in the bill if 63 percent of the people on AFDC are exempted from the mandatory work requirements?

Now, remember, as a society, we allow low income working people only 3 months leave after their baby is born. I have always felt it was a serious inequity that people on welfare got to stay home 3 years, when people working got to stay home 3 months. And now this bill is going to allow you to stay home 5 years.

Now, that is one point. The other point is, and I feel this very strongly, what you are saying is to those young girls who have had a baby, stay home. Stay home. The studs are hanging around outside the door. Have a good time.

Nothing could be more destructive. Nothing could be more contradictory to the fundamental message of this bill, which is take personal responsibility. We are saying you have that baby, you do not have to take responsibility.

□ 1800

Frankly, this bill is about personal responsibility.

Lastly, let me say the research does show very, very clearly that the programs that cream do not matter and those are the women whose children are already in school. The programs that really matter in terms of dependence are the programs that take those young girls who dropped out of high school, those young girls who had babies when they were very young and really make them go through the education, training and work performance that alone will enable them to change their lives.

Finally, this amendment is going to add complexity. This is exactly what the spirit of the block grant opposes and what the governors have time and time again driven my amendments off the board about, because they do not want this kind of micro management.

Mr. TALENT. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Chairman, the gentlewoman said that current law requires that everybody with a child three or under, is it, work. How many people are working now?

Mrs. JOHNSON of Connecticut. Anyone with a child, once a child reaches 3, you must be in a managed work program.

Mr. SHAW. Mr. Chairman, I yield myself the remaining 30 seconds. I would like to say that I am opposed to this particular amendment. I think the work provisions, I think, are good and well thought out, but I think the problem that we have, very eloquently pointed out by the gentlewoman from Connecticut, it puts, it divides people up into several classes. It raises the work requirement from the present 3

years old up to 5. I think it also takes away a lot of the flexibility that we intend to hand down to the States and, therefore, I would urge a no vote.

The CHAIRMAN. The gentleman from Missouri, [Mr. CLAY] has one-half minute remaining.

Mr. CLAY. Mr. Chairman, I yield myself the balance of my time.

I rise to once again say that we ought to defeat this amendment. This is an amendment that is not in the best interest of welfare recipients, taxpayers, or this country. I urge the defeat of the amendment.

Mr. CARDIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. ORTON].

(Mr. ORTON asked and was given permission to revise and extend his remarks.)

Mr. ORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. CARDIN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California, [Ms. PELOSI].

(Ms. PELOSI asked and was given permission to revise and extend her remarks.)

Ms. PELOSI. Mr. Chairman, I rise in opposition to the Talent amendment. The Republican welfare reform proposal needs work. This amendment does not provide it. I urge my colleague to vote "no."

Mr. CARDIN. Mr. Chairman, I yield myself the balance of my time.

In closing, let me urge my colleagues to vote against this amendment. It discriminates against parents with young children. There is no enforcement in this bill or by this amendment or the work requirements. There is still a reward in the bill for failure of a State that just knocks people off the rolls and does not provide job opportunity. And, lastly, this amendment does nothing to cure the fact that this bill provides requirements on our States without any funding to take care of it. It is really a large unfunded mandate.

I urge my colleagues to defeat the amendment.

The CHAIRMAN. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Missouri [Mr. TALENT].

The question was taken; and the Chairman announced that the "noes" appeared to have it.

Mr. TALENT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Missouri [Mr. TALENT] will be postponed.

The point of order no quorum is considered withdrawn.

The Chair would like to take this opportunity to remind Members that under the rule. the authority granted under the rule for this bill, the Chair is merely postponing requests for recorded votes until after consideration of amendment No. 8.

At that time the request for a recorded vote on amendment No. 1 will be the unfinished business of the House. Twenty-five Members will need to stand at that time in order to obtain a recorded vote on that amendment as well as the other postponed questions in turn. There is no need for a Member making a request for a recorded vote to renew the request.

The Chair would also like to remind the Members that the first vote taken on the first amendment will be a 15-minute vote, and subsequent votes may be reduced to 5 minutes, if no business interferes between the votes.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 104–85.

AMENDMENT OFFERED BY MR. KLECZKA

Mr. KLECZKA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KLECZKA: Page 16, strike line 8 and all that follows through line 15.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin [Mr. KLECZKA] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Mr. SHAW. Mr. Chairman, I am not aware of any Member on the floor who is opposed to the amendment. I ask unanimous consent to claim the 10 minutes.

The CHAIRMAN. Is there any objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I bring forth this amendment with my colleague, the gentleman from Rhode Island [Mr. REED]. And if I might briefly explain what the effect of the amendment would do, the bill, as reported by the Committee on Ways and Means, provides for a temporary assistance block grant in title I.

As part of setting up that block grant, we permit States to amass up to 120 percent of the block grant in what we call a rainy day fund. I think there is a lot of support for the rainy day fund.

I think there is lot of logic to establishing the rainy day fund for a State that comes on hard times. If there is an economic downturn, there will be ample funds available for the block grant programs to take care of the needy within that State.

I should also add that the bill provides that States can transfer from other block grants up to 20 or 30 percent into the rainy day fund.

The problem I have with this section is that after the State has amassed this 120 percent, it then has the opportunity to call the Governor or the legislature to shift funds out of the rainy day fund anything above and beyond 120 percent, into the State's general fund.

As I indicated to my colleagues on the Committee on Ways and Means, the bulk of us in Congress today were former State legislators. And surely they are not going to look a gift horse in the mouth. They are going to see these funds as being available for their disposition. It will alleviate their need possibly to raise taxes. If, in fact, a State has some particular road needs, they could take moneys from this rainy day fund into the highway program of the State. And clearly that is not why we are sending the States these dollars.

These dollars are for specific programs in these various block grants. I think it is ill-advised to permit the State the latitude to take federally-raised dollars sent to the State for a specific purpose and use it for their general purpose needs. So the amendment would delete from the bill that particular section of the bill.

Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. REED], the author of the amendment.

Mr. REED. Mr. Chairman, I rise in strong support of this amendment offered together with my colleague the gentleman from Wisconsin [Mr. KLECZKA. I also want to commend him for his leadership on this amendment.

We are talking about creating a block grant structure. I have some very serious concerns about that. But if we are going to pursue a block grant strategy, this amendment must be adopted.

We want to ensure that the Governors and the State legislatures not only have flexibility but also that we have accountability. As the gentleman from Wisconsin [Mr. KLECZKA] so well explained, the underlying bill provides for a rainy day fund so that in good times moneys can be built up to face more difficult economic times.

At present the bill requires the states to run this account up to 120 percent of the title I moneys but after that there is no clarification or determination of what excess funds should be used for.

As the gentleman from Wisconsin pointed out, under the present law, these funds could be used for any general State purpose. And having served in a general assembly, I never underestimate the ingenuity and the imagination of state governors and state representatives to find ways to spend Federal moneys. So as a result, I think it is incumbent upon us to insist upon accountability, to require that when this 120 percent fund level is met that any additional funds be either returned to us or used for the purposes that we provide them for these welfare programs.

This is a very good amendment. It gives flexibility but it does not ignore accountability by the states.

I urge this amendment be adopted. And again, I commend the gentleman from Wisconsin for his leadership.

Mr. SHAW. Mr. Chairman, I understand that the gentleman from Wisconsin has no further requests for time. I have no requests on this side. I support the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. KLECZKA. Mr. Chairman, I ask Members to support the amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLECZKA].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 104–85.

AMENDMENT OFFERED BY MR. BUNN OF OREGON

Mr. BUNN of Oregon. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BUNN of Oregon:

(C) STATE OPTION.—Nothing in subparagraph (A) shall be construed to prohibit a state from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the state as suitable for the care of the child such as diapers, clothing, and school supplies.

The CHAIRMAN. Under the rule, the gentleman from Oregon [Mr. BUNN] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is the gentleman from New York [Mr. RANGEL] opposed to the amendment?

Mr. RANGEL. Mr. Chairman, I am.

The CHAIRMAN. The gentleman from New York [Mr. RANGEL] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Oregon [Mr. BUNN].

Mr. BUNN of Oregon. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, although I would have liked to have seen us go much, much further than this amendment does, this amendment does one crucial thing, and that is to provide a floor for teenage mothers. Again, I would have liked to have seen us do more, but we do at least have the ability to give the States the flexibility so that they can provide vouchers for things such as diapers, clothing, school supplies, cribs and, instead of simply turning our backs on those with a crisis, with this we can actually step in and meet their basic needs.

I think that it improves the bill drastically. And I would hope that every one would be supportive of this.

Mr. Chairman, I reserve the balance of my time.

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to congratulate the gentleman for attempting to improve this bill. But it does not improve it dramatically. Somewhere somebody got the idea that when someone is 18 years old and they have a child that you punish the child. You just say that has to stop somewhere.

And so they said, no cash benefits would go to the child, not even if the child was under some type of adult supervision or that the child was kicked out of the home or the child had no place to go. Arbitrarily they said that just being 18 years old was enough by itself to deny benefits. A mandate, a mandate to the States.

My God, the Council of Catholic Bishops said that this would encourage abortion. The cardinal is concerned about it. I do not know whether buying diapers is going to clear this thing up at all. I mean, we are saying to the kid that if you really think that it is the cash incentives, then maybe some of the people on the other side would think that the mother would have the child in order to get the diapers and school supplies, since you have this irrational logic that they are making babies for the cash assistance.

No, I do not really think you can perfect this dramatically by just being kinder and gentler and the amendment does do that by providing for vouchers. But I think the whole world ought to see what is the intent behind the bill.

Just being 18 years old, how long does the mother get for vouchers for school supplies or diapers? Does it go into clothing? Does it go into any other things? I mean, I will wait until the gentleman finishes, because I would like to yield to him and ask him. Since it is not written out here, you are going to dramatically improve this bill by allowing the mother that is 18 to get diapers and school supplies and what else?

Mr. BUNN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Oregon.

Mr. BUNN of Oregon. Mr. Chairman, it would be for particular goods and services specified by the State as suitable for the care of the child, and then such as diapers, clothing, and school supplies.

Mr. RANGEL. Well, suppose there were some other need? How long does this go on? Is there a time certain that it is cut off?

Mr. BUNN of Oregon. Mr. Chairman, if the gentleman will continue to yield, this would provide the State with the option of providing the services for the child.

Mr. RANGEL. Will it give the State the option to provide cash assistance, if in its wisdom that is what they wanted to do? After all, we have to realize that the government does not have the answer for everything.

□ 1815

The gentleman trusts the Governors, doesn't he? Why will the gentleman not allow them to give cash assistance?

Mr. BUNN of Oregon. Mr. Chairman, if the gentleman will yield, I did offer an amendment that was not ruled in order, and would have done exactly what the gentleman is advocating. However, because we did not pass that this morning, I am more than happy to step forward with something that provides a level of care providing for vouchers, which is filling a gap in the bill.

I do not disagree with the gentleman. I would just thank him for observing the need, and hope that he would support the amendment, which would step in and fill what I see is a very large gap in the bill. I think the amendment does take one step. I would like to take a second step, but that was ruled out of order this morning.

Mr. RANGEL. Mr. Chairman, I cannot congratulate the gentleman enough for being sensitive to the fact that we do not have the right to just arbitrarily pick some year in someone's life and deny that child benefits.

Somehow the gentleman has reached a point that he feels that maybe just allowing them, the States, to do the right thing, that that would dramatically change the bill. However, Mr. Chairman, I hope we see the way this is treated.

That is the reason why I took time to oppose this, and probably in the final analysis my conscience will not allow me to do it, just to show the depth of the mean-spiritedness that is involved here. For the gentleman to have to come forward in the majority party and say "Can the kid get some diapers, some clothes, or just something that the Governor may think is in the best interests of the children, of the child born to a teenager 18 years old," and then to be knocked down by his own majority party, because what did he want to do, the right thing?

Mr. Chairman, I will yield to the subcommittee chairman, because I know in his heart he, too, wants to do the right thing. We were not governed by conscience here, we are governed by a contract. The gentleman signed that contract, by golly. It does not make any difference how many children, how many aged, how many sick are going to be hurt, he signed the contract and he has to keep it.

Mr. Chairman, I yield to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I thank the gentleman from New York for yielding to me.

Mr. Chairman, I am delighted I caught him in such a good spirit here this evening. It is my opinion under the bill, and I hesitate, but I have to correct the gentleman from New York. This applies to only the 17 years and under. It is 18 years and older that are handled quite differently, so it is under 18, it is not the 18-year-old mother.

I would say here that under the present bill, it is my opinion when we say that the cash can be spent for the mother, that perhaps this could be done anyway.

I would like to compliment the gentleman for his amendment. I think it is a good clarifying amendment. There has been a lot of disinformation out there.

Mr. RANGEL. Mr. Chairman, I yield my time to the gentleman from Florida to answer some of my questions. I have already complimented the gentleman enough. I want to know why he did not see fit to support the gentleman who thought that if a baby came from someone 17 or a baby came from someone 18, that the child should not be discriminated against because of the age of the mother. That is why I thought the gentleman stood up.

Mr. SHAW. Mr. Chairman, if the gentleman will continue to yield to me, the reason we are talking about mothers under 18 being treated different than mothers over 18, through the hearing process we had witnesses that came in and they said that giving mothers under 18, and now we are talking about 15-, 13-, and 14-year-olds as well, to give them cash benefits is nothing less than child abuse.

We are talking about children the gentleman would not leave his cat with over the weekend, and we as a Federal Government are giving them cash, we are setting them up in housekeeping, and this is wrong. We need to correct it. These kids themselves should be in foster care, or in some type of group housing.

Mr. Chairman, all we said was that mothers under 18, under 18, the monies can be spent for their benefit but they cannot be just handed out as cash. We strongly believe, and our witnesses have backed us up on this, that there is great evidence showing that the cash benefits are a lure to get pregnant and to really ruin their lives.

Mr. Chairman, this was done out of kindness, not to save money, believe me. We will not save money through this. It will actually probably be more expensive, but it will be much more responsible and will help the person rather than hurt them.

Mr. RANGEL. Mr. Chairman, the gentleman ought to know that some of the witnesses were here, like the Cardinal of the Archdiocese of New York and the Council of Bishops, Catholic Bishops.

Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. DEAL].

Mr. DEAL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I understand what the gentleman's amendment is attempting to do, and that is to overcome one of the negative mandates contained in the major bill. That is that the gentleman would prohibit any revenue or resources being given to those underage mothers.

If the gentleman would like to clean up that part of the bill, if he would pardon the pun, boy, have I got a deal for him, and that is the Deal substitute, because we do exactly what the gentleman from Florida [Mr. SHAW] has suggested. Our bill says that we do not pay cash benefits to underage mothers, that they must be with an adult, a parent or a supervising adult; that they are required to go back to school to complete their education.

This effort to simply in part address that issue with baby diapers or clothes is only a partial solution to it. We believe that these underage mothers need to have the leverage placed upon them to make sure that they complete their education, to make sure that they do not establish independent households.

Mr. Chairman, I would just simply suggest that the Deal substitute addresses this problem in a more thorough and complete manner.

Mr. RANGEL. Mr. Chairman, I reserve the balance of my time.

Mr. BUNN of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to commend the gentleman for his amendment. I think it does clarify that the base bill does in fact allow the States to spend their block grant money on services to women under the age of 18 who have babies out of wedlock, so I think that it is commendable to have that made clear for everyone.

With respect to the bill of the gentleman from Georgia [Mr. DEAL] I think it is a huge mistake to say that we are not going to give cash to the teenaged mother, but we are going to give cash to the mother of the teenaged mother.

That to me is an even more insidious offer than the current system, when we have a young teenaged mother who is probably living in a home that is already on public assistance, and we tell the head of that household "We will give you more cash; in fact, not just $70 more for you having another baby, but $500 more for your daughter having a baby." That makes no sense at all.

I think the Deal bill, however well-intentioned, is even further off base than the current law, so I am glad the gentleman from Georgia [Mr. DEAL] cleared that up for us, too.

Mr. BUNN of Oregon. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I strongly support the Bunn amendment. I congratulate the gentleman from Oregon for his very, very strong sensitivity to the plight of teenagers and those who may find themselves pregnant.

His amendment, and I would have hoped that the rule would have made in order the cash payment as well, particularly as it went through, as he would have envisioned, a responsible adult, a guardian, a grandmother, perhaps, or a mother, so that it would act as a magnet to keep that child under the roof of that family and help to keep families together.

Regrettably, that is not to be, but this amendment as it is offered will provide tangible assistance to these teenagers, and I think it is a very appropriate amendment.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, the gentleman has brought up the point that the other gentleman just brought up. Admittedly, the bill is not clear on that. I can assure the gentleman that it will come up in the conference and there will be no doubt about that.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for that clarification.

Given the issue of why, especially for teenagers, cash assistance is in their best interests, we are hoping to keep our young people in school. One of the costs associated with that goal is babysitting. A voucher, as best I can read it, is not going to accommodate that, so I would hope that that issue would be revisited, as well.

Again, I want to thank the gentleman from Oregon [Mr. BUNN] for his leadership. It is very much appreciated, I think, by everyone who cares deeply, as we all do, about the plight of these teenagers. The gentleman needs to be congratulated.

Mr. BUNN of Oregon. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to conclude my comments on this, and I have no other speakers, I would like to say that this amendment, although it does not go as far as many would like, including myself, it does provide a solid base to meet the needs of teen mothers, whether it is clothing, diapers, school supplies, and it gives the States some of the flexibility that they need. I think it does improve the bill. It may not make the bill what many want, but it goes in the right direction. I do not see any reason to oppose the amendment. I would encourage support.

Mr. Chairman, I yield back the balance of my time.

Mr. CARDIN. Mr. Chairman, as the designee of the gentleman from Florida [Mr. GIBBONS], and to extend debate, I move to strike the last word.

Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment. I think it is clear that when we had this provision of the bill before the committee, the Democrats tried very much to make sure that the cash benefit would not leave the child. I do not think that it is proper for us to try to fault the child for the parent's behavior. I just

do not think that is an answer to this problem. Instead of guaranteeing that this money goes to the children, instead we are going to guarantee that it goes to the Governor, and hope for the best.

This amendment that is offered here on the floor today recognizes that there is a problem by cutting off the cash benefits from those children who are born to unmarried women under the age of 18. That is a problem. We know that the teenaged pregnancy problem in America must be addressed, but there is no solution to this problem in the Personal Responsibility Act.

If we look at the children that are born, born out of wedlock in this Nation, we know that that is a problem. It is a problem in other countries in this world. However, I do not think that we can point and say that a majority of these children born out of wedlock or the problem of children born out of wedlock, illegitimacy, as the Republicans refer to these kids, I do not think that that is a problem that we are trying to solve in this Personal Responsibility Act today, or the welfare problems of this country.

Mr. Chairman, I believe that it is a fundamental mistake to walk away from our commitment to the children of this country. That is basically what we are doing. The Deal bill will offer another alternative, as the gentleman from Georgia has said earlier. He certainly treats this differently, like the Democrats on the Committee on Ways and Means tried to get our colleagues on the Republican side to say yes to an amendment that would pass those cash benefits on if that mother of that child lived in the household, or under some supervised gathering in a house or a group home that the mother and the child both could live in.

Instead, we now have an amendment before this House saying that what we want to do is pass on diapers and some other clothing for these kids. A good gesture, yes, we appreciate that, but what we should not be doing with this bill today in the Personal Responsibility Act is saying to the children of this country "You are going to be held responsible for the behavior of your parents." that is wrong. The bill is very cruel to those children, and snatching and taking away the cash benefit is not what we ought to be doing.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am happy to yield to the gentleman from Florida, my distinguished subcommittee chairman, who has refused all day to yield to Members on this side of the aisle, but I will be more than happy and gracious at this time to yield to him.

Mr. SHAW. Mr. Chairman, with that gracious introduction, I would say to the gentleman that if my recollection is correct, in the committee the Democrats offered a substitute that would take away benefits if the young mother did not attend school. Is that not the same thing, that he is punishing the child for the actions of the mother or omissions of the mother?

Mr. FORD. Let me reclaim the time, Mr. Chairman. I have been kind enough to yield to the gentleman. I thank him for bringing that point out.

We absolutely indicated strongly that we certainly wanted that mother to participate. If she was not willing to participate, to live at home with her mother, go back to school and graduate from high school, and also make sure that that child is taken care of, if she did not meet that self-sufficiency plan that would be set out by the Democrats, certainly we would do that. We would give her a chance.

Mr. SHAW. Would that not be punishing the child?

Mr. FORD. Not giving her an opportunity and a chance to go back to school, because we know that two-thirds of all high school graduates go into the work force on their own, that we would not have that problem today with these kids being dependent upon welfare.

We think it would make them self-sufficient. But to cut the funds off from that child, to be that cruel and to be that mean, like the gentleman is being with his subcommittee bill, Mr. Chairman, that was wrong. We told the chairman then that it was wrong. It is still wrong today, Mr. Chairman.

Mr. SHAW. If the gentleman will further yield, would that not be taking the benefits away from the child? Would that not be terribly cruel? Would the gentleman not be penalizing the child by the omission of the mother to go back to school?

□ 1830

Mr. FORD. But there were about 70 scholars and researchers in this country that suggested very strongly to us that there was no evidence that would suggest in any way that these teen mother were having these babies for the purpose of welfare benefits. There is no evidence to suggest that at all. You heard only the witnesses that I heard before the full Committee on Ways and Means as well as our subcommittee on ways and means.

Mr. Chairman, in closing I would just simply say I am opposed to this amendment.

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

I cannot find it in my heart to be as cruel to the gentleman for Oregon as his party has been to him, and as small as this token is, I want to thank him for having the courage to stand up with these people and at least to offer diapers, clothes, or something because the mother happened to be 17.

It does not make any sense on our side of the aisle, but since you are courageous enough to stand up against the people on the other side, especially those from the committee that is finding ways to be mean, then what I will do is just support this amendment and hope that perhaps this feeling might be generated among your colleagues to such an extent that they would be pared to do the right thing and s the children for whatever faults find in his or her mother.

The CHAIRMAN pro tempore WALKER). The question is on amendment offered by the gentle from Oregon [Mr. BUNN].

The question was taken; and Chairman pro tempore announced the ayes appeared to have it.

Mr. FORD. Mr. Chairman, I objec the vote on the ground that a quo is not present and make the poin order that a quorum is not present.

The CHAIRMAN pro tempore. Pu ant to the rule, further proceedings the amendment offered by the tleman from Oregon [Mr. BUNN] wil postponed.

The point of no quorum is conside withdrawn.

It is now in order to consider ame ment number 8 printed in House Re 104–85.

AMENDMENT OFFERED BY MR. SMITH OF N JERSEY

Mr. SMITH of New Jersey. Mr. Ch man, I offer an amendment.

The CHAIRMAN pro tempore. Clerk will designate the amendment

The text of the amendment is as lows:

Amendment offered by Mr. SMITH of Jersey:

Page 34. strike line 1 and all that foll through line 15 and insert the following:

"(5) NO ADDITIONAL CASH ASSISTANCE CHILDREN BORN TO FAMILIES RECEIVING ASS ANCE.—

"(A) GENERAL RULE.—A State to whic grant is made under section 403 may not any part of the grant to provide cash be fits for a minor child who is born to—

"(i) a recipient of benefits under the p gram operated under this part; or

"(ii) a person who received such benefits any time during the 10-month period end with the birth of the child.

"(B) EXCEPTION FOR VOUCHERS.—Subpa graph (A) shall not apply to vouchers wh are provided in lieu of cash benefits a which are provided in lieu of cash bene and which may be used only to pay for p ticular goods and services specified by State as suitable for the care of the child volved.

"(C) EXCEPTION FOR RAPE OR INCEST.—S paragraph (A) shall not apply with respect a child who is born as a result of rape or cest.

The CHAIRMAN pro tempore. Purs ant to the rule, the gentleman fro New Jersey [Mr. SMITH] and a Memb opposed will each control 10 minutes.

Mr. MCDERMOTT. I rise in oppos tion, Mr. Chairman.

The CHAIRMAN pro tempore. T gentleman from Washington [M MCDERMOTT] will be the Member o posed.

The Chair recognizes the gentlema from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chai man, I yield myself such time as I ma consume.

Mr. Chairman, I support the gener thrust of welfare reform and I sincere commend the gentleman from Flori [Mr. SHAW] and the gentleman fro Texas [Mr. ARCHER] for their efforts

drafting legislation designed to end welfare as we know it.

Mr. Chairman, some of us, however, opposed the rule this morning because we fear certain provisions of this bill will encourage abortion. But there is at least one other danger, that these provisions will trap children in the very cycle of perpetual poverty that the bill seeks to end.

I am concerned that unless amended in some significant ways, H.R. 4 will have some very dire, albeit unintended consequences.

I admit that the family cap exclusion has enormous surface appeal. Many Americans are fed up with people being on the dole. Americans want the abuse of the system to end. But I fear that one purported remedy, a cap on assistance for any additional children born to a woman on welfare, will severely hurt the weakest and most vulnerable people in our society, children. No one wants to do that.

The two most predictable outcomes of the family cap child exclusion as written are the likely increase in the number of babies aborted by indigent women, many of whom will feel financially trapped and abandoned, and the further impoverishment of children born to women on welfare. Both scenarios are unacceptable.

Over the years, numerous studies have shown that money, or more precisely, the lack of it, heavily influences a woman's decision to abort her child. A major study that was done by the Allen Guttmacher Institute, a research organization associated with Planned Parenthood, found that 68 percent of women having abortions said they did so because they "could not afford to have the child now."

Among 21 percent of the total sample, this was the most important reason for the abortion. No other factor was cited more frequently as "most important."

Demographers have pointed out that "young, poor and minority women are more likely to have abortions than older more affluent women even though these same groups are more likely to oppose the right to abortion."

Seven in 10, 70 percent, of women with incomes of less than $25,000 disapprove of abortion compared with 52 percent of the more affluent women. Yet the poorer women account for two-thirds, 67 percent, of the abortions.

One expert observed, "Few would say that an abortion is a good thing, but many women who believe that abortion is wrong found themselves unable to support a child when they became pregnant." This information backs up the Goodmacher study as well.

The family cap in my view is likely to tip the balance for each poor woman who feels that society has no real interest in the survival of her baby. She will get a powerfully negative message that her child has little or no value, especially from those States like my own where Medicaid is available for abortion on demand.

Then one of two things will happen. The woman will have an abortion, or the family will descend further into poverty.

Mr. Chairman, the family cap child exclusion might present a close question if one could argue that the incremental payment for a new baby were really so high that it might encourage women and girls to get pregnant to have babies just to get welfare. But this concern simply evaporates when we look at the facts.

The facts are that the additional assistance per child varies from State to State. But the median is about $57 per month. Out of this, the mother must pay for the child's clothing, shoes, diapers and other baby supplies, laundry and bus fare for medical checkups.

According to statistics compiled by Catholic Charities, the low end cost for these items total about $88.50 per month, so the mother is $31.50 in the hole even before she begins paying for the child's other expenses. We simply mislead ourselves when we assume that this constitutes an incentive to have more babies.

Mr. Chairman, there is much about the welfare system that needs changing, much that does serve to trap people in the cycle of poverty and despair. But allowing the States to pay modest per child benefits is not one of those terrible things. On the contrary, it is a true safety net, a safety net against abortion under duress, a safety net against a descent further into poverty.

My amendment would allow the States to provide goods and services designed to assist the child, it targets it, and it does so in a way that is practical and is tangible.

Mr. Chairman, I do strongly hope that my colleagues will support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. McDERMOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very interesting amendment that the gentleman from New Jersey [Mr. SMITH] brings forward. It raises a very interesting question. He spends a lot of time telling us that people do not have babies to get more money out of the welfare system. My understanding that this whole business of a cap is designed to deal with these people who say, "You know, I need a few more bucks, I think I'll go have a baby." Anybody who would say a dumb thing like that has never had a child.

In Texas, you get a second child, you get $25. I think if you asked most women if it is worth going through having a child for $25, it is pretty hard to find anybody who would say that that is the reason why they have a child. Most people get pregnant not because they choose to a second time, failure of birth control, whatever, and the child is there. Then to say, well, let's give a voucher.

Why is it that you will give a voucher to them but you will not give them the public assistance to actually rent an apartment with an extra bedroom? You are not going to let them have any cash. You are going to say, "Well, we know that you need diapers and we know that you need formula and we know you need these things." This is micromanagement of the very worst sort.

You say to the States, "Here's your money. You decide what you are going to do." And then in this bill, you turn around and you want to start micromanaging down to the level of the number of diapers that a woman needs to buy for a child.

That in my opinion is precisely what you say you do not want to do but you wind up doing it and kids are the ones who suffer from this.

This whole idea that somehow children born to kids, and I say kids because they are under 18, that those children should not be affected, that they are somehow going to have the money taken away from them, or that they are not wedded to somebody, somehow we are not going to care for them is the guts of what is wrong with this whole proposal.

You have people here who are simply poor. Those people need some money to deal with the situation. But you are now saying, "Well, we've put this cap on, it doesn't make any sense, but let's put a little provision in here for vouchers."

I think despite the argument of the gentleman from New Jersey [Mr. SMITH], if I were a young woman and I thought, "Well, I've got one baby and I've got another one, now I'm pregnant, but I'm not going to have any money to take care of this kid, I think I'm going to get an abortion." What would prevent a woman from thinking that? Seems to me if she is halfway reasonable, she would say. "Why not get an abortion? There's no way that I can take care of this kid. My parents don't have any money, I was raised in poverty," whatever.

We assume that all these children are going to go home to middle-class families making $75,000 a year, I guess.

When you do this kind of stuff, you are simply promoting abortion. Those of you who care about abortion and want to prevent it ought to be looking at this family cap business and all this chicanery that is in this amendment to try to avoid that issue are simply promoting that. I think that you ought to reconsider this and vote "no" on this amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I am a mother of 5, a grandmother of 15, and a great grandmother of 3 and I am well acquainted with the cost and sacrifices involved with raising a family. Diapers, bottles, blankets, booties,

clothes. car seats, the list goes on and on.

This is why I am very concerned with the so-called family cap.

Although it is imperative that we discourage out of wedlock pregnancies, increasing the financial pressure on women faced with a crisis pregnancy lacks compassion and will undoubtedly cost the lives of many innocent unborn children.

In addition, we should not go about the business of requiring States to discriminate against a child simply because of his or her place in the family birth order. Once the choice is made to have a child we should ensure that children raised by welfare mothers are not unfairly penalized and suffer further the dire consequences of poverty.

This is why I support the Smith amendment. This amendment would retain the essence of the family cap provisions by restricting direct cash benefits but would allow States the option of providing vouchers to pay for particular goods and services specified by the State as suitable for the child involved.

I urge my colleagues to support this amendment. It is a kind and compassionate choice to make.

Mr. McDERMOTT. Mr. Chairman, I yield 1½ minutes to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, we on the Ways and Means and the Subcommittee on Human Resources, we proposed to let States decide the circumstances under which cash benefits are paid and to let States choose to limit benefits when a child is born to a family already on welfare. But you rejected that, the Republicans, and giving the States the flexibility in order to administer this provision of the welfare program itself.

One of my colleagues just leaned over, and I totally agree with him. What we are talking about on the amendment before and what we are talking about with these vouchers, I have enough K-Marts and other stores in my community back home in the district and I am sure that most of these mothers can find diapers and other commodities that they will need in the neighborhood stores. I do not think that we need to set up these big State bureaucracies to buy Pampers for the babies. I think we are dealing with the wrong issues here today.

I do not have a problem in giving States the flexibility to choose and decide how they want to have all these benefits for these children, but I do not think we ought to be doing what we are doing today.

Mr. Chairman, the Children's Defense Fund, I was just reading a pamphlet that says, "When it's budget cutting time, they always start with the easiest targets." They have a Pamper on this baby with a target going right at the back of this baby.

I think that exemplifies what the Republicans are trying to do to these babies in America. As you talked about the Pampers being put on vouchers and giving the authority to States to set up this bureaucracy, I just want you to know that these are the Pampers that you would be targeting.

□ 1845

Mr. McDERMOTT. Mr. Chairman, I yield 1 minute to the gentlewoman from Arkansas [Mrs. LINCOLN].

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Chairman, I thank the gentleman for yielding me this time and I certainly understand the objective of what our colleagues on this side are trying to do in terms of cleaning up the bill that is before us. But once again I will just say, "Have we got a deal for you." This is already in the Deal substitute.

As we look at what we are trying to do in the modifying the family cap provisions in the bill giving these States the options, we already give the States the option to do this. We give them the option of setting a family cap if they choose so to do, we give them the option of initiating voucher programs if they choose so to do, and I just think it is really important that we do not mandate upon these States family caps which they have to then operate through again 50 State bureaucracies. We give them the option; we give them the parameters to work within.

And that is exactly what the bill does, the Deal bill does. So I certainly would encourage my colleagues to look closely at what is already out there.

We all enjoy talking, but it is important to know it is already there.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. GRAHAM].

Mr. GRAHAM. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are a lot of things we are divided on in this House, as you can tell from listening, if you have been listening out there on C-Span. But one thing most Americans feel strongly about is that we need to reform welfare. We are divided about abortions and issues such as a pro-life amendment or pro-life vote, but most of us believe if we do not do something to stem the tide of illegitimacy in this country we are going to ruin the fabric of our society. I do not think any culture can sustain itself when you have an illegitimacy rate at the levels we do now.

Having said that, the question always becomes: What about the children? I am a pro-life candidate, I am a Republican, I want to reform things I think for the good of my country. But what about the children? To me this accommodation is a realistic, real world accommodation that meets the needs of the children. Nobody wants to subsidize immoral or illegitimacies in the country, nobody wants taxpayers' money spent for having one baby after another out of wedlock. But the same people as myself want to make those children have a start in life, I then do not want to foster abort trying to reform welfare.

This amendment allows the mo and products to go to the child's ne and it is not a blank check by the F eral Government to say go do what want to, have another one if you w to. This addresses the needs of c dren, it is a directed amendment th think accommodates a lot of com ing interests, and I am very proud support it because I care about children.

Mr. McDERMOTT. Mr. Chairma yield 1 minute to the gentleman f New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I th the gentleman for yielding time to

Mr. Chairman, again I cannot t my back on those people who have courage to try to find a decent th in this type of thing. I cannot see, h ever, how this really changes the di tion in which the bill would be go just to give the vouchers to these a tional children.

But I do hope that we recognize t the bill that is before us is really t ing the Federal Government out of responsibility to take care of our p of our children, of our sick and aged, and I guess it is a part of an o all scheme to say that those people the local level, those in the cities those in the State, that they know b ter than we in Washington. And if t is so, why do we not give them full cretion to do everything? Why is that we see fit to say that we do want any strings attached to the g ernors when it comes to doing mean-spirited things, but we are j saying that they may provide s vouchers? Why can we not say if t want to a provide cash assistance, them do that too?

Mr. SMITH of New Jersey. Mr. Ch man, I yield such time as he n consume to the gentleman from I nois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I tha the gentleman for yielding me time. I just want to say that I th this is a superb amendment and I c gratulate the gentleman from New J sey.

This is very important, not to tra fer more serious problems on the k of the poor than they already have.

So I salute the gentleman. I hope eryone supports it.

The CHAIRMAN. The gentlem from New Jersey [Mr. SMITH] has minutes reminding, the gentlem from Washington [Mr. MCDERMOTT] 2½ minutes remainding, and the g tleman from Washington has the ri to close.

Mr. McDERMOTT. Mr. Chairman yield 1 minute to the gentlewom from Florida [Mrs. THURMAN].

Mrs. THURMAN. MR. Chairman just want to bring to your attention February 23, 1995, there was a let signed by the Governors who h been, in fact, in support of your b

However, on this particular issue they have asked us to oppose it and give the flexibility to them to do this.

So I think my colleagues should take that into consideration, that they want the flexibility, and that, in fact, was why it was put the way it was in the Deal bill.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I was in the other room watching it on TV and all of a sudden I thought, you know, we are talking about bureaucracy but what we are really talking about is a program somewhat like one that I have heard over and over touted from the opposite side. WIC. A voucher program is what we use in WIC. For those who do not know, that is where we give that voucher. It says you can go to the local store, your K-Mart or whatever and you pick up the things you need, and this is where you get diapers or whatever and you just send that in through the system and they say it works real well. In fact, I have heard from my Democrat colleagues now for over a month how great the WIC Program is.

I think when we look at this we need to realize that we are telling the States you have another great option as you need to meet the needs of those little children and we want to make sure that money gets to kids, not to drugs. And this will get to kids, not to drugs.

The CHAIRMAN. The gentleman from New Jersey [Mr. SMITH] has one-half minute remaining, and the gentleman from Washington [Mr. MCDERMOTT] has 2 minutes remaining.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself the remainder of the time just to strongly urge Members to vote yes on this amendment. Those who would have preferred cash payments, that is not what is in the underlying bill. It is very likely not going to be an option.

On a dollar-for-dollar basis, empowering the States with the Flexibility we are saying the voucher is targeted to help assist the child, to help the mother who is the custodian of this voucher to provide the best available care. It is a modest amount of money.

I was one of those who led the effort when my Democratic Governor, Jim Florio, led the effort to stop the cash payments in New Jersey, and that is what sensitized me to this voucher to at least provide support to the children.

Mr. MCDERMOTT. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I think what people need to understand is this is a fig leaf. After you slash in the rescissions bill the WIC Program to bits, then I get the gentlewoman from Washington standing up here and saying the WIC Program is a great program when she voted and all of the rest of you voted to slash that program.

The next thing we come to is food stamps. It is a voucher program but in this bill you want to get rid of it. Now this is a fig leaf on the issue of whether you are going to punish women who get pregnant. People who get pregnant are not doing it to get 25 extra bucks in the State of Texas. People are getting pregnant for a whole lot of reasons, but it is not because they want to get more money out of the system, and when you punish the woman you are punishing the kids. And there is no way around it.

This whole bill is directed at punishing children. And I say we ought to vote against this, and of course against the bill, because this bill is unfair to kids.

If you want to pick on adults you ought to pick on adults some other way, but not pick on adults and think you are not picking on kids. You are picking on them; you are going to hurt them. Anything that takes away in those first years what kids need hurts, stunts their development. You are going to pay for it in the long run. It is like the Fram commercial, you either pay for it up front or you are going to pay for it forever.

I hear all of those people talk about the costs of prisoners and prisons, $27,000, $30,000, $40,000 a year. You do not mind that because that is not in this year's budget. That is in about the year 2015 when you pick up this kind of stuff.

I say that this kind of punishment should not go on on this floor.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. MCCRERY. Mr. Chairman, as the designee of Chairman ARCHER, I move to strike the last word.

Mr. Chairman, I just wanted to strike the last word to clear up a few things that have been said about the bill in general. The gentleman from Washington [Mr. MCDERMOTT] earlier implied that we are through this amendment micromanaging the States' program. That is nowhere close to the truth.

In fact the language of the amendment is as follows: "Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved." As specified by the State; we are not micromanaging a thing, we are giving that power to the States.

I want to commend the gentleman from New Jersey for his amendment, not because it adds anything to the bill but because it clarifies that the underlying bill gives States the right to use their block grant money to provide services, not cash, but services to children, to women under 18, to women on welfare who have another baby. The bill already allows that, but I congratulate the gentleman for his amendment and making it clear that we do allow that.

I want to clear up a couple of other things, one of them is the WIC Program.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. MCCRERY. I am glad to yield to the gentleman from Kansas for that purpose.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding. I had not intended to take part in this debate but the gentleman from Washington indicated that the WIC Program was slashed in regards to the rescission program. Let me point out there was $125 million in that account, and the rescission program cut $25 million. There is still $100 million in the account. That is within the agriculture budget.

Most of us on the Committee on Agriculture, if not all, understand that the WIC Program is a very important program. Most of us also understand they have an 86 percent participation rate. They are advertising on national radio to encourage more people to participate. There has to be some level there where you are spending money on advertising hopefully to get it up to all people who are deemed eligible, but there is $100 million in there right now that is not even spent.

It was under the WIC Program that we took money from the crop insurance program to spend more on WIC. Nobody is slashing this program; $500 million in authorization, subject to appropriations, more in the WIC Program than last year. This is simply not accurate.

I thank the gentleman for giving me the opportunity to set the record straight.

Mr. MCCRERY. I appreciate the gentleman making it clear that the rescission package did not slash the WIC Program, and I would like to point out this bill does not slash the WIC Program. In fact, just the opposite. We provide more money for WIC, not less. even more money than the CBO baseline predicted would be required for WIC.

So I appreciate the gentleman's comments.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. MCCRERY. I yield to the gentleman from Florida [Mr. SHAW] for a little explanation.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding. I would like to compliment the gentleman from New Jersey, as I did earlier the gentleman from Oregon, in putting in what I consider to be clarifying amendments.

For the life of me I cannot understand the opposition we are getting from the other side when if there was any question as to how this money could be spent for the benefit of this person, this is moving it, by clarification we are showing we are not as far

apart from the minority as it would appear. So for the life of me I cannot understand. Some people may think we are moving toward the minority position and they stand up and oppose it. I do not understand, but I guess that is politics, but politics is one thing I wish we would get off of this floor for the moment and take care of the poor of this country and take care of the children of this country and get on with the business at hand.

Mr. McCRERY. I appreciate the gentleman's comments.

With respect to the comments of the gentlewoman from Arkansas [Mrs. LINCOLN] one more time about what a sweet deal the Deal substitute is, again, the Deal substitute would allow cash benefits to be paid to women and welfare to have an additional child. We think it is simply too important to send the correct message for a change in this country to women who are on welfare, to tell them we are not going to give you cash for additional children. We think that is so important that we must dictate to the States that they cannot use the block grant funds to give additional cash benefits to women who are already on welfare and choose to have another baby. That message has got to be sent; we choose to send it.

Mrs. LINCOLN. Mr Chairman, will the gentleman yield?

Mr. McCRERY. I am glad to yield.

Mrs. LINCOLN. We already give that option to the States. And certainly many States have already pilot projects like the State of Arkansas.

□ 1900

Mr McCRERY. Reclaiming my time, I understand that. We made it clear the States will have that option, but we say our system has failed for too long by encouraging people on welfare to continue in that status, by holding out the lure of cash benefits from the Government to have more children. That is wrong. We are going to correct it.

Mr. McDERMOTT. Mr. Chairman, to extend the debate, I move to strike the last word, and ask unanimous consent to merge that additional time with this time I am currently controlling.

The CHAIRMAN: The gentleman has that right.

Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. McDERMOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just have to respond. The gentleman from Louisiana [Mr. McCRERY] is one of my favorites on the other side, because he is real honest. He stands up, and he says right out, "We, the Federal Government, have decided that the States cannot give money."

Now, I say to the gentleman from Louisiana [Mr. McCRERY], that is micromanaging what the Governors and the State legislatures can do, and you and I do not disagree on that. I guess. We are telling them, "You cannot do it." We are reaching down into those State legislatures and making that decision for them.

My view, and the amendment that I offered in committee, was to say let the States decide what they are going to do. We are giving them a lot less money.

I listened to all of these people say we are giving more in this program and giving more in that program and giving more in this. How are you saving $70 billion if you are giving more in each section of the bill? I mean, it sort of defies logic that you can give more everywhere and not in the end wind up taking it away from somewhere.

Mr. McCRERY. Mr. Chairman, will the gentleman yield?

Mr. McDERMOTT. I yield to the gentleman from Louisiana.

Mr. McCRERY. I thank the gentleman for yielding, and certainly we are micromanaging to that extent. However, I was responding earlier to the gentleman's comments about us specifying in this amendment the number of diapers that can be purchased. We do not do that, and you know that.

Mr. McDERMOTT. Reclaiming my time, what you do is take away the State's ability to decide with the limited amount of money they are now going to have; the State of Washington is now working on a budget, thinking what they are going to get from us. Suddenly they are going to get a cut. They are going to have to go back in session and decide with a limited amount of money how they are going to deal with this.

One of the things you are saying to them is, "You cannot give cash benefits." I object to that. If you are going to give limited money to the States, let them have the full responsibility.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. McDERMOTT. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I would just ask a couple of questions for my own clarification here. We hear a mixed signal here. We are going to give block grants. To me when you give a block grant, you say to the Governor and the State legislature, "OK, here it is, guys, you have got to cover all of these contingencies. You have got to cover the WIC programs, the refundable programs," and what have you, and now, as this amendment says, not unlike the food stamp program, and I do not mean to be clever on this, but it would seem to me there is room for abuse if you give vouchers for diapers or what have you. You know, there are certain things you cannot buy with food stamps. If you have vouchers for diapers or what have you, what is to keep unscrupulous people from taking a voucher for diapers and trading it for a six-pack or what have you? Just because you have restrictions it only can be used does not mean it is going to guarantee that that is what the money is going to go for.

So to me, I am a little bit con about the concept of total, total b grants, and then when you get bac the situation where you are goin micromanage, here is what you ca here is what you can do, here is you cannot do. If you are going to block grants, for God's sakes, do block grants and say, "Guys, do best you can, if you want to do the grams." That is the reason we had an uproar, and we are so conce about making a pool of money to tax breaks to folks at the expens children.

Mr. SMITH of New Jersey. Mr. C man, will the gentleman yield?

Mr. McDERMOTT. I yield to the tleman from New Jersey.

Mr. SMITH of New Jersey. Just t spond briefly, the gentleman raised potential for fraud or misusing vouchers as food stamps are often used or at times misused.

I would submit to you that cash l itself to misuse to a greater de than a voucher. The voucher woul harder to sell and to peddle on s kind of black market than the mi of cash. So we would be more ap target the money towards the c with the voucher.

Mr. McDERMOTT. Reclaiming time, that is a value judgment ab these young women which I do think you have a right to make. not think you have any evidence support that.

Mr. SHAW. Mr. Chairman, will gentleman yield?

Mr. McDERMOTT. I yield to the tleman from Florida.

Mr. SHAW. Mr. Chairman, I th the gentleman for yielding.

Just very quickly in one sentence, us not forget that what we are do right now, we are talking abou choice between what is in the bill adding this to the bill. If you against adding this to the bill, t vote no. If you think that this bri the Republican side a little closer, e though it might be millimeters clo to where you are, then vote for it.

Mr. McDERMOTT. I am sure you support the amendment.

Mrs. KENNELLY. Mr. Chairman, the gentleman yield?

Mr. McDERMOTT. I yield to the g tlewoman from Connecticut.

Mrs. KENNELLY. I would just like add to the comments by the gentlem from Washington [Mr. McDERMOTT]. I went back to my office, people w asking questions about the debate were having. We have to make clear are comparing apples and oranges. have current law, a program that h had a great deal of attention. Sch lunches, you have current law, wh current law would spend next year. have block grants, and that is less. are dealing with two different thin We should not forget, and I would li to say this, is that when you go in block grants, you cannot say what y are going to do. The Committee on A propriations will.

The CHAIRMAN. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from New Jersey [Mr. SMITH] will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 1 offered by the gentleman from Texas [Mr. ARCHER]; amendments en bloc offered by the gentleman from Texas [Mr. ARCHER]; amendment No. 3 offered by the gentleman from Missouri [Mr. TALENT]; amendment No. 7 offered by the gentleman from Oregon [Mr. BUNN]; and amendment No. 8 offered by the gentleman from New Jersey [Mr. SMITH].

PARLIAMENTARY INQUIRY

Mr. MCDERMOTT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MCDERMOTT. Did the Chair say the first amendment to be voted on is the amendment offered by the gentleman from Texas [Mr. ARCHER]?

The CHAIRMAN. That is correct. That will be No. 1.

The votes will be as follows: a 15-minute vote on amendment No. 1 offered by the gentleman from Texas [Mr. ARCHER], a 5-minute vote on the en bloc amendments offered by the gentleman from Texas [Mr. ARCHER], a 5-minute vote on amendment No. 3 offered by the gentleman from Missouri [Mr. TALENT] a 5-minute vote on amendment No. 7 offered by the gentleman from Oregon [Mr. BUNN], and a 5-minute vote on amendment No. 8 offered by the gentleman from New Jersey [Mr. SMITH].

One of the amendments offered was agreed to without a recorded vote being required.

AMENDMENT OFFERED BY MR. ARCHER

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 1 printed in House Report No. 104–85 offered by the gentleman from Texas [Mr. ARCHER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 203, not voting 3, as follows:

[Roll No 257]

AYES—228

Allard	Franks (NJ)	Moorhead
Andrews	Frelinghuysen	Morella
Archer	Frisa	Myers
Armey	Funderburk	Myrick
Bachus	Gallegly	Nethercutt
Baker (CA)	Ganske	Ney
Baker (LA)	Gekas	Norwood
Ballenger	Gilchrest	Nussle
Barr	Gillmor	Oxley
Barrett (NE)	Gilman	Packard
Bartlett	Goodlatte	Paxon
Barton	Goodling	Petri
Bass	Goss	Pombo
Bateman	Graham	Porter
Bereuter	Greenwood	Portman
Bilbray	Gunderson	Pryce
Bilirakis	Gutknecht	Quillen
Bliley	Hancock	Quinn
Blute	Hansen	Radanovich
Boehlert	Hastert	Ramstad
Boehner	Hastings (WA)	Regula
Bonilla	Hayworth	Riggs
Bono	Hefley	Roberts
Brownback	Heineman	Rogers
Bryant (TN)	Herger	Rohrabacher
Bunn	Hilleary	Ros-Lehtinen
Bunning	Hobson	Roth
Burr	Hoekstra	Roukema
Burton	Hoke	Royce
Buyer	Horn	Salmon
Callahan	Hostettler	Sanford
Calvert	Houghton	Saxton
Camp	Hunter	Scarborough
Canady	Hutchinson	Schaefer
Castle	Hyde	Schiff
Chabot	Inglis	Seastrand
Chambliss	Istook	Sensenbrenner
Chenoweth	Johnson (CT)	Shadegg
Christensen	Johnson, Sam	Shaw
Chrysler	Jones	Shays
Clinger	Kasich	Shuster
Coble	Kelly	Skeen
Coburn	Kim	Smith (MI)
Collins (GA)	King	Smith (NJ)
Combest	Kingston	Smith (TX)
Cooley	Klug	Smith (WA)
Cox	Knollenberg	Solomon
Crane	Kolbe	Souder
Crapo	LaHood	Spence
Cremeans	Largent	Stearns
Cubin	Latham	Stockman
Cunningham	LaTourette	Stump
Davis	Lazio	Talent
DeLay	Leach	Tate
Diaz-Balart	Lewis (CA)	Taylor (NC)
Dickey	Lewis (KY)	Thomas
Doolittle	Lightfoot	Thornberry
Dornan	Linder	Tiahrt
Dreier	Livingston	Torkildsen
Duncan	LoBiondo	Upton
Dunn	Longley	Vucanovich
Ehlers	Lucas	Waldholtz
Ehrlich	Manzullo	Walker
Emerson	Martini	Walsh
English	McCollum	Wamp
Ensign	McCrery	Watts (OK)
Everett	McDade	Weldon (FL)
Ewing	McHugh	Weldon (PA)
Fawell	McInnis	Weller
Fields (TX)	McIntosh	White
Flanagan	McKeon	Wicker
Foley	Metcalf	Wolf
Forbes	Meyers	Young (AK)
Fowler	Mica	Young (FL)
Fox	Miller (FL)	Zeliff
Franks (CT)	Molinari	Zimmer

NOES—203

Abercrombie	Boucher	Collins (IL)
Ackerman	Brewster	Collins (MI)
Baesler	Browder	Condit
Baldacci	Brown (CA)	Conyers
Barcia	Brown (FL)	Costello
Barrett (WI)	Brown (OH)	Coyne
Becerra	Bryant (TX)	Cramer
Beilenson	Cardin	Danner
Bentsen	Chapman	de la Garza
Berman	Clay	Deal
Bevill	Clayton	DeFazio
Bishop	Clement	DeLauro
Bonior	Clyburn	Dellums
Borski	Coleman	Deutsch
Dicks	Laughlin	Reed
Dingell	Levin	Reynolds
Dixon	Lewis (GA)	Richardson
Doggett	Lincoln	Rivers
Dooley	Lipinski	Roemer
Durbin	Lofgren	Rose
Engel	Lowey	Roybal-Allard
Eshoo	Luther	Rush
Evans	Maloney	Sabo
Farr	Manton	Sanders
Fattah	Markey	Sawyer
Fazio	Martinez	Schroeder
Fields (LA)	Mascara	Schumer
Filner	Matsui	Scott
Foglietta	McCarthy	Serrano
Ford	McDermott	Sisisky
Frank (MA)	McHale	Skaggs
Frost	McKinney	Skelton
Furse	McNulty	Slaughter
Gejdenson	Meehan	Spratt
Gephardt	Meek	Stark
Geren	Menendez	Stenholm
Gibbons	Mfume	Stokes
Gonzalez	Miller (CA)	Studds
Gordon	Mineta	Stupak
Green	Minge	Tanner
Gutierrez	Mink	Tauzin
Hall (OH)	Moakley	Taylor (MS)
Hall (TX)	Mollohan	Tejeda
Hamilton	Montgomery	Thompson
Harman	Moran	Thornton
Hastings (FL)	Murtha	Thurman
Hayes	Nadler	Torres
Hefner	Neal	Torricelli
Hilliard	Neumann	Towns
Hinchey	Oberstar	Traficant
Holden	Obey	Tucker
Hoyer	Olver	Velazquez
Jackson-Lee	Ortiz	Vento
Jacobs	Orton	Visclosky
Jefferson	Owens	Volkmer
Johnson (SD)	Pallone	Ward
Johnson, E. B.	Parker	Waters
Johnston	Pastor	Watt (NC)
Kanjorski	Payne (NJ)	Waxman
Kaptur	Payne (VA)	Whitfield
Kennedy (MA)	Pelosi	Williams
Kennedy (RI)	Peterson (FL)	Wilson
Kennelly	Peterson (MN)	Wise
Kildee	Pickett	Woolsey
Kleczka	Pomeroy	Wyden
Klink	Poshard	Wynn
LaFalce	Rahall	Yates
Lantos	Rangel	

NOT VOTING—3

Doyle	Edwards	Flake

□ 1924

Mr. NEUMANN changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FLAKE. Mr. Chairman, I would like to be recorded as voting no on No. 257, the Archer amendment. Due to a delay in getting back, I missed the vote.

The CHAIRMAN. It is now in order to consider the first of a series of four 5-minute votes.

AMENDMENTS EN BLOC, AS MODIFIED, OFFERED BY MR. ARCHER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendments en bloc, as modified, offered by the gentleman from Texas [Mr. ARCHER] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendments en bloc, as modified.

The Clerk redesignated the amendments en bloc, as modified.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 249, noes 177, not voting 8, as follows:

[Roll No. 258]

AYES—249

Allard
Andrews
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martini
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—177

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Gutierrez
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Hoyer
Jackson-Lee
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Nadler
Neal
Oberstar
Olver
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—8

Bachus
Christensen
Doyle
Edwards
Flake
Rush
Tauzin
Taylor (NC)

□ 1933

Mr. BREWSTER. Mr. COSTELLO, and Ms. MOLINARI changed their vote from "no" to "aye."

So the amendments en bloc, as modified, were agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CHRISTENSEN. Mr. Chairman, let the record reflect that I would have voted yes in favor of the en bloc amendment offered by the committee chairman, the gentleman from Texas, [Mr. ARCHER]. I was unavoidably detained. Had I been here, I would have voted aye.

AMENDMENT OFFERED BY MR. TALENT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Missouri [Mr. TALENT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The CHAIRMAN. The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A record vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 96, noes 337, answered not voting 1, as follows:

[Roll No. 259]

AYES—96

Allard
Andrews
Armey
Baker (CA)
Barr
Barton
Bateman
Bilbray
Boehner
Brown (OH)
Bryant (TN)
Burr
Buyer
Canady
Chabot
Chambliss
Christensen
Chrysler
Coble
Coburn
Cooley
Crapo
DeLay
Dickey
Doolittle
Duncan
Emerson
English
Ewing
Fawell
Foley
Funderburk
Gephardt
Goodlatte
Goodling
Graham
Gutknecht
Hall (TX)
Hamilton
Harman
Hastert
Hayworth
Hilleary
Hoekstra
Hoke
Holden
Hutchinson
Inglis
Istook
Johnson (SD)
King
Kingston
LaFalce
LaHood
Largent
Latham
Lightfoot
Linder
Lipinski
Lucas
McHale
McInnis
McIntosh
McKeon
Metcalf
Mica
Minge
Norwood
Paxon
Pombo
Roemer
Roth
Royce
Sanford
Scarborough
Schroeder
Seastrand
Sensenbrenner
Shadegg
Smith (MI)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Talent
Tate
Taylor (NC)
Wamp
Ward
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker

NOES—337

Abercrombie
Ackerman
Archer
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TX)
Bunn
Bunning
Burton
Callahan
Calvert
Camp
Cardin
Castle
Chapman
Chenoweth
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Dunn
Durbin
Ehlers
Ehrlich
Engel
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hancock
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hefner
Heineman
Herger
Hilliard
Hinchey
Hobson
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)

Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kleczka
Klink
Klug
Knollenberg
Kolbe
Lantos
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lincoln
Livingston
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Riggs
Rivers
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Schaefer
Schiff
Schumer
Scott
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Spratt
Stark
Stenholm
Stokes
Studds
Stump
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Waters
Watt (NC)
Waxman
Weldon (PA)
White
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—1

Edwards

□ 1942

Mrs. CHENOWETH and Messrs. BONO, BARRETT of Nebraska, and BEREUTER changed their vote from "aye" to "no."

Mr. WARD and Mr. ISTOOK changed their vote from "no" to "aye."

So the amendment was rejected.

The results of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BUNN OF OREGON

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oregon [Mr. BUNN] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 351, noes 81, not voting 2, as follows:

[Roll No. 260]

AYES—351

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bellenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fields (TX)
Filner
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Pastor
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torricelli
Traficant
Upton
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—81

Abercrombie
Becerra
Bishop
Bonior
Brown (CA)
Brown (FL)
Clay
Clayton
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Deal
Dellums
Dingell
Dixon
Evans
Fattah
Fazio
Fields (LA)
Foglietta
Ford
Frost
Gejdenson
Gibbons
Gonzalez
Gutierrez
Hastings (FL)
Hefner
Hilliard
Hinchey
Hostettler
Jefferson
Johnson, E. B.
Kolbe
Laughlin
Levin
Lewis (GA)
Lincoln
Lofgren
Martinez
Matsui
McDermott
McKinney
Meek
Miller (CA)
Mineta
Mink
Nadler
Orton
Owens
Parker
Payne (NJ)
Pelosi
Peterson (FL)
Reynolds
Rose
Roybal-Allard
Rush
Sabo
Schumer
Slaughter
Smith (MI)
Stark
Stenholm
Stokes
Studds
Tanner
Thompson
Thurman
Torkildsen
Torres
Towns
Tucker
Velazquez
Waters
Watt (NC)
Waxman
Yates

NOT VOTING—2

Edwards
Frank (MA)

□ 1952

Ms. BROWN of Florida, Mr. SCHUMER, and Mr. FIELDS of Louisiana changed their vote from "aye" to "no."

Mrs. CUBIN, Mrs. ROUKEMA, and Messrs. WILLIAMS, SHAYS, ENGEL, and SERRANO changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

The CHAIRMAN. The pending business is the request for a recorded vote on amendment No. 8 printed in House Report 104–85 offered by the gentleman from New Jersey [Mr. SMITH] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device. and there were—ayes 352, noes 80, not voting 2. as follows:

[Roll No 261]

AYES—352

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Billey
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dorman
Doyle
Dreier
Duncan
Dunn
Durbin
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fawell
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meehan
Menendez
Metcalf
Mfume
Mica
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torres
Traficant
Upton
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—80

Abercrombie
Becerra
Beilenson
Bishop
Bonior
Brown (CA)
Brown (FL)
Clay
Clyburn
Coburn
Collins (IL)
Collins (MI)
Conyers
Coyne
Deal
Dellums
Dingell
Evans
Fattah
Fazio
Fields (LA)
Ford
Gephardt
Gibbons
Gonzalez
Gutierrez
Hall (TX)
Hastings (FL)
Hefner
Hilliard
Hinchey
Hostettler
Istook
Jefferson
Johnson, E. B.
Johnston
Kolbe
Lewis (GA)
Lincoln
Lofgren
Matsui
McDermott
McIntosh
McKinney
Meek
Meyers
Miller (CA)
Mineta
Mink
Neumann
Owens
Payne (NJ)
Pelosi
Peterson (FL)
Pickett
Reynolds
Rose
Roybal-Allard
Rush
Scarborough
Schumer
Shays
Slaughter
Smith (MI)
Spratt
Stark
Stokes
Studds
Tanner
Thompson
Thurman
Torkildsen
Torricelli
Towns
Tucker
Velazquez
Waters
Watt (NC)
Waxman
Yates

NOT VOTING—2

Edwards
Frank (MA)

□ 1954

Mr. GEJDENSON and Mr. SANFORD changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 104–85.

AMENDMENT OFFERED BY MR. WYDEN

Mr. WYDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYDEN: Page 60. line 8, insert ", using adult relatives as the preferred placement for children separated from their parents if such relatives meet all State child protection standards" before the semicolon.

Page 72, line 4, insert "(a) IN GENERAL.—" before "Each State".

Page 72, after line 20, insert the following:

"(b) PLACEMENT OF CHILDREN WITH RELATIVES.—A State to which a grant is made under this part may consider—

"(1) establishing a new type of foster care placement, which could be considered a permanent placement, for children who are separated from their parents (in this subsection referred to as 'kinship care') under which—

"(A) adult relatives of such children would be the preferred placement option if such relatives meet all relevant child p
standards established by the State;

"(B) the State would make a ne
payment and provide supportive se
appropriate. with respect to childr
in a kinship care arrangement; and

"(2) in placing children for adop
ing preference to adult relatives
applicable adoption standards
those acting as foster parents of s
dren).

The CHAIRMAN. Pursuant
rule. the gentleman from Ore
WYDEN] will be recognized for
utes, and a Member in opposit
be recognized for 10 minutes.

Mr. BUNNING of Kentuck
Chairman, I know of no oppos
the amendment, and I would cl
time in opposition to the amen

The CHAIRMAN. The ge
from Kentucky [Mr. BUNNING]
recognized for 10 minutes.

The Chair recognizes the ge
from Oregon, Mr. WYDEN.

Mr. WYDEN. Mr. Chairma
amendment would encoura
States to utilize the Nation's
parents, with their vast trea
love and practical experience,
our youngsters who might othe
abandoned or put in foster car
ties, or put up for adoption.

From across the country in
months I have heard from grand
who often are not informed a
child protection agencies i
States when their grandchild
moved to foster care facilities
up for adoption.

We all know that when child
separated from their parents, it
ally a painful and traumatic
ence. Living with grandparen
know and trust gives them a be
portunity in the world.

This amendment would str
the ability of families to rely
own family members as resour
would promote self-reliance wit
families and within our commu

Mr. Chairman, I would like to
size that this amendment is n
scriptive. It is a permissive
would simply offer to the State
the Nation's grandparents whe
grandparents meet child safety
tion standards. This amendment
ported by the American Associa
Retired Persons, the National
tion of Grandparents, and grand
organizations from across the c

Mr. Chairman, I would like
that the majority has been ext
helpful in the developing
amendment, for which I app
their assistance.

Mr. SHAW. Mr. Chairman, w
gentleman yield?

Mr. WYDEN. I yield to the gen
from Florida.

Mr. SHAW. Mr. Chairman, I
like to compliment the gentlema
very wise amendment. Being a
father of five myself, I can ce
appreciate the full impact to wh
gentleman speaks, and I thi
brings a very good element to t
I plan to support it.

r. WYDEN. Mr. Chairman, I thank gentleman for his assistance.
r. Chairman, I yield back the bal- e of my time.
r. BUNNING of Kentucky. Mr. irman, I yield myself such time as ay consume.
r. Chairman, I rise in support of a ision in this bill that will make a natic difference for the kids in this ntry who are waiting for placement doptive homes.
nce the early 1980's, adoption place- t agencies have been discriminat- against these kids and prospective nts because of their race. Under elines that the Department of th and Human Services sent out to e agencies back in 1981, race is one e factors that can be used in plac- children in adoptive homes.
practice, when the actual place- t is made by the agencies, race becomes the sole matching factor social workers use in making e decisions.
e result of this has been that mi- ty children end up waiting twice as in foster care as white children. black children, while only con- ting 14 percent of the child popu- n, now account for over 40 percent e children in foster care.
ce black families only make up ercent of the population, this has Randall Kennedy, the black Har- law professor, to note that "even u do a super job of recruiting, in achusetts, where only 5 percent of opulation is black and nearly half kids in need of homes are black, re still going to have a problem." is is not an indictment of the community. Black Americans a long tradition of "taking care of own" through informal adoption, ip care, and other arrangements are not made public and do not up in official counts.
, given all that the black commu- has done, and given 20 years of al money going for minority re- ment, we still have a large num- f black children with no place to ome.
rovision in the Republican welfare will help solve this problem. It deny Federal funds to any agen- at uses race as a criteria in plac- hildren in adoptive homes. It is a -blind provision that will help a f children get out of foster care permanent loving homes, and I is consistent with our Nation's ights laws.
t year, Senator METZENBAUM got vision included in the minority amendment bill that originally have done what we are trying to this welfare reform bill. But by me the so-called child advocates whiff of this and helped get it wa- down in conference, the provision odified the then-current practice Senator METZENBAUM was origi- trying to overturn.
ce the Metzenbaum bill passed, 43 s have interpreted this law to mean that they can use race to hold up children in foster care. But, now Senator METZENBAUM has indicated that he would like to see his bill repealed so that kids are not tied up in foster care just because of the color of their skin.

Back in the late 1960's and 1970's, more than 10,000 black children were adopted by white parents. Research and countless studies clearly show that these children know who they are, feel good about themselves, and do well in school. Until HHS handed down the deluded 1981 guidelines, this was a practice that was working.

I know that this is true because I have personal experience in this matter. Two of my daughters have adopted minority children—one that is Korean, one that is biracial. And I can attest to how well this has worked out for my family. The children are happy and doing well, and they have made my family a brighter and happier one.

Mr. Chairman, there is a difference between a policy that is based on race and one that is sensitive to race. A policy that prohibits delaying the placement of a child into an adoptive home because of race is not insensitive to race as a cultural issue, but cognizant of the fact that the defining variable here is not race but a loving home.

Potential parents should be judged by the love in their hearts, not the color of their skin. Potential adoptive children should be judged not by the color of their skin but by their needs as children.

The new policy in this welfare reform bill would accomplish an end to the sacrifice of tens of thousands of minority children, on the altar of political correctness. It is one of the best provisions in this entire bill, and one that I believe will really help improve the race relations in our country.

But, most importantly, it will help the kids who are in limbo now, stuck in foster homes only because of their skin color. That is sad, Mr. Chairman, and it is wrong. I urge my colleagues to support this bill and make a difference in these children's lives.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BUNNING of Kentucky. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, when the gentleman offered this amendment, basically what he was doing was repeal the Metzenbaum provisions that were passed in the last Congress, is that correct?

Mr. BUNNING of Kentucky. That is correct.

Mr. FORD. Therefore, we would go back to language prior to the Metzenbaum bill passed last year?

Mr. BUNNING of Kentucky. The Civil Rights Act of 1964.

Mr. FORD. Mr. Chairman, basically, we know there are many, many kids of minority who are trapped into foster care simply because they cannot find parents who will adopt them, and I also would like to make note that it was the Personal Responsibility Act by the Republicans, under the tax cut plan, that gave a $5,000 tax credit, but it is nonrefundable.

Many of the kids that the gentleman takes reference to today will remain in foster care facilities simply because people who are working and making $20,000 and $30,000 a year will not be able to receive that tax credit.

Once again, only the wealthy and rich of this Nation will be able to receive the tax credit to adopt these kids that the gentleman is trying to help, and I support the gentleman's concept. I am not in opposition to it.

I think those in the country of biracial adoptions, I have no problem with that, but in the gentleman's tax cut bill, he comes back and creates a problem for minorities who are working and other people who have low incomes who are making $20,000 and $30,000 a year.

The tax cut plan under the Republicans, under their Contract With America, it does just what the gentleman is trying to do for rich people, but it takes it away from the working poor of this country.

Mr. BUNNING of Kentucky. Mr. Chairman, the gentleman from Tennessee [Mr. FORD] realizes we are discussing the welfare reform bill, and when we get to the tax bill I will be more than happy to debate the issue with the gentleman on the $5,000 credit for adoption.

Mr. FORD. If the gentleman will continue to yield, absolutely, Mr. Chairman. I appreciate that, and I understand that. However, $69.4 billion in this 5-year window that will be saved will go to offset the $189 million tax cut for a 5-year period as well.

Mr. BUNNING of Kentucky. It is possible that that could be, but it is improbable that we will need it.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BUNNING of Kentucky. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I want to commend the gentleman for his amendment. I think this is what we were trying to do in the conference committee last year with Senator Metzenbaum, and I think we got some bad advice from HHS on some language.

I just want to thank the gentleman for bringing this amendment to the floor.

Mr. BUNNING of Kentucky. I thank the gentleman, Mr. Chairman.

Mr. WATTS of Oklahoma. Mr. Chairman, children need love. Children need families. Children need consistency and unity as they grow up.

The best place to get the fundamentals of life is with their own families, if possible—if not, other permanent measures for the children's stability should be the primary objective.

In most cases, the two-parent family, along with other family members contribute positively in a child's life. Family should be considered as a major factor in the equation of solving the

welfare problem. Before making the automatic assumption that people should be swept into the welfare trap, the State should be given the flexibility to consider the eligibility of a member of the kinship care network—a grandparent, a noncustodial parent perhaps, or even an aunt or uncle.

I urge you to support this very pro-family proposal as an important and integral part of the House welfare reform package.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. WYDEN].

The amendment was agreed to.

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The CHAIRMAN. It is now in order to consider amendment number 11 printed in House Report 104–85.

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. WOOLSEY: Page 74. line 8. strike "Secretary" and insert "Attorney General of the United States".

Page 74. line 9. insert "by contract" after "operate".

Page 74. line 15. strike "Secretary" and insert "Attorney General of the United States".

The CHAIRMAN. Pursuant to the rule. the gentlewoman from California [Ms. WOOLSEY] and a Member opposed will each control 10 minutes.

Mr. SHAW. Mr. Chairman. I do not see any opposition on the floor, but I would claim the time in opposition.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] will be recognized for 10 minutes in opposition to the amendment.

The Chair recognizes the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume.

The Woolsey/Ramstad amendment is a technical amendment that corrects an inadvertent error made during the drafting of H.R. 1214.

Mr. Chairman, it is obvious that it is in our bipartisan best interest to protect programs for missing and exploited children. I thank the gentleman from Texas [Mr. ARCHER] for his support.

Mr. Chairman, in October of 1993, 13-year-old Polly Klaas was abducted by a stranger from her home in Petaluma, which is in my district. I know that many of my colleagues are aware of this tragic story. But what many of my colleagues may not be aware of is that an important role was played by the National Center for Missing and Exploited Children in the search for Polly.

The Center alerted 17,000 police departments nationwide. They broadcast public service announcements on all the major television networks. they distributed sketches of Polly and her abductor through the network of nearly 400 private sector partners. The Center has provided these same crucial services in searches for almost 40,000 children nationwide. This amendment preserves the effectiveness of the Center's programs by keeping these programs in the Department of Justice where they now reside. This is necessary because H.R. 4 repeals the Missing Children's Act which among other things establishes the National Center for Missing and Exploited Children.

In order to ensure that the Center continues to operate, H.R. 4 also authorizes the Secretary of Health and Human Services to establish and operate the Clearinghouse and Hot Line for Missing and Runaway Children. However, under the current congressional mandate in the Missing Children's Act, it is the Department of Justice which works in partnership with the Center to operate the clearinghouse and hot line.

The Woolsey-Ramstad amendment moves the authority back to the Attorney General, in the Department of Justice, and gives her continued authority to contract with the National Center for Missing and Exploited Children to operate the clearinghouse and the hot line. This amendment is strongly supported by both the National Center for Missing and Exploited Children and the Department of Justice.

Mr. Chairman. it is crucial that the Center and the Department of Justice continue their 10-year partnership to protect our most precious national resource. our children.

Mr. Chairman, I yield to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. I thank the gentlewoman for yielding and also for her cosponsorship of this amendment.

Mr. Chairman, I rise in strong support of this amendment.

As the author of the Jacob Wetterling Crimes against Children Act, I know the importance of maintaining a partnership between the Justice Department and the National Center for Missing and Exploited Children.

Last year alone, Mr. Chairman, the Justice Department reported that over 114,000 children in this country were targets of attempted abduction. Fortunately. the National Center is doing an outstanding job to both recover abducted children and prevent abductions in the first place.

The Center's toll-free hot line has logged over 750,000 calls since 1984. Each week the Center distributes literally millions of photographs of missing children and many of these are high-tech. age-enhanced photos. In fact right now the photo of Jacob Wetterling. the young boy from Minnesota who was kidnapped a number of years ago, Jacob would have just celebrated his 17th birthday, Mr. Chairman, and that photo of Jacob, how he does look now at 17, has been circulated around the Nation. The center has also printed 8.3 million publications and trained over 130,000 police and other professionals.

Here is the main evidence that our investment in the Center is worthwhile. After working with la
ment on over 40,000 cases, 1
26,000 children have been reco

Again, Mr. Chairman, th
ment as the gentlewoman fro
nia said is technical, it simpl
the authority for the Justic
ment to retain the 10-year p
with the Center rather than s
with another agency.

Let us pass this importar
ment and preserve this impor
sorship. Our children and ou
deserve nothing less.

Mr. SHAW. Mr. Chairman,
agree with the amendment a
very pleased with the gen
from California for bringing
attention. She is quite correc
drafting error. we compliment
bringing it to our attentio
support the amendment.

The CHAIRMAN. The ques
the amendment offered by th
woman from California [Ms. W

The amendment was agreed

Mr. REED. Mr. Chairman, I rise
tion to the rule before us today.
form is one of the most important
will consider in this Congress, and
more than 150 amendments file
Rules Committee, only 30 amendr
been made in order. And furthern
Democratic amendments have bee
of the debate.

I had filed an amendment, not all
considered under the rule before
that would have made the two nut
grants more flexible to changing
conditions within states. My amendr
have established a trigger which w
made States with rising unemploym
for increased funding to expand i
programs during economic downtur

I offered this amendment in mar
Opportunities Committee, and it ha
bipartisan support. In addition, bo
lican and Democratic Governors are
as supporting a block grant trigger.

I urge my colleagues to vote agai
strictive rule.

Mr. CRANE. Mr. Chairman, throu
career in Congress, I have watched
crat majorities sat idly by and wa
welfare system destroy the lives of
Americans. I have watched as these
eral policies have burrowed a de
deeper hole of dependency, abuse,
irresponsibility for our children and
dren.

Democrats argue today that the
favor of change. They claim to reco
fact that welfare has not only failed
problems, but it has actually ma
worse. Unfortunately, this realizatio
too late. Last year, Democrats who
trolled the House of Representatives,
ate, and the Presidency, could not r
system. In historic numbers, the
people embraced the Republican re
posal, and Republicans will reform th
system.

While I strongly support this bil
admit to some reservations. I believe
fortunate that we have left untouch

ms that States could much more effi- administer as block grants. I have con- about the expanded use of Social Secu- mbers under the child support provi- Finally, I believe there are understand- ears that this bill could adversely impact mber of abortions. But the vast majority bill will be beneficial and will help those d.

onents of this welfare reform package hosen to call supporters mean spirited, ey claim that the bill puts children at believe that it is far more uncaring and to put children and their parents into a system that offers little hope of es- do not wish to leave future generations e social and fiscal responsibilities of g up our mess.

bill does not, as some on the other ve argued, need a jobs program. Wel- form, along with other provisions in the t, is in and of itself a jobs program. By g the size of Government, by getting ment out of people's lives, and by cut- tax burden felt by the American public, ll be naturally created. In fact, I would that we would today have more jobs gher wages were it not for Government n into the market.

we do need is to end the cycle of de- cy that has been created by the cur- lfare system. In too many cases, the system has created what amount to tions. So long as beneficiaries stay certain boundaries, they will be given d clothing and shelter and other bene- e system not only does not reward who try to move off of the reservation, ally punishes them. This bill provides ntial incentives for States and individ- make real efforts at moving bene- to self-sufficiency and reducing the rolls.

aps most importantly, this bill gives the the flexibility to reach those goals. Governors across the Nation have been nenting with innovative programs and great success in giving beneficiaries portunities and incentives they need to e independent, the Federal Government en largely static, watching without act- this bill, we will give States the oppor- o push those experiments even further. give States very real incentives to successful programs from other States, imposing Federal mandates from on

y, we begin to move in the right direc- I hope that this will be only the first hope that we will be able to implement reforms in the future to give States resources and more responsibilities. may see this bill as too large a step, may call it too small. But it is a step. s one step more than Democrats ever urge my colleagues to support this

PRYCE. Mr. Chairman, I rise in strong for the important provisions contained en bloc amendment offered by Chair- cher. I commend the chairman for his rk on this bill and for his willingness to amendments that strengthen H.R. 4, sonal Responsibility Act.

disagree with the fact that our present system is failing. Our Nation's 30-year- 3 trillion war on poverty has done little ove the plight of the poor. America's current welfare system encourages illegitimacy, nonwork, and dependency. Those whom we are fighting to protect have instead been imprisoned in a cycle of poverty that is passed from generation to generation. America's campaign against poverty has claimed many victims—most notably, and tragically, our children have suffered.

For this reason, I have joined with my colleague from Indiana, Mr. BURTON, in offering a sense-of-Congress resolution regarding the use of funds under the Child Protection Block Grant. Our resolution, which has been included in the chairman's en bloc amendment, encourages States to allocate sufficient funds under their Child Protection Block Grant to promote adoption. I think we can all agree that a loving family is the best social structure in which a child can be raised.

As an adoptive mother of a 4-year-old, the issue of adoption is very important to me and has a permanent place in my heart. In the debate about policy, it is sometimes easy to lose sight of those about whom we speak. They are, after all, our children.

Today, too many children are abused and neglected in their home environment. Our child welfare systems are charged with the task of protecting these innocent victims and providing them with substitute care when necessary. Ideally, these children would be placed with a family that can provide a stable environment and a consistent caring relationship. Instead, many children end up in the often unstable and lonely foster care system, including group homes and orphanages. The adverse conditions faced by these children in an abusive home and then in institutionalized care hinders their ability to develop positive social skills and succeed in adulthood. There are tens of thousands of children waiting to be embraced into caring families willing to raise them in an atmosphere of love, self-respect, and responsibility. Adoptive families are 100 percent functional, happy, and whole.

The Burton-Pryce amendment stresses to States the importance of facilitating the permanent placement of children into loving families, and strongly urges States to devote child protection funds to adoption for that purpose. Specifically, it encourages the facilitated adoption of special-needs children and suggests a tax credit to families to make these adoptions more affordable.

I encourage my colleagues to support this sense-of-Congress resolution which seeks to protect our children and provide them with hope for the future by voting in favor of Chairman ARCHER's en bloc amendment.

Mr. PACKARD. Mr. Chairman, our current welfare system strips the American people of economic opportunity and fosters a society dependent on government handouts. For far too many Americans the welfare system no longer serves as a safety net, it is a hammock. Our Republican welfare reform proposal offers real change, not false security.

Welfare clearly represents the biggest, most costly policy failure of our time. The current system encourages social behavior that destroys families, fuels skyrocketing illegitimacy, and impoverishes millions of children. It is a heartless system that blocks incentives for people to lift themselves out of poverty.

Our Republican Personal Responsibility Act offers compassionate approaches that promote personal responsibility, require work and strengthen families. It works to lift families and their children out of the government's hammock and back on to their own feet. Our proposal brings the welfare system closest to the people that need it most by giving block grants to the States.

Welfare has become a way of life for millions of Americans. Our current system traps people in a cycle of dependency and despair and offers little in the way of hope and opportunity. It is responsible for spawning crime, drug use, problem-ridden schools and other social ills, forcing taxpayers to subsidize these.

Mr. Chairman, restoring America's work ethic, a sense of self-respect and community responsibility will alleviate much of the social decay we see today. Our Republican welfare reforms will leave a more civil and compassionate society for our children and grandchildren. The Personal Responsibility Act replaces the Federal hammock with family security and responsibility.

Mr. SANDERS. Mr. Chairman, this is an extraordinary week for the House of Representatives and for the American people.

What we are seeing on the floor of the House of Representatives constitutes a war on the poorest women and children in our country in order to pay for tax breaks for the wealthy. The Republican Party, which recently held a fundraiser and raised $11 million dollars in one night from some of the wealthiest people in this country are now, under the guise of welfare reform, savagely cutting back on a wide variety of programs which are desperately needed by the weak and defenseless—by children, by the elderly, by the hungry, disabled and the sick.

Sixty-nine billion dollars are being cut back on low-income assistance programs over a 5-year period in order to serve as a down payment for tax breaks for the rich. Robin Hood in reverse. We take from the poor and give to the rich. We take away school lunches from hungry children and serve up two martini lunches to corporate bosses. What courage. At a time when this country, before these cuts, already has the highest rate of childhood poverty in the industrialized world it is clear that the major problem facing low-income children is that they do not fully understand the working of the entrepeurial system. If only the low-income children, who are going to see cut backs in nutrition programs, health care and child care—had the sense to pay $1,000 a plate for a Republican fundraiser, things would be different.

The Department of Health and Human Services estimates that 6 million children will be thrown off welfare as a result of the Personally Responsibility Act. Conservative estimates show that in the year 2000 close to 400,000 or 40 percent of disabled children will no longer receive SSI benefits; 14 million children would continue to receive some food stamps, but at a reduced level; over 2 million children would no longer be eligible for school lunches; 1 million children would no longer be fed in child care settings; close to 400,000 children would be denied child care; and 60,000 children would lose access to foster care and adoption assistance.

In the year 2000 the State of Vermont will lose $10 million in cash welfare and education, training and employment programs for welfare recipients and 2,450 children will be dropped from assistance. In the same year, Vermont will lose $5.1 million in aid for blind

and disabled children and 500 children will be dropped from the rolls. Vermont will lose close to $1 million in school lunch funds and 4,100 children will no longer receive free or reduced price meals. Vermont will lose $1.6 million in child care funds and 990 children will be denied care. Vermont will lose $3.5 million in funds for the child and adult care food program and 4,150 children will lose their daily meals. Vermont will lose $9 million in food stamp funds and 25,366 children would receive reduced food stamp benefits.

We all recognize that the current welfare system is not working well, but in reforming the system we do not want to punish some of the most vulnerable people in our society.

This House just passed an unfunded Federal mandate bill and, as a former Mayor, I supported that bill. This welfare reform bill is one of the largest unfunded Federal mandates that the State of Vermont will ever experience.

If we are serious about real welfare reform than we must be talking about a jobs bill which can employ those people who are leaving welfare. We must be talking about increasing child care, job training, and educational opportunities. If our goal is to get people off welfare and into jobs, then we must provide the infrastructure for that transaction. Not to do that is to simply punish poor people for being poor.

Mr. TORRES. Mr. Chairman, last week we saw how the Republicans eagerly take from working families, senior citizens and children.

When I went home to my district I stopped by an elementary school—I wanted to see for myself the importance of Federal nutrition programs and to learn what these meals mean to the children.

What I saw were children being fed a hot and nutritious meal—the only decent meal they eat the entire day.

The cold and heartless attack we are witnessing is appalling.

Hunger afflicts up to 30 million Americans, 12 million of them are children. My congressional district, the East San Gabriel Valley of Los Angeles County, will be the most heavily impacted in all of California. 41,000 children, in my district alone, will be negatively impacted by the Republican proposal to cut nutrition programs.

We all know that hungry students are fatigued, cannot concentrate and end up doing worse than their peers on standardized tests.

I urge my Republican colleagues to visit their schools before denying this small but essential program from our children.

You cannot disguise the fact that block granting nutrition programs is taking food out of the mouths of children, to fill the trough that feeds corporate subsidies.

Mr. SHAW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. LATOURETTE] having assumed the chair, Mr. LINDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, had come to no resolution thereon.

WELFARE REFORM IS ABOUT INDIVIDUAL HUMAN BEINGS

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. SKAGGS. Mr. Speaker, the welfare reform debate that we are engaged in is not about politics, and it is not about abstract policy; it is about people, about human beings.

And one person in my hometown of Boulder, Colorado recently had this to tell me: Five years ago I was pregnant and abandoned by my husband. I had no home, no job, no money but I had a goal in my life—to be an education specialist. Today I have reached my goal. I have a happy 4-year-old daughter. I have a job that I love, teaching young children. If it weren't for government programs such as Self-Sufficiency, WIC, section 8, immunizations, Medicaid, food stamps and LIHEAP I would not have reached my goal.

"We can't know," she goes on, "we can't know the individual circumstances of all who ask for assistance. I don't think anyone plans to or wants to beg for help. Thanks for not giving up on me."

We have got to reform welfare but as we do it, we cannot give up on decent young women like this.

Mr. speaker, here is the full text of what this young woman told me:

Five years ago, I was pregnant and abandoned by my husband who was, in his own words, "not ready" for the responsibility of parenthood. I had no home, no job, no money, and no insurance. And I was worried. I had a goal for my life—to be an environmental education teacher. How was I going to do this and be a single parent? I still had to complete my education!

Today, I have reached my goal. I have a happy 4-year-old daughter who, contrary to an article in U.S. News and World Report which states that fatherless children were more likely to have learning disabilities and behavioral problems, is well-adjusted and has been tested as having an above average IQ. I have a job that I love, teaching young children about our environment and how to take care of it. These are children of taxpaying citizens who, through their taxes, supported me during hard time. I feel that, by educating their children, I am helping to repay that debt. If it weren't for State and local government programs such as Project Self-Sufficiency, WIC, Section 8 Housing, Free Immunizations, Medicaid, Food Stamps, and LIHEAP, (low-income energy assistance program), all of which I have received benefits from, I would not have been able to reach my goal. I qualified for and received these benefits while working full time and taking a full course load at the University of Colorado.

Today I am happy to know that some of my taxes are going to help others like myself who are trying to reach their life goals, in spite of difficulties, obstacles, and hardships which are beyond their control.

We can't know the individual circumstances of all who ask for assistance. I don't think anyone plans to or wants to beg for help. I also don't believe that two years of assistance is long enough for most people to complete education or job training and find a job that is going to pay all their bills. I would like to take this opportunity to thank all the taxpayers, friends and family who have helped me over the past five ... to reach my goal. Thanks for not givi... on me.

SPECIAL ORDERS

The SPEAKER pro tempore. U... the Speaker's announced policy of ... uary 4, 1995, and under a previous o... of the House, the following Mem... will be recognized for 5 minutes eac...

WESTERN COMMERCIAL SPACE CENTER LE... SIGNING

The SPEAKER pro tempore. Und... previous order of the House, the ge... woman from California [... SEASTRAND] is recognized for 5 ... utes.

Mrs. SEASTRAND. Mr. Speaker, ... Friday the 25-year lease agreement ... tween the Department of the Air F... and the Western Commercial S... Center—better known as the Califo... Spaceport Authority—was fi... signed. It was an arduous process ... tested the commitment to commer... space development on all sides.

Although this agreement had ... agreed upon in principle for month... was nearly derailed by an overzea... civilian bureaucracy within the ... partment of the Air Force. In esse... what would have taken less tha... days in the private sector took sev... months because of the arcane ma... in which the federal government t... to operate.

There were two key issues at w... first, the release of $3 million in ... viously awarded Fiscal Year 1994 ... partment of Defense grants to ... Space Center; and second, signing ... lease itself which would then a... construction to begin on the first p... orbit commercial spaceport in A... ica.

The DoD grants were awarded in ... cal Year 1994. They were awarded i... pendently of the 25-year lease with... Air Force. On October 28, 1994, w... Secretary Widnall announced the ... Force's intention to negotiate a l... with the Space Center, no mention ... made of a link between releasing ... grants and signing the lease. Yet, ... some reason, release of grant funds ... cause tied to the lease signing.

This lease had been agreed upo... principle for more than four mon... During a December 15, 1994, mee... between the Air Force general c... sel's office and the Space Center, ... Space Center was told they would ... a draft of the lease by January 1, 19... and that the lease would be signed ... January 15, 1995.

On January 30, 1995—30 days afte... was promised by the Air Force gen... counsel's office—a 76-page lease wit... conditions wa... submitted to the Sp... Center.

For weeks, the lease was traded b... and forth. Signing was set to t... place twice, yet both deadlines pas... because civilian bureaucrats kept a... ing new conditions. For example, c... dition 15 of the original lease addres... liability and stated that damages w...

not to exceed $10 million. But the bureaucrats decided to add environmental language to the lease—despite the fact that the environmental issues had been addressed and resolved during three review processes and the fact that no launches would take place for two years thus eliminating the possibility of an environmental problem.

Then the civilian bureaucrats decided that the Space Center would have 60 days to submit a certified insurance policy. Clearly unreasonable because insurance companies rarely, if ever, issue certification of policies within 60 days.

Then, the bureaucrats decided that there should be no cap on the amount that could be sought and awarded in a liability suit—then Spaceport could be sued for any amount of money. Obviously no reasonable insurance company would issue a policy where they would be required to pay unlimited damages.

In the end, due in large part to bipartisan support and participation, the primary lease between the Space Center and the Air Force was signed.

Mr. Speaker, the process by which this lease agreement came to be signed should not be a model for future negotiations. It should have never reached an 11th hour deadline. It should have never reached a point where the Space Center was in danger of shutting its doors. It should never have reached a point where hundreds, and ultimately thousands of jobs, could have been lost. It should never have put tens of millions of dollars in private sector investment in jeopardy. It should never have put the future of commercial space development in California on the line.

One of the reasons the voters of America responded as they did during the 1994 elections was because of problems such as this. The American people have demanded a smaller and more efficient federal government that puts the interests of its people ahead of everything else. This ladies and gentleman, is the essence of the Contract with America.

While spaceport development and commercial space are not part of the 100-day agenda, they are very much in line with the goals and spirit of the 104th Congress. Our government must be willing to make America a strong and vibrant competitor in the international commercial space market. Further, the government must demonstrate to private industry that they are committed to making America a leader in the international commercial space market.

Mr. Speaker, the time for action is now. All of our international competitors—France, China, Russia, Canada, Japan, Australia—are moving forward in the commercial space arena. We cannot fall behind. Spaceport development must go forward in conjunction with an aggressive U.S. commercial space policy.

And who stands to benefit from this approach? Certainly space states such as Alaska, California, Florida, Virginia, New Mexico, Colorado, Texas, Hawaii and others. But, more importantly, our nation stands to benefit. There is enormous economic potential if we are willing to do what is necessary to successfully compete.

As we saw at crunch time on the Vandenberg lease, commercial space is not a partisan issue—it is an American issue. It is an issue where Republicans and Democrats can come together and unite behind a cause that ultimately benefits all Americans.

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WELFARE REFORM: SHELL GAME

The SPEAKER pro tempore (Mr. LATOURETTE). Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I rise to join my colleagues once again in exposing the myths that the Republicans keep repeating about their welfare reform proposal and its impact on child nutrition programs. Later this evening, two of my colleagues will demonstrate how the Republicans are misleading the American people and how this block grant plan clearly cuts funding for essential child nutrition programs. But before they begin, here are the facts.

The Republicans claim their block grant does not cut funding for child nutrition programs, only the growth rate of these programs. They would like everyone to believe that their proposal increases funding for programs, such as school lunch, by 4.5 percent each year.

The truth is their 4.5 percent increase in funding for School Lunch is a fabrication. In fact, the bill doesn't even designate funding specifically for the school lunch, breakfast, or any other school-based meal program. The Republicans' numbers are nothing more than assumptions—I repeat, assumptions—of how much States may choose to use for lunch programs.

Even if States spent all of the money they receive under this block grant, this mythical funding increase would fall $300 million short of the amount necessary to meet real needs. That is because the Republicans' plan won't keep pace with expected increases in program enrollment, inflation, or a possible recession. These needs require a 6.5 percent increase, so even the mythical 4.5 percent increase falls woefully short.

The Republicans' mythical funding also includes only cash assistance and not the value of direct purchases of food goods such as cheese and fruit. These direct purchases of food are a critical part of the school lunch program. In the first year, Republicans cut $51 million from direct food assistance. Over 5 years, they cut $600 million. That is a total shortfall of $1 billion even if they live up to their hollow promise of a 4.5 percent increase in cash assistance.

That 4.5 percent promise comes with all kinds of trap doors that will drop even more kids from the school lunch program.

The first trap door is that States would be required to use only 80 percent of the school block grant for school meals. Governors may transfer 20 percent to other programs. That means a potential additional loss of $5 billion dollars from the program—$1 billion a year. In my home State of Connecticut, if the Governor had this kind of discretion today and exercised it, the School Lunch Program would lose $2 million in 1995 alone.

The second trap door is that these funding increases are not guaranteed—they will be subjected to the political whims of the annual budget process. So the Congress each year will be able to vote to reduce funding even more and drop even more kids from the program.

The Republicans also claim that their bill will cut bureaucrats, not kids. They couldn't be further from the truth. If Republicans were only interested in cutting administrative costs they would have done their homework: The entire administrative budget for all USDA feeding programs is $106 million per year. The Republican plan would cut $860 million in 1996 child nutrition programs alone. The bottom line is their cuts far exceed what is needed to control administrative costs.

The truth is, if the Republican proposal is enacted, 3,600 kids will be dropped from the School Lunch Program in Connecticut in the first year alone, and over half a million kids will be dropped nationwide.

The Congressional Budget Office has concluded the Republican proposal will cut $2.3 billion over 5 years from school based nutrition programs and $7 billion from all child nutrition programs over 5 years.

Republicans though don't want to admit this. They actually believe that these are not cuts. They boast that their plan provides savings. I ask you, how can you have savings, if you don't have cuts? This is the biggest Republican myth of them all.

The tragedy in this debate, Mr. Speaker, is that these Republican myths are being perpetuated so that drastic cuts can be made in a program that everybody agrees is working—and working well. And the savings—the money that will no longer be used to pay for a child's school lunch—will be used to pay for a tax break for the wealthiest Americans. It's shameful. It's mean spirited. It's just plain wrong.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. WAMP] is recognized for 5 minutes.

Mr. WAMP. Mr. Speaker, as we enter into this debate on welfare in this country, I think it is important to recognize that my colleague from west

PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore (Mr. DICKEY). Pursuant to House Resolution 119, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4.

□ 1055

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, with Mr. LINDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 22, 1995, amendment No. 11 printed in House Report 104-85, offered

by the gentlewoman from California [Ms. WOOLSEY], had been disposed of and the bill was open for amendment at any point.

It is now in order to consider amendment No. 13, printed in House Report 104-85.

AMENDMENT OFFERED BY MRS. JOHNSON OF CONNECTICUT

Mrs. JOHNSON of Connecticut. Mr. Chairman, I offer amendment No. 13, printed in House Report 104-85.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. JOHNSON of Connecticut: Page 87, line 3, strike "$1,943,000,000" and insert "$2,093,000,000".

The CHAIRMAN. Pursuant to the rule, the gentlewoman from Connecticut [Mrs. JOHNSON] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Mr. MCDERMOTT. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Washington [Mr. MCDERMOTT] will be recognized for 10 minutes.

The Chair recognizes the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to urge support of the child care amendment which I am offering along with Congresswomen PRYCE, DUNN, and WALDHOLTZ, which raises the authorization level for the child care grant by $150 million a year for 5 years.

Mr. Chairman, there are three main points I would like to make with respect to this amendment.

First, requiring adults to work in exchange for their benefits will increase the need for child care. This is inevitable. Fully 63 percent of families on AFDC have children age 5 and under. A significant number of children who are in school still need after-school care, since the school day and school year are much more limited than the typical workday and work year.

In an ideal world, extended family would be able to provide some amount of this care. But in today's world day care and the need for day care is a reality for those on welfare and those gaining independence.

Second, reduced child care funding puts the squeeze on the working poor. In recent years, AFDC participation rates have resulted in States offering the program tilting more and more toward welfare families and away from the working poor.

Thirty-five States reported last year that they have a waiting list for subsidized child care for working poor. My State of Connecticut does not even maintain a waiting list anymore, since all slots opened up are already spoken for.

As we require more women on welfare to work, this problem is going to get more serious, not less serious.

I am pleased to be proposing this amendment today because I think it expands our resources significantly to address the child care needs that will develop as we reform welfare. But this amendment is not the whole answer. That is a point that is very important to make because there was a lot of misunderstanding in recent days as we debated this bill about how we are going to manage the child care needs that welfare reform will impose upon society. The heart of the solution is actually not this amendment; the heart of the solution is moving welfare from a cash-gift basis to a cash-wage basis because if everyone receiving welfare were also working and we used our day care resources to pay very skilled administrators and lead teachers, child development experts to run these day care centers, with welfare recipients now being paid to staff them, then we would in fact have the child care slots that we need at the money that is currently available.

So this is simply one step forward, giving States time and resources to create really the much greater, broader child care opportunity, better connected to education, work, and training that real reform demands.

Mr. Chairman, I reserve the balance of my time.

□ 1100

Mr. MCDERMOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, Members of the House, we have again a fig leaf on the other side. They have written the bill, they have gotten it out here. Then they did a poll. On Monday they did a poll; a Republican pollster did a poll, and found that 67 percent of Americans believe the Government should help pay for child care for mothers on welfare. They found that 54 percent of those surveyed opposed eliminating requirements to State-set minimum health and safety standards for child care. So they said, "This is awful what we did. We've cut 400,000 kids out of child care."

So they have come out here with an amendment today. It is a fig leaf. It puts 100,000 back on. There is still 300,000 kids who will not get welfare child care under this bill.

There should be no mistake about it; this does not solve the problem. The gentlewoman from Connecticut [Mrs. JOHNSON] is absolutely correct. It is a fig leaf because they got a poll that said they were in trouble.

Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, this goes right to the heart of the debate, and the gentlewoman from Connecticut [Mrs. JOHNSON] and I have worked on some of these issues over the years, but we part company today in addressing day care; the reason is that the Republican bill block grants and sends everything back to the State. What we would like to do in the Deal amendment is to make sure some of the programs that do work stay in the Federal purview.

H.R. 4 repeals a transitional child care program which guarantees day care for the children of parents who leave welfare. This is needed. It repeals an AFDC child care program which provides day care for parents attempting to get off welfare, and H.R. 4 repeals the at-risk child care program for people that try to stay off and do not want to go back on, and so we have this amendment before us which is a good amendment because it has additional dollars for day care.

However, Mr. Chairman, the amendment has the correct idea; unfortunately the vehicle is the incorrect vehicle. Block grants will not be able to provide more with less. If you are serious about taking people off welfare and putting them to work, in many cases you have to see there is adequate day care. That is what the programs we are ending tried to do.

One of the best parts of the Federal program is taking care of three groups needing child care: The family on welfare trying to get off, the family that was on welfare and doesn't want to go back, and the family in danger of going on welfare. If you work, want to work, or need to work, you often need help—especially if you are a single head of household. I commend the woman and Mrs. JOHNSON for putting forth this amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, before yielding to my colleague from Ohio, I yield myself such time as I may consume.

Mr. Chairman, I do want to mention that this amendment was put in well before that poll. This is not a poll response. This was put in after all the bills came out of committees. We had a chance to evaluate their interaction and how the program would work, and this is the money that then we decided was needed to be added in order to ensure that welfare reform will work for women and children and provide security and opportunity in the future.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio [Ms. PRYCE].

Ms. PRYCE. Mr. Chairman, I rise in strong support of this amendment offered by my friend, the gentlewoman from Connecticut [Mrs. JOHNSON], commend her for her efforts, and in strong objection to the fact that there was a statement from the other side that this was the result of a poll. This is the result of mostly hard work, consultation with Governors and working the numbers, as the gentlewoman from Connecticut [Mrs. JOHNSON] just alluded to.

Mr. Chairman, moving people from welfare to work and toward self-sufficiency is the central goal of welfare reform. But only by removing the barriers to work can we achieve this goal.

It is clear that lack of affordable quality child care is a primary obstacle

to employment for many parents, especially single mothers. If we are going to require work, and we should, our Nation's children must not be forgotten. As the work participation requirements under H.R. 4 are phased in, the demand for child care will increase dramatically. Federal child care dollars will need to serve today's working poor, as well as the new welfare families who will be entering the workplace.

All Americans have an interest in meaningful welfare reform that encourages work. Our Nation also has an intense interest in ensuring that our children are cared for, especially in their early years so that they can grow into responsible, productive citizens. The investment H.R. 4 makes in child care will contribute to this goal. Young children watching parents go to work every day is a lesson in life that cannot be taught any other way.

Mr. Chairman, I urge my colleagues to support the Johnson-Pryce-Dunn-Waldholtz amendment to make sure we take care of America's children while their parents experience the dignity of work and move into self-sufficiency.

Mr. MCDERMOTT. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, this amendment is better than nothing, but it really is not good enough. Real welfare reform is critical. The status quo is indeed dead. The key to welfare reform is work, and important for getting people off of welfare into work is child care.

H.R. 4 would gut the child care provisions, and what this does is to try to retrieve some of that. According to one estimate, 32 percent of what is cut out of H.R. 4 would be restored here.

So, Mr. Chairman, a third of a loaf is better than none, but it is going to leave many people who are on welfare, who must get to work, without the provision of child care. The Deal bill goes all the way in terms of making work a reality and making day care available, and that is why I support the Deal bill.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GOODLING], chairman of the Committee on Economic and Educational Opportunities.

Mr. GOODLING. Mr. Chairman, I thank the gentlewoman from Connecticut [Mrs. JOHNSON] for giving me the time and also for sponsoring the amendment.

Mr. Chairman, when the legislation left our committee, I said to the Committee on Ways and Means that I had two concerns about what we had done in committee. One was that perhaps in the outyears we did not have sufficient money. I was not worried about the 1st year or the 2d year as far as day care was concerned, but I was worried about the outyears, and she is taking care of that. The other concern that I had dealt with legal aliens, which I believe will be taken care of later also.

Mr. Chairman, the beauty of the gentlewoman's amendment is that she goes way above what the CBO baseline projects for spending over this 5 years. CBO baseline says 9,396,000,000. With the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON] we are now up to 10,515,000,000. So there is a sizable increase over what the CBO baseline projects, and I am happy to support the gentlewoman's amendment.

Mr. MCDERMOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KILDEE], and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KILDEE. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON] because it makes the bill marginally better. But the structure that has been changed in this bill really will not permit me to vote for the bill itself, but I will support the amendment in case this bill passes, that we will have marginally recognized that this child care is very, very important. Let me give my colleagues an example.

I have been in public life for 30 years now, and of course for 30 years, like many of my colleagues in public life, I have been asked to try to get people jobs. I can recall in one instance I got a woman a job working in a restaurant in Flint, MI, and she had three children, and she was so happy to get that job, but she really did not have any reliable child care. She worked on that job less than 2 weeks and found that in less than 2 weeks she had four or five different arrangements for child care, with her grandparents, with a sister, with a neighbor. One day the kids were left alone—that was the last day she worked—left home alone, asking a neighbor to look in once in a while on them.

Mr. Chairman, that is a cruel choice to give to women, to tell them that they should work, and certainly work is much to be preferred to welfare, but to force a woman to have no reliable child care, to rely upon a neighbor, a sister, a grandparent, and then the worst choice, to leave them home alone, and that, for her, was the last she could choose, and she had to leave that job. Now we can do better than that.

Now I support the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON], but the structure and the cuts we have here in child care are enormous. By the year 2000, fiscal year 2000, in Michigan, Michigan will lose $16.1 million for this and lose almost 10,000 child care slots. Now, albeit the Johnson amendment does marginally improve that, under that Michigan, by the year 2000, will lose $12.1 million and lose only 7,400 slots. But I am concerned about those 7,400 slots. That is why I cannot support this bill, but the gentlewoman from Connecticut [Mrs. JOHNSON] is marginally improving the bill with her amendment.

So, Mr. Chairman, I would urge the support of the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON] but urge the defeat of the bill.

Mr. GOODLING. Mr. Chairman, as the designee of the gentleman from Texas [Mr. ARCHER], I move to strike the last word in order to receive the 5 minutes of debate time as provided for in the rule.

The CHAIRMAN. The gentleman has that right.

Mrs. JOHNSON of Connecticut. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. Eight and a half minutes.

Mrs. JOHNSON of Connecticut. Including the 5 minutes just yielded?

The CHAIRMAN. The gentlewoman is correct.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN], a member of the Committee on Ways and Means and the chief sponsor of this amendment.

Ms. DUNN of Washington. Mr. Chairman, on behalf of some of America's neediest and yet valued citizens, we begin the process of ending welfare as a way of life and restoring welfare assistance to its original purpose, to provide temporary help to our neighbors in need.

Mr. Chairman, Americans are a generous people who have long demonstrated our commitment to help our neighbors, families and children in need, but the American people also ask for results for our efforts.

To the American taxpayers who have, so far, spent $5 trillion to support what has been described by both sides in this House debate as a failed welfare system, let me assure them that our bill is a botton-up review. The Republican bill will remove the incentives that encourage welfare dependency and provide new incentives that encourage work and lift people from the cycle of poverty.

As part of providing support to the soon-to-be working mothers, Mr. Chairman, we are offering an amendment that will provide an additional $750 million in child care funding to these parents. As people move off welfare the women with children, especially preschool children, could be caught in a trap. Rightfully they are required to enter the work force, and yet also rightfully they are worried about the safety of their children. Our amendment helps newly working mothers meet their personal responsibility obligations and address the legitimate concerns for their children.

Last Saturday, Mr. Chairman, at home in Washington State I met with a group of welfare mothers at a Head Start meeting. They were unanimous and emphatic in their desire to get off

welfare, but one thing they did ask for help on was the responsibility of funding day care. Help them find good day care, and they will take the responsibility of finding work in the private sector.

Mr. Chairman, as a single mother who raised two sons, I know the value of good day care and the peace of mind when it is found. I urge my colleagues to support this amendment.

Mr. KILDEE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, as the gentleman from Michigan [Mr. KILDEE] pointed out in his very poignant story about the mother who had to choose between leaving her child at home or going to work to provide for that child, nothing is more important in moving, transitioning, poor women from welfare to work than the availability of quality child care, and that is what is so sad about H.R. 4, because it eliminates child care assistance to more than 400,000 low-income children in the year 2000, it eliminates child care funding now guaranteed for AFDC recipients participating in education, training or work activities. It eliminates the child funding now guaranteed for 12 months to AFDC recipients making the transition from welfare to work, and it cuts more child care services by $2.4 billion over the next 5 years.

Now the amendment offered by our colleagues, the gentlewoman from Connecticut [Mrs. JOHNSON], the gentlewoman from Ohio [Ms. PRYCE] and the gentlewoman from Utah [Mrs. WALDHOLTZ], is a step in the right direction, and I commend the sponsors for offering it, but I recall a story by the former Governor of Texas who said, "You can put lipstick on a sow and call it Monique, but it's still a pig," and this, I contend, is a cosmetic change to this terrible bill, H.R. 4.

□ 1115

In my State of California, H.R. 4 cuts out 35,000 child care slots. This bill would restore 9,000 of those. That, as I said, is a step in the right direction.

It is interesting to me that our colleagues keep saying why are you criticizing H.R. 4, it is a great bill, and then come to the floor with 25 amendments of their own to make the bill more acceptable, this being one of them, this not being enough, because it does not restore traditional, transitional child care services that have been proven essential to move mothers with young children from welfare to work, does not ensure that the additional funds it authorizes will even be available. It only raises the authorization level, and without it being an entitlement, the funds may never be there, and would continue to cut, I repeat, cut child care services for more than 300,000 low-income children in the year 2000. It would continue to pit poor parents and their demands to children and to work to provide for those children. It addresses the basic fundamental problem with this bill, it is weak on work, cheats children, and rewards the rich, all of this to give a tax break to the wealthiest Americans.

Mr. Chairman, I urge my colleagues to vote against H.R. 4. I commend the Members for introducing this amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I want to clarify the RECORD. The Deal bill sets aside $3.5 billion. The CBO baseline estimate is $4.8 billion, for a total of approximately $8.3 billion. With the Johnson amendment, our bill will provide $10.5 billion for day care. So there is absolutely nothing cut.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Utah [Mrs. WALDHOLTZ], a chief sponsor of this bill and an esteemed freshman colleague.

Mrs. WALDHOLTZ. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, one of the greatest failings of our current welfare system is that it forces people to choose between work and benefits.

One of the fundamental principles of this bill is that people should be encouraged and rewarded for work, and this bill gives them that opportunity.

But parents cannot reasonably be expected to work their way out of dependency if while they are working their children are not safely cared for.

The dangers of inadequate child care are obvious. And forcing low-income parents to make a choice between welfare and work based on their ability to afford adequate child care is cruel—and undercuts our efforts to encourage work and promote self-sufficiency.

This amendment increases the bill's child care block grant by $750 million, so that the States can fund their own affordable child care programs for low-income and working welfare parents.

It will help ensure safe care for our children, and help their parents go to work and stay at work by giving them peace of mind that their children are cared for.

I am proud to join with my colleagues in making this important change, and I strongly urge my colleagues to support this amendment.

The CHAIRMAN. The gentleman from Washington [Mr. MCDERMOTT], has 1 minute remaining and has the right to close.

Mr. MCDERMOTT. Mr. Chairman, to extend the debate I move to strike the last word, and ask unanimous consent to merge that additional time with the time I am presently controlling.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MCDERMOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. DEAL].

Mr. DEAL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, first of all, I commend the gentlewoman who has offered this amendment, because I think it does recognize a movement in the right direction to correct some of the provisions of H.R. 4. It will in fact add back additional funds. But as I look as the scoring on this, it appears to me that we are still talking about cutting the funding in this category by some $600 million below current levels. I think that is what places all of us on the horns of a dilemma in this debate about welfare reform. On the one hand, if we are going to try to move people off of welfare and on to work, especially is we are talking about mothers, the availability of child care is an essential ingredient in that formula.

If we are in fact under H.R. 4, even with the amendment, still cutting below current levels by $600 million, and if current levels are not adequate to change the status quo, then we still have a problem.

Our Deal substitute, on the other hand, adds $3.7 billion additional to the child care fund, and in addition to that we have some $424 million over a 5-year period to assist the working poor.

I think we all recognize that this is an essential ingredient in making the transformation from welfare to work, and I commend the gentlewoman for this effort. I think it is a movement in the right direction. I would like to think, however, that our substitute does a better job.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. DEAL. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Chairman, I want to associate myself with the remarks made by the gentleman from Georgia [Mr. DEAL] and just point out that in the Deal bill, putting work first, you really put mothers into the work force, and you provide additional child care dollars for those mothers to go to work, in change from what current law would do. The Johnson amendment would, I guess, bring about some help. It will reduce the overall package from 400,000 to 300,000 children who will be in need of child care, but the Deal bill provides additional resources to ensure proper child care.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SHAW], the chairman of the subcommittee and the chief author of the welfare reform bill.

Mr. SHAW. Mr. Chairman, I thank the gentlewoman for yielding, and compliment her on a most-needed amendment.

Mr. Chairman, we have discussed this in the subcommittee, we have discussed this in the full committee, that the success of the jobs program in providing real jobs in H.R. 4 would require the necessity for additional money to be put into child care. I would like to also point out to the committee that under the Deal bill, the child care provision is $8.3 billion over 5 years. That

is a total over 5 years. With the Johnson amendment, H.R. 4 will be $10.5 billion.

So these are the figures. The Johnson amendment brings H.R. 4 far ahead of the Deal bill in the amount of money that is put into child care. The figures are plain, the figures are there, and you cannot argue with them.

So this bill is much richer in child care and recognizes the need for additional child care much more than the Deal bill. I certainly would urge all the Members to support the amendment.

Mr. MCDERMOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just point out to the chairman of the committee that he is mixing apples and oranges. The gentleman has taken away the guarantee of child care.

Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I again want to come with one set of figures, only to hear what I believe to be true is totally wrong. It makes me very confused. But I do commend the gentlewoman for offering this amendment, because in my opinion, she makes a very badly flawed bill a little bit better. But I still believe very strongly the Deal substitute is much better, and I believe the debate will show this.

I want to quickly recount a little conversation that I had with a pastor in a church in my district. He said to me, "Charlie, if you just do one thing for me, I have five unwed mothers, teenage mothers, in my church. If you do just one thing for me, give me the child care money so that I can provide child care while I tell that young mother, go back to school and get an education. I will tell her you get that education, you make your grades, if you will just help me get the money to take care of her child when we do it."

That is what the Deal substitute is proposing, a workable—a workable substitute, not what we are being offered in H.R. 4.

Mr. Chairman, I commend the gentlewoman for seeking to make improvements in the base bill. Unfortunately, I fear that even were her amendment to pass, the child care provisions would be inadequate. Therefore, I rise in opposition to the Johnson amendment which falls far short of the child care provisions contained in Mr. DEAL's substitute.

The Deal substitute provides sufficient funding for child care to meet the increased needs under the plan's aggressive work requirements. H.R. 4, on the other hand, reduces child care funding $1.4 billion below levels provided for under current law and does not ensure that child care will be available to individuals who need it.

This amendment restores only slightly more than half of the funding needed to maintain current law. In addition, it still does not guarantee that funding will be available for welfare recipients who need child care assistance to move into work.

This lack of funding for child care assistance could mean that either welfare recipients won't move into work, or parents will be forced to leave their children in unsafe or substandard care if they do get work.

CBO estimates that the Deal substitute will provide $3.7 billion in child care spending to meet the increased demand for child care as more individuals move into work. The substitute also increases child care assistance for the working poor by $424 million over 5 years above the baseline projections.

The Deal proposal also consolidates child care programs under a uniform set of rules and regulations, rather than having to comply with a patchwork of rules under different programs.

The primary source of child care assistance under the Deal consolidated block grant would be in the form of vouchers that would be used by parents with the child care provider of their choice. Having worked on child care in past Congresses, I strongly believe we must continue to support parental choice as we have in the Deal substitute.

In addition, the Deal substitute contains the most aggressive work requirements of any bill we will consider today. We also support these work requirements with funding for the transitional tools recipients need to make the move from welfare to work. Child care is one of the most important tools available for working mothers and I believe we must provide the necessary funding to see that they are able to work.

Reluctantly, I urge opposition to the Johnson amendment and enthusiastic support for the Deal substitute.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentlewoman for yielding, and I rise in very strong support of her amendment.

Mr. Chairman, I think child care is a vital function of our welfare reform efforts. If you are going to train people, have people work, you need to make a provision for children. But I think we should straighten out a few facts. One, is it the welfare reform bill that we are debating here actually has more money in it than the Deal bill as far as child care is concerned. I say that respectfully, because I do respect the Deal bill.

Second, a lot of welfare recipients do not even use State-supported child care. We need to understand that issue as we debate this also. Also the structure of all this has been criticized, the structure of going to a block grant. I would point out a few aspects of going to a block grant which I think help with respect to the providing of child care.

First, it provides States maximum flexibility in developing programs that best suit the needs of the residents. It promotes parental choice to help parents make their own decisions on child care to best suit their needs, and we get rid of State set-asides which gives us more money as well. It gives us flexibility, and I support the amendment.

Mr. MCDERMOTT. I yield 30 seconds to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, I have tried to check out the figures of the gentlewoman from Connecticut [Mrs. JOHNSON] and I truly think they are wrong. You are discussing just part of the Deal bill and not all of the pieces that fall in place under the Deal bill. Your approach provides less money when you take into account the whole picture than would be the entitlement provision under Deal. The analysis is that you provide only one-third of what is cut by H.R. 4, and the Deal bill would keep all of it. Those are the facts.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I rise in reluctant support of this amendment, the Johnson-Pryce amendment. I think it is like throwing a bucket of water into Lake Michigan. We need that bucket of water: we need all the help we can get in child care. I wish that it was more.

We have heard countless times in our Committee on Education and Economic Opportunities that child care is directly connected to getting people to work. I strongly support a tougher work requirement. But we want people moving off welfare onto the work rolls. We want them to be good parents and good workers.

That is the way that you connect this together, by adequate funding in child care. We do not want them to say go to work and neglect your family, you cannot be a good parent. We want them to do both. This amendment helps in a small way do that.

I had an amendment before the Committee on Rules that would have allowed States to match more money into this program, but that was not allowed.

Mr. MCDERMOTT. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DE LA GARZA.]

Mr. DE LA GARZA. Mr. Chairman, listening to the debate, a name burns in my mind and in my soul. Alejandrita Hernandez, 6 years old, her parents working in a field in Florida. She is found raped and killed under a truck.

These were poor working people, and if you reduce by one the availability of child care, I want it to burn in your mind, Alejandrita Hernandez. We are talking about savings to give tax credits to the rich. We are talking about not welfare, not revamping. We are missing the boat altogether.

As good intentioned as all of us might be, you have not done anything to help Alejandrita Hernandez. You cannot bring her back. But it would burn in my mind and soul that her name would be forgotten so that we can give tax credits to $200,000 and over.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BILBRAY], who has had a lot of experience in this area.

Mr. BILBRAY. Mr. Chairman, I stand here today not as a Member of Congress, but as somebody who operated a welfare system for a county that was larger than 30 States of the Union, San Diego County. I want to commend my colleague from Connecticut because she shows the awareness of the realities out there that have been ignored by the Federal Government for too long.

I appreciate my colleague from Texas being concerned about the tragedies that have occurred. Those tragedies have occurred, Mr. Chairman, because of the lack of innovative approaches being allowed by local government. This amendment will actually allow women to participate in the child care process, to be part of the answer rather than part of the problem. And rather than what our colleagues on the other side of the aisle would like to do, always finance a larger, bigger bureaucracy, this allows the recipients to be part of the answer, to participate, to actually earn part of their benefits by participating in child care.

Mr. Chairman, I think that the compassionate approach that our colleagues from Connecticut have shown should entice our colleagues on the other side to join us in this good amendment.

PARLIAMENTARY INQUIRY

Mrs. JOHNSON of Connecticut. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. JOHNSON of Connecticut. Mr. Chairman, is it not procedurally correct that I close?

The CHAIRMAN. The gentlewoman from Connecticut is choosing to amend the committee position. The gentleman from Washington [Mr. MCDERMOTT] took the committee position in opposition. He has the privilege of closing.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentlewoman from Kansas [Mrs. MEYERS].

□ 1130

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in strong support of this amendment and of the whole concept of block granting.

We currently have seven different Federal programs: Child care for AFDC, Transitional Child Care, At-Risk Child Care, Child Care Development Block Grant, State Dependent Care Planning and Development Grants Program, Child Development Associate Credential Scholarship Program, Native American Family Centers Program.

This is certainly not a seamless program. There is a great deal of bureaucracy and money spent. It is confusing to the recipients.

I strongly support the block grant and the fact that the gentlewoman from Connecticut [Mrs. JOHNSON] is adding $150 million which will provide even more, certainly, that goes to child care than we are providing now. A great deal is lost in the confusion among the various programs. I strongly support the Johnson amendment.

Mr. MCDERMOTT. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Chairman, I rise in opposition to the Johnson amendment.

Mr. Chairman, one of the biggest barriers to work for welfare recipients is their inability to provide their child with safe and affordable care while they work.

H.R. 4 will make it more difficult for single parents on welfare to move into work than it is right now.

H.R. 4 reduces child care funding and provides no guarantee that child care will be available to individuals who need it.

H.R. 4 as it is currently written reduces funding for child care services $1.4 billion below the current levels.

The Johnson amendment restores more than half the cut but still leaves funding for child care services $650 million below current levels.

Supporters of H.R. 4 claim that their bill has real work requirements and that they will put people to work. If this is true, they do not have enough money for child care and these people will not be able to go to work.

So which is it? Is H.R. 4 weak on work as we assert, or is it that H.R. 4 is weak on funding for child care?

Which is it? You cannot have it both ways?

Mr. Chairman, another day of debate, another hole exposed.

Mr. MCDERMOTT. Mr. Chairman, I yield myself the balance of my time.

We have talked about numbers here. The fact is that the bill that came out of the committee, proposed by the gentlewoman from Connecticut [Mrs. JOHNSON] and others, repealed $4.6 billion in child care. That, plus the $8 million that the gentleman from Georgia [Mr. DEAL] has, is more than $12 billion, which is more money than was presently in this bill. So there is no question.

The gentlewoman from Connecticut [Mrs. JOHNSON] assures us that there is no dealing with polls here, nobody is worried about polls. Well, I have a story from the Washington Times on the 5th of March where the gentleman from Pennsylvania [Mr. GOODLING] says, "The only major area of concern I have is the area of day care."

This has been known since the 5th of March, when it was in the committee of the gentleman from Pennsylvania [Mr. GOODLING]. He did absolutely nothing about it.

When it gets out here on the floor and the American public figures out what it is all about, suddenly they say, in the poll, the Republicans are cutting child care; they should not be doing that.

So we suddenly have this little fig leaf amendment. I urge that Members vote against this fig leaf amendment and for the bill of the gentleman from Georgia [Mr. DEAL].

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 15 printed in House Report 104-85.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. ROUKEMA: Page 114, strike line 4, and insert the following:

"(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

"(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall

Page 114, after line 11, insert the following paragraph:

"(2) COST CONTAINMENT MEASURES REGARDING PROCUREMENT OF INFANT FORMULA—

"(A) IN GENERAL.—The State shall, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under subsection (a)(1), establish and carry out a cost containment system for the procurement of infant formula.

"(B) USE OF AMOUNTS RESULTING FROM SAVINGS.—The State shall use amounts available to the State as result of savings in costs to the State from the implementation of the cost containment system described in subparagraph (A) for the purpose of providing the assistance described in paragraphs (1) through (5) of subsection (a).

"(C) ANNUAL REPORTS.—The State shall submit to the Secretary for each fiscal year a report containing—

"(i) a description of the cost containment system for infant formula implemented by the State in accordance with subparagraph (A) for such fiscal year; and

"(ii) the estimated amount of savings in costs derived by the State in providing food assistance described in such subparagraph under such cost containment system for such fiscal year as compared to the amount of such savings derived by the State under the cost containment system for the preceding fiscal year, where appropriate.

The CHAIRMAN. Under the rule, the gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

Mr. KILDEE. Mr. Chairman, I am mildly opposed to the amendment.

The CHAIRMAN. The gentleman from Michigan [Mr. KILDEE] will be recognized for 10 minutes.

The Chair recognizes the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as you know, I am offering an amendment to H.R. 4 that will require States to carry out cost-containment systems for providing infant formula to WIC participants under the family nutrition block grant in H.R. 4.

Mr. Chairman, this issue rightfully has been the source of considerable debate over the past few months.

During the Opportunities Committee markup, an amendment was offered by my colleague from Michigan [Mr. KILDEE], that would have maintained the current system of competitive bidding for infant formula for the WIC Program. This amendment, which I supported—the only Republican to do so—was defeated, which is why I am standing here today.

Many Members, including myself, continue to be deeply concerned that, under the current system in H.R. 4, which eliminates the existing competitive bidding system for infant formula, States might no longer choose to carry out competitive bidding.

Mr. Chairman, under current law, States are required to have infant formula producers bid competitively for WIC contracts, or any other cost-containment measure that yields equal to or greater savings than those achieved under competitive bidding. And, currently, according to the USDA, this system achieves an estimated savings of over $1 billion annually which is used to provide WIC services to 1.6 million economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children every month. This, of course, is why I support retaining competitive bidding.

And, although my amendment does not mandate competitive bidding, I believe that it takes a big step in ensuring that States achieve the necessary savings in their infant formula program so that eligible individuals can receive essential WIC services.

Importantly, Mr. Chairman, my amendment would require that States use the savings achieved under this system for the purposes of carrying out all services under this nutrition block grant—child and adult care food, summer food, and homeless children nutrition. As a result, States are given the flexibility to use these savings where they see the greatest need.

Moreover, my amendment would have States report annually to the Secretary of Agriculture on the system they are using, the savings achieved, and how this savings compares to that of the previous fiscal year. This is an important part of the amendment because it gives infant formula producers the incentive to keep their bids low. Without this safeguard, no one has to know what, if any, savings are being achieved. Nor can we assess whether fraudulent practices are adding to costs.

Mr. Chairman, I support the block grant approach. However, some block grant supporters argue that States are capable of carrying out their own cost-containment systems without Federal involvement, and that States will continue to carry out cost-containment systems that best serve those in need. But we should not assume that States will do the right thing when this kind of money is at stake.

That is precisely what this amendment attempts to do, Mr. Chairman. The Congress has an obligation—a fiduciary one—to evaluate and monitor how Federal tax dollars are being spent.

And, I would argue against those who claim that this would be a mandate on the States interfering with flexibility because my amendment neither tells the State what type of cost-containment measure to implement, nor does it tell the State how much savings to achieve.

Mr. Chairman, this is a good amendment, and a necessary one. I urge my colleagues to support it.

This amendment would require States to carry out cost-containment systems for infant formula included in food packages provided under the family nutrition block grant.

The State will report to the Secretary of Agriculture on an annual basis: the system it is using; the savings generated by this system; and how this savings compares to previous savings under the Federal system.

The State shall use whatever savings it achieves for the purpose of providing services to the programs under the family nutrition block grant.

While I am about to mention four current alternative cost-containment systems, States are certainly not limited to these options but can combine and/or devise new ways to contain costs.

One, multisource systems—State agencies procuring infant formula can award contracts to the lowest bidder as well as other manufacturers whose bids fall within a certain price range of this bid. States can determine how big this margin should be.

Two, open market rebate systems—State agencies can negotiate separate rebates with each infant formula manufacturer so that WIC participants can choose between those infant formulas being offered.

These rebates do not increase a manufacturers market share nor will choosing not to offer a rebate prevent a manufacturer from having less shelf space.

This merely assures smaller or newer infant formula manufacturers some access to the WIC infant formula market.

Three multistate systems—cooperative purchasing—States within a region of the U.S. can join together under one type of rebate system to procure infant formula.

Rebates tend to be higher in large States because in those States there are more people which means that there will most likely be more WIC participants and subsequently a larger market share at stake for which infant formula manufacturers are willing to pay a higher price.

Conversely, rebates tend to be lower in smaller States because these States have smaller populations most likely translating into fewer WIC participants which means that the market is smaller and, subsequently, less of an incentive for an infant formula manufacturer to offer a low bid.

It has been suggested that, as evidenced through past multistate systems, larger States join with other large States and that small States join with other small States because, when they cross over, smaller States will benefit with a higher rebate which might fall below the rebate that the larger States were originally receiving.

Four, fixed price procurement systems—State agencies purchase infant formula directly from the manufacturer at some type of discounted fixed price.

The infant formula can then either be distributed by the appropriate State agency or by the retail stores.

And, this fixed price could be determined by all three parties involved—manufacturer, agency, and retailer.

Mr. Chairman, I reserve the balance of my time.

Mr. MCDERMOTT. Mr. Chairman, to extend debate, as the designee of the gentleman from Florida [Mr. GIBBONS], I move to strike the last word and ask unanimous consent to merge that additional time with the time which the gentleman from Michigan [Mr. KILDEE] is now controlling.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very disappointed that the Committee on Rules would not allow me to offer my amendment to require States to continue to use competitive bidding when purchasing infant formula for the WIC program.

That amendment would have saved $1 billion. Although I will support probably, if I am persuaded, the amendment of the gentlewoman from New Jersey [Mrs. ROUKEMA], as it is well-intentioned, I am skeptical that it will really do anything. There is a billion dollars worth of difference between the words "cost containment" and "competitive bidding." A billion dollars worth of difference.

The amendment of the gentlewoman from New Jersey [Mrs. ROUKEMA] would require States to use cost containment measures. Prior to the enactment of the 1989 law requiring States to use competitive bidding, States were using a variety of cost containment measures. We found that they just did not work. The savings were minimal.

That is why in 1989, in a true bipartisan manner with the help of President George Bush, we enacted a law to require States to use competitive bidding in the WIC program. We found that when we required States to use that competitive bidding, Mr. Chairman, not mere cost containment, that we saved $1 billion a year, $1 billion, $1 billion that enabled 1½ million more

pregnant women and infants to be served each month under the WIC program.

Many of you will say, well, the States will continue to use competitive bidding. But only half the States were doing that before we mandated that by law. The other half were using industry-favored cost containment systems.

I would like to ask a question of the gentlewoman from New Jersey, who I know is the only Republican in committee who supported my amendment on competitive bidding.

Let us say that the State enters into a contract with one of the infant formula companies and gets a $10,000 rebate on a $5 million contract.

Would that qualify?

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I did not hear the gentleman. I could not hear the gentleman over the din.

Mr. KILDEE. The question is, under the gentlewoman's language, if a State entered into a contract with an infant formula company and got a $10,000 rebate on a $5 million contract, would that qualify under the gentlewoman's language?

Mrs. ROUKEMA. Mr. Chairman, if the gentleman will continue to yield, if that is the cost containment program, yes. I believe that money would then be reinvested back into the WIC program. I am sorry. WIC or any other part of the block grant, as I explained in my opening statement.

Mr. KILDEE. Mr. Chairman, $100,000 would qualify then, and $1 million would certainly qualify, right? If they entered into a contract with an infant formula company and say we will get a million dollars rebate on a $5 million contract, a fortiori, that would qualify under the gentlewoman's language?

Mrs. ROUKEMA. I think I am not quite sure what the gentleman is getting at, but I think he is talking about sole-source bidding, and maybe he is not going to make those same savings. That, of course, is one of the underlying reasons I supported the gentleman in committee.

We do not have all those benefits here, but this is a giant step, it seems to me, in the right direction of exercising, maintaining the flexibility of the States and still exercising our fiduciary responsibility.

Mr. KILDEE. My point is that under the gentlewoman's language, a $10,000 rebate would qualify for a $5 million contract, and a $1 million rebate would qualify under a $5 million contract. The fact of the matter is that we would do better under a competitive bidding than a $1 million rebate under a $5 million contract. We found that out. We would save much more under competitive bidding.

So the gentlewoman can see the markup they have on infant formula. We would do far more than even if we got a $1 million rebate on a $5 million contract, if we used the language I wanted to use and which the gentlewoman supported in committee, to her great credit, competitive bidding.

Competitive bidding saves $1 billion a year. We found that out as soon as we enacted this in 1989. So the most generous cost containment that could be used under the gentlewoman's language would be far less a savings than competitive bidding. There is a $1 billion worth of difference between cost containment and competitive bidding.

Mr. Chairman, I reserve the balance of my time.

□ 1145

Mrs. ROUKEMA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the committee.

Mr. GOODLING. I thank the gentlewoman for yielding me the time.

I want to echo what she said because it is what I have said since day 1, that we do not believe in block grants as revenue sharing. We set the goals and that is what she is doing. The gentleman from Michigan is correct. Back in the old days, and it seems we cannot get beyond the old days. But back in the olden days. States did not know all those things. They learned all those things now. Would it not be kind of foolish now to walk away from the opportunity of getting an extra $1 billion, or $2 billion if you can get that? So what she does is give that flexibility to the States. I cannot imagine any State anywhere walking away from getting the biggest amount that they can possibly get. As I said, they have learned how to do that now. Ten years ago, they did not know that. But they have the experience. So I think the gentlewoman's amendment is one that should be accepted and it will go a long way to take care of those we wish to take care in a flexible manner that more can be served than have been served in the past. I would hope all would support her amendment.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

I would say that I certainly would hope that we all learn from subsequent actions. But I having served 12 years in State government know the influence of the infant formula companies on State government. They do various things on cost containment. They will promise the university hospital so much infant formula. They will promise the health department so much. They work very closely with the legislature too.

I know that there can be other inducements not nearly as advantageous to the taxpayers and to the women and the infants as competitive bidding. If you think they are going to do it, why are you so reluctant to put it into law?

The gentleman from Pennsylvania [Mr. GOODLING] worked with me in 1989. He, George Bush, and the gentleman from Oregon [Mr. WYDEN], worked with me to get that language in. I think we need that language because I know how the infant formula companies work in the various States.

Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. I want to thank the gentleman for his good work.

Let me start by saying that I brought to the floor a can of infant formula which costs a little bit over 30 cents a can to manufacture and sells retail in our stores for maybe $2.70 a can. As a result of the free enterprise system that we brought to WIC on a bipartisan basis in 1989, as my colleague has said, we get 1 billion dollars' worth of taxpayer efficiency on this program every year.

But what I want to say to my colleagues is that after all the talk of free enterprise that we have heard from the other side this session, as a result of this bill, even with the Roukema amendment, we will be going back to the old days of closed markets and backroom contracting.

We ought to note that the gentlewoman from New Jersey wanted to do this right and to keep competitive bidding. What will happen even with this amendment is a lot of States will not have to do sealed bids which is the way to have real competition. We will also see the infant formula companies going about this country offering inducements to the States to reject competitive bidding and go with cost containment.

I would like to mention that the Federal Trade Commission, the experts there, are alarmed not just about the negative aspects for WIC of eliminating competitive bidding, they have written to me and they have said that by eliminating competitive bidding, we will reduce competition for infant formula in our stores and for the general market.

The reason that is the case is the way these giant infant formula companies get known is to move into the WIC market and get the public familiar with their product.

I just say to my colleagues, particularly on the other side, let us reinvent Government where it does not work. This is an example of a program where free enterprise, that the parties worked on together in 1989, has worked. As a result, we are going to be eliminating competitive bidding. That is going to take milk from the mouths of poor infants and it is going to give cookies and cream to the infant formula companies and that is wrong.

Mr. Chairman, I include the following for the RECORD.

FEDERAL TRADE COMMISSION,
Washington, DC, March 16, 1995.

Hon. RON WYDEN,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE WYDEN: Chairman Steiger forwarded a copy of your March 8, 1995 letter to me and asked that I respond to your inquiries. In that letter, you indicated that the House Economic and Education Opportunities Committee had voted to end the competitive bidding requirement for infant

formula contracts that are part of the Special Supplemental Food Program for Women, Infants and Children ("WIC"). You also noted that three companies dominate the infant formula industry and you pointed to a possible effect in the general retail market from eliminating bidding requirements in the WIC Program, namely, that it might discourage new companies from entering the infant formula market. In this regard, you asked that, based on our experience in dealing with competitive issues related to the WIC and general retail market for infant formula, we respond to a series of questions.

I should point out that while I have not studied the proposed legislation to which you referred, I have been involved in lengthy litigations relating to the WIC and general retail markets for infant formula, and I am able to provide you with my views on the questions you have raised. These views, of course, are my own and do not necessarily reflect the views of the Commission or any individual Commissioner. This response does not provide any non-public information and, accordingly, I do not request confidential treatment.

1. Do you believe that eliminating competitive bidding for infant formula in the WIC market will discourage competition in the general market for infant formula? Please explain.

I agree with your assessment that competitive bidding in the WIC program makes entry into the infant formula market easier. I also agree that to the extent that competitive bidding in the WIC market is eliminated or made less likely, then competition in the general retail market for infant formula would be adversely affected.

The infant formula market is highly concentrated, with three companies accounting for the vast majority of sales. As I describe below, concentrated markets, sometimes referred to as oligopolies, often result in higher prices for consumers whether or not the companies have engaged in unlawful collusion, particularly where the companies sell a homogeneous product and there are high barriers to entry.

Entry into a concentrated market can have significant procompetitive effects in a variety of ways. First, new entry into a concentrated market will make it more difficult for the existing companies to collude. For example, in a given market otherwise susceptible to collusion, a price-fixing agreement among three companies is easier to achieve and maintain than would be an agreement among four companies. The fourth company not only adds a forth party that must be convinced to violate the law, but it also is likely to have different incentives than the other companies by virtue of its smaller market share. Expansion may be a more profitable strategy than collusion if the company's share is small.

Second, even absent collusion, companies in an oligopoly act interdependently. That is, each company recognizes that its pricing decisions affect others in the industry. For example, if one firm raises prices above the competitive level in an oligopoly, the other firms independently recognize that they have two choices. They can raise prices a similar amount, resulting in each company increasing profits. Alternatively, they can maintain their prices, resulting in the price leader being forced to withdraw its price increase so as not to lose market share, resulting in each of the companies forgoing the opportunity for increased profits. Prices in an oligopoly, accordingly, are often higher than they would be in a competitive market. If new entry occurs in such a market, the likelihood of the incumbent firms being able to continue their interdependent conduct is lessened.

Finally, in general, when additional productive capacity and supply created by a new firm is added to the market, that additional supply will also have a downward effect on price. Other things being equal, as the supply of a product goes up, prices tend to go down.

Competitive bidding in the WIC Program makes entry into the market easier because a new or small company can, by winning one bid, assure itself of a large portion of the market for an extended period of time. The WIC segment of the market accounted for approximately 40% of infant formula sales in the early 1990's. Winning a WIC bid also effectively assures the winning company of obtaining significant shelf space at retail outlets, which can result in what the industry refers to as "spill-over" sales in the non-WIC retail market. The brand name recognition resulting from the significant shelf space typically given to the WIC bid winner is a substantial benefit to the winning company. Finally, obtaining a large WIC contract also can help the company achieve economies of scale in the production of formula, allowing the company to sell at lower prices to non-WIC consumers.

2. What is your best estimate of the impact of eliminating competitive bidding for WIC infant formula contracts? Please explain the likely effects on WIC users and federal taxpayers.

Early in the history of the WIC Program, the USDA observed that individual state WIC programs that used sole source competitive bidding systems obtained larger savings than those that used "open market" systems preferred by the infant formula companies. Under an open market system, all companies can participate in the program, and WIC participants can choose any company's product.

Because of competitive pressures associated with bidding for a sole source contract, where sole source bidding was required the amounts of rebates offered by the formula companies escalated over time. These rebates allowed the states to add additional families to the WIC Program, thereby serving more people with the federal grant.

These sole source rebates benefitted people in other states as well. Under competitive bid procedures, the states often received rebates that were high enough that the state itself did not need the entire amount of the rebate. In such cases, rebate funds were returned to USDA where the money was reallocated to other states.

As described below, some state WIC programs, in the absence of a federal requirement that there be competitive bidding, preferred that open market systems be utilized. This preference for open market systems in some states existed despite the understanding that competitive bids resulted in lower infant formula prices and despite the understanding that the federal government preferred competitive bidding.

Competitive bidding has been shown to result in many millions of dollars in savings to the federal taxpayer. If competitive bidding requirements are eliminated, states may again choose to forego competitive bid programs in favor of open market systems that provide significantly lower levels of rebates. In other words, states may choose to opt for programs, paid for by the federal government, that result in higher infant formula prices.

3. What are the factors that tend to increase the likelihood of anti-competitive collusion by companies and are these factors present in the infant formula market?

Anticompetitive behavior is more likely in markets where sales are concentrated in the hands of few sellers, where the product at issue is relatively homogeneous, where the firms selling the product are relatively homogeneous, and where there are high barriers to entry.

The infant formula market has these very characteristics. The top three firms accounted for in excess of 90% of the market in the early 1990's. Federal standards for nutritional quality and safety make infant formula a relatively homogeneous product. Each of the top three firms selling infant formula is a pharmaceutical company; each is similarly integrated; and each markets formula in a similar fashion. Finally, barriers to entry into the manufacture and sale of infant formula are high.

4. Last year, the state of California decided rather than bid out a new WIC formula cost containment contract, they would extend the existing contract for another year. However, because of the 1987 competitive bidding statute, the USDA required them to re-bid the contract at the end of the year.

This process saved the taxpayer $22.4 million in the cost of infant formula. A similar situation in South Carolina ended up saving taxpayers $8.97 million in the cost of infant formula.

From past FTC investigations and current information you may have available, what pressures and incentives do the infant formula companies use to keep states from bidding out infant formula contracts?

Under the sole source competitive bid procedures, with exceptions being made for physician prescriptions, WIC participants must use one brand of formula. Although all of the brands meet statutory nutritional requirements, some parents prefer one brand over another and made their feelings known to the state WIC director. To avoid dissatisfaction of some WIC participants, some WIC directors prefer the open market system under which parents can choose any brand of formula.

Because the infant formula companies preferred the more profitable open market system, they were willing to provide the state WIC programs with rebates under an open market system. These open market rebates, though in some cases convincing state WIC programs to opt for open market programs, were considerably lower than the rebates that could be obtained through competitive bidding.

In addition, formula companies and state WIC programs can structure open market rebates in a way that may meet the state's needs but that result in smaller savings for the federal government. For example, in 1990 in Puerto Rico, a system was put into place under which an open market was permitted by the local WIC program as long as the companies were willing to provide payments, outside of the WIC program, to the Puerto Rico health care system. These side payments were not returnable to the federal government as would be rebate payments not used by the program. Under this system, the formula companies offered WIC rebates equal to approximately $6.5 million in 1991. In 1992, after a competitive bid, the winning company's bid was estimated to result in an annual rebate of approximately $23.4 million.

Thank you for giving me the opportunity to provide you with my views. If I can be of further assistance to you, please do not hesitate to call me at (202) 326-2821.

Sincerely,

MICHAEL E. ANTALICS,
Assistant Director for Non-Merger Litigation.

Mrs. ROUKEMA. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS].

(Mr. BILIRAKIS asked and was given permission to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Chairman, I thank the gentlewoman for yielding me the time.

Mr. Chairman, I rise in support of the Roukema amendment.

Since coming to Congress, I have been a strong proponent of the Supplemental Food Program for Women, Infants, and Children [WIC]. WIC funding buys nutritious foods that are tailored to the dietary needs of participants and provides nutrition education for participants.

WIC is a cost-effective program that saves the Government money. Every dollar spent on pregnant women by WIC produces between $2 to $4 in Medicaid savings for newborns and their mothers. In 1992, WIC benefits averted $853 million in health expenditures during the first year of life of infants.

Under the current program, States are required to use a competitive bidding system or other savings mechanisms for the procurement of infant formula used in WIC packages. In 1994, $1.1 billion in rebate revenue was generated from the manufacturers of infant formula, allowing 1.5 million more participants to be served.

My home State of Florida earned over $53 million from its infant formula rebate contract. These funds were used to provide services to more than 100,000 additional clients. Clearly, cost-containment is an important component of the current WIC Program.

The family-based nutrition block grant does not require States to establish a cost-containment system. The Roukema amendment addresses this important issue and my State of Florida strongly supports her amendment.

Given the tremendous savings States are able to achieve through current cost-containment contracts, it is imperative that all States establish cost-containment systems and apply those savings to providing more services under the family nutrition block grant.

Over the last several weeks, I have heard from many constituents who are concerned about the impact H.R. 4 will have on the WIC Program. My constituents are very concerned that funding for WIC would be drastically reduced under a block grant.

Fortunately, the Committee on Economic and Educational Opportunities recognized the effectiveness of the WIC Program. The family nutrition block grant requires that 80 percent of available funds be used for WIC. This means that under H.R. 4, WIC funding will increase by $500 million more than is provided under current law.

The WIC Directors in my district also raised concerns that revisions to current nutrition programs will negatively impact the WIC program's effectiveness. Although H.R. 4 requires States to set minimum nutritional requirements for food assistance, they are concerned that under a block grant, nutrition standards will vary from State to State.

But as they point out, nutrition needs do not vary from State to State. The WIC Directors I have spoken to feel it is important to preserve the requirement for national nutritional standards.

WIC Directors are also concerned that State nutritional standards will not be based on science. However, H.R. 4 requires the food and nutrition board of the institute of medicine to develop model nutrition standards for food assistance provided to women, infants, and children.

These standards must be developed in cooperation with pediatricians, nutritionists, and directors of programs providing nutritional risk assessment, and nutrition counseling. Hopefully, all States will adopt these model standards.

When H.R. 4 is enacted into law, the Congress must conduct sufficient oversight of the implementation of the family nutrition block grant to ensure that women, infants, and children receive proper nutrition assistance.

I have seen what the WIC program can do for children and their mothers. We must make sure our reform efforts do not erode the ability of a proven program like WIC to provide essential services to women and children.

I urge my colleagues to support the Roukema amendment.

Mr. KILDEE. Mr. Chairman, I want to reiterate, under present law we require competitive bidding, not just cost containment.

Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. I thank the gentleman for allowing me to have some time.

I also want to commend the gentlewoman from New Jersey in her intention and support her effort and think that this is a step in the right direction but it does not correct the problem.

The problem is that the program works right now. We have competitive bidding. In fact, if part of the reason for reforming is to save money, this bidding process and procedure we have allows us now to save the money. It allows us to save money and it is fiscally responsible.

But I ask my colleagues in Congress to recall that the infant mortality rate in America before WIC was horrendous. We need to remind ourselves why the WIC program is important.

It is important, therefore, to increase the savings. We had rates much lower than we have now and in fact we have increased the rate by reducing the infant mortality by increasing the opportunity for children to live.

WIC works. We want to do everything possible to make this successful program work.

We also ask Members of Congress to recall a fact that since the institution of the nutritional program, we really have less of a gap between low-income diets and those who have affluence and have other means of getting their funds.

Spending has been increased by some 65 percent. Anemia has been drastically improved. In fact, low-weight babies have increased.

I visited my neonatal clinic of the hospital and found that the cost just of maintaining a low-weight baby is horrendous, $5.000 and $10.000.

Yet the investment we make in WIC makes all the sense. It saves lives. It saves money.

I urge my colleagues to note that what we are doing here really does not correct the issue. It is a movement in the right direction, but how we should correct it is keep the current bidding sealed.

Mrs. ROUKEMA. Mr. Chairman, I reserve the balance of my time.

Mr. KILDEE. Mr. Chairman, one thing I would like to say before I yield, there seems to be a pattern in the Committee on Rules on this bill. One Member goes up, asking for a substantive amendment, an amendment that makes a real difference, competitive bidding. Another Member asks what really is a cosmetic amendment and the Committee on Rules in every instance has granted the amendment for the cosmetic amendment, not the substantive. I object to that.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. I thank the gentleman for yielding me the time.

I would like to have permission to be a little bit more general in my approach to the discussion today. There has been lots of talk today and in the last couple of days about the block grant approach as was quoted by our gentlewoman from New Jersey as being the proper way to administer these programs for the unfortunate and the poor.

Let me tell Members about a community in the Commonwealth of Pennsylvania who had that option on a local level. This community had a substantial number of poor people living below the poverty line, but this community decided not to accept the School Lunch Program. Instead, I will tell you what they did. This community established a sharing table. They established a sharing table, a table in the middle of the lunchroom where the more affluent children would come in. If they did not finish their sandwiches, if they did not finish their cokes, they would leave what was left over on the sharing table for the poorer children. So that they could come in and eat the scraps of the sandwiches and what was left over of the sodas.

Could you think of anything more dehumanizing? Could you think of anything more destructive of self-esteem, of self-pride, and of self-worth than that kind of a program? There may be many things wrong with these programs, and we should be fixing them, and we should be correcting them. But sending them back to the States is not the answer.

Mrs. ROUKEMA. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentlewoman from New Jersey is recognized for 1½ minutes.

Mrs. ROUKEMA. Mr. Chairman, I would like to summarize what we have said here. This is a good amendment, it allows the States the maximum flexibility. It requires reporting to the Department of Agriculture so that Congress can continue their oversight responsibility here. I must say that I think if we had inquired with all the States that are represented here today, we would have found something similar to the endorsement that we got from our colleague the gentleman from Florida, namely that 100,000 more clients are served in the State of Florida using these types of cost containment measures.

I urge support. I think that it marries the best of the block grant approach with the accountability standards that we as a Congress must ensure.

Mr. KILDEE. Mr. Chairman, only because the gentlewoman from New Jersey had the courage to vote for my amendment in committee, the only Republican who had that courage to do so, I will support her amendment even though it is grossly inadequate.

Mr. Chairman, I yield the balance of my time to the gentlewoman from Colorado [Mrs. SCHROEDER].

The CHAIRMAN. The gentlewoman from Colorado is recognized for 1½ minutes.

Mrs. SCHROEDER. I thank the gentleman from Michigan for yielding me the time.

I say many will reluctantly support that amendment because I guess that is all that side could do.

I think the gentleman from Michigan made a very good point, that these are really cosmetic amendments that do not go to the core of real competitive bidding, but it is all they could get agreement on.

□ 1200

In a way you feel it is almost like we are putting lipstick on pigs here, but when you get all done you still got a pig and that is what the other bill is.

We know that we desperately need competitive bidding. I have spent 22 years on the Committee on Armed Services and believe me, that is where we got the $900 toilet seats. If you do not want that in infant formula, then what we really have to do is be voting for the Democratic bill because you are not going to get there with this.

We have letters written to Congressman WYDEN from the Federal Trade Commission talking about the experience of the State of California and the experience of the State of South Carolina in competitive bidding. I do not have time to go into it, but we have got data all over the place that is showing regretfully some of these companies who should have better intentions. If they think they can get away with spending more, they will.

Remember, we had $25 million worth of WIC cuts and rescissions, and here we go again; if we do not have competitive bidding fully, one more time we will be having another cut because we will be knocking people out.

Mr. GOODLING. Mr. Chairman, as the designee of Chairman ARCHER, I move to strike the requisite number of words in order to receive an additional 5 minutes of debate time as provided under the rule.

I yield myself the first 30 seconds. I want to assure my colleague from Pennsylvania that under our program he can be assured that that will never happen in his community again, because we have the rules and regulations on how they have to spend the money.

I would say to my friend from Michigan, cosmetics is a good term I suppose. The old Committee on Rules always used to say, "Well, that makes good sense," and then you knew positively it would not be made in order.

So it is a little different from cosmetic that it makes good sense; it is not in order.

Mr. Chairman, I yield the remaining 4½ minutes to the gentleman from California [Mr. CUNNINGHAM].

PARLIAMENTARY INQUIRIES

Mr. McDERMOTT. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. McDERMOTT. Mr. Chairman, is this amendment time on the amendment we are discussing or is this on the next amendment?

Mr. CUNNINGHAM. It is on the next amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] struck the last word on the Roukema amendment. The Chair would like to point out to the gentleman from Washington that most of the debate has not been on that amendment; it has been on the bill.

Mr. GOODLING. Mr. Chairman, I yield my time to the gentleman from California [Mr. CUNNINGHAM].

Mr. VOLKMER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. VOLKMER. Even though the debate in the past has not been on the amendment, is not the rule of the House, regular order, that the debate that follows would still be on the amendment even though others have not debated the amendment?

The CHAIRMAN. Unless a point of order is raised, since the Chair has been lenient with those who seek to address the bill rather than the amendment, the Chair is going to continue to be lenient.

Mr. GOODLING. Mr. Chairman, I understand this is coming out of my time, so I do not yield to any parliamentary inquiry if it is coming out of my time.

The CHAIRMAN. It is not coming out of the gentleman's time.

The gentleman from California [Mr. CUNNINGHAM] is recognized for 4½ minutes.

Mr. CUNNINGHAM. Mr. Chairman, I am not going to offer the next amendment, I would say to the gentleman, and I want to explain I had an amendment in the subcommittee. The illegal immigration, we cut out all 23 programs. This deals with legal immigration. I felt that a person, once they sign up to become an American citizen, should have the rights of American citizens, because the process is often delayed.

I have been told by the other side if I make a unanimous consent to have that improved it would be objected to. So I am not going to offer the amendment. It would go down.

But the gentleman from California [Mr. KIM] and myself have some concerns and I would like to yield to the gentleman from California [Mr. KIM].

Mr. KIM. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. KIM. Mr. Chairman, I thank the gentleman for yielding. I presume the gentleman is yielding to me because he thinks I am a expert in this area. I am. Before I explain what my amendment will do, let me tell just a brief background story.

Under this bill there is one provision which prohibits all of the benefits to noncitizens. Who are the noncitizens? It could be anyone; it could be refugees, could be anyone staying here temporarily.

But my amendment is carefully crafted to those folks who are here legally and receive permanent residentship, those folks who came to this country in search of the American dream. Those folks took a long time to follow the legal process to come here and finally received a permanent residentship, and they are waiting for citizenship. Presumably they are soon going to be a citizen, they are citizens-elect.

Denying benefits to those folks, I can understand that. We are in a financial crisis with a $4 trillion deficit. I can understand that. Yes, we have to treat our citizens first before we deal with other noncitizens. I accept that.

But let me tell my colleagues, once those folks who are permanent residents and waited 5 to 6 years to finally apply for citizenship and that application is accepted, he or she should not be treated as a second-class citizen.

All my amendment does is to treat them just like the citizens, and not denying all of the benefits to those folks.

Mr. CUNNINGHAM. If the gentleman will yield back, he and I would like to enter in a colloquy with the gentleman from Texas [Mr. SMITH], the chairman of the Subcommittee on Immigration and Claims, and I would ask if the gentleman from Texas [Mr. SMITH] would agree to work with the gentleman from

California [Mr. KIM] and myself in the committee to resolve the problem.to make an amendment in order so that we can deal with this issue? And it is bipartisan. We have the task force which is made up of Republicans and Democrats, and we will be happy to work with the gentleman on this issue [Mr. KIM] and myself. if the gentleman would make that in order.

Mr. SMITH of Texas. Mr. Chairman. will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Chairman. I would like to reassure my friends from California, Mr. CUNNINGHAM and Mr. KIM, that if the amendment that they were planning to offer today is not accepted and if that amendment is offered in the Subcommittee on Immigration and Claims, of which I am chairman, when we, in the next several months, are considering other comprehensive legislation regarding immigration, we will certainly consider their amendment. If that amendment is not approved on the subcommittee level. I will certainly work with them and guarantee them that I will ask that it be considered on the House floor.

Mr. CUNNINGHAM. I agree with this approach, and I think Mr. KIM does. too.

I yield back to the gentleman from California [Mr. KIM].

Mr. KIM. I thank the gentleman for giving me his assurance. And I agree with this approach, and I think my amendment will ensure all permanent residents and aliens would be legal at the time of the acceptance of the application, and I think that is an important message we have to send to those folks out there. I thank the gentleman.

Mr. CUNNINGHAM. I think this is one issue I think we can work very well with the leadership on the Democratic side as well as ours, and I yield back the balance of our time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 18 printed in House Report 104-85.

AMENDMENT OFFERED BY MS. ROS-LEHTINEN

Ms. ROS-LEHTINEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. ROS-LEHTINEN: Page 157, after line 4, insert the following new paragraph:

(6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence; and

(B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

The CHAIRMAN. Pursuant to the rule. the gentlewoman from Florida [Ms. ROS-LEHTINEN] and a Member opposed will each control 10 minutes.

Does the gentleman from Washington rise in opposition?

PARLIAMENTARY INQUIRY

Mr. MCDERMOTT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MCDERMOTT. Mr. Chairman, are we now doing amendment No. 18?

The CHAIRMAN. Amendment No. 18, that is correct.

Mr. MCDERMOTT. As printed in the RECORD?

The CHAIRMAN. As printed in the Rules Committee report.

Mr. ARCHER. Mr. Chairman I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] may control the 10 minutes.

The Chair recognizes the gentlewoman from Florida, [Ms. ROS-LEHTINEN].

Ms. ROS-LEHTINEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is a straightforward, simple humanitarian amendment, which would exempt any U.S. legal permanent residents who cannot take the naturalization exam because they suffer from mental disorders and physical impairments or disabilities.

Under title IV of H.R. 4 these people would be cut off from Federal benefits simply because they are not American citizens. These individuals would not be able to resolve this problem because of their inability to take the naturalization exam.

H.R. 4 currently makes no exemption for these individuals who would be the most affected by the elimination of these benefits. The elderly who suffer from Alzheimer's disease cannot possibly pass the citizenship exam given their debilitating disease. They cannot remember or memorize questions, nor are they physically able to present themselves many times before the citizenship examination.

Under this legislation these people unfortunately would be unfairly cut off. The same goes for a person who because of a physical disability cannot leave his or her home to take the naturalization exam. These individuals, many of whom have contributed years of hard work and labor to this country, would now be denied benefits simply because they cannot because of physically tormenting disabilities take the citizenship exam. Under my amendment the Immigration and Naturalization Service will be able to have the ability to determine if the person is unfit to take the naturalization exam due to this serious disability.

Mr. Speaker, in my south Florida community and indeed around our great Nation, many U.S. permanent residents, especially the elderly, suffering from such terrible diseases as Alzheimer's are unable to take the citizenship test because of their illnesses. This amendment would help these most vulnerable permanent residents, many of whom after years of hard work and making wonderful contributions to our great Nation rely on these benefits for their well-being.

This humanitarian amendment would exempt those who are the most vulnerable by allowing them in a calculated and limited manner to not have to take the unfair exam that they are unable to take. This will allow them to not be cut from the benefits they need in order to survive.

Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I reluctantly rise in opposition to the amendment. I understand what the gentlewoman is trying to accomplish, and I am very sympathetic to her.

Mr. Chairman, the problem is that the definition of disability or impairment is too broad, that like so many other areas where we have run into problems when we talk about disability within the welfare programs, we have found that it has been tremendously abused. We have tried to work with the gentlewoman for tightening up this language and have been unable to reach that conclusion at this time.

However, I would say to the gentlewoman from Florida [Mrs. ROS-LEHTINEN], that if it is possible to get more precise language that is not so general in conference, I would be more than happy to consider that.

There is the additional problem that CBO has not issued an estimate, a revenue estimate on this amendment. The rough understanding that we have been given because of the broadness of the definition is that it could cost $1 billion.

So, I would, as I said, reluctantly urge the Members to oppose this amendment and give us an opportunity to try to work on the language in the conference committee.

Mr. Chairman, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman. I appreciate the remarks of the chairman. We have in fact been working with the staff this afternoon to try to work up the language that specifically tracks section 312(a) of the Immigration an Naturalization Act. which already gives such waivers to those individuals who are suffering from disabilities.

Our attempt is not to broaden that current waiver any more than it is already on the books. It is not to say that anyone who is a drug addict and anyone who is an alcoholic would not be exempt from taking the exam and would then be able to apply for benefits. That is not the intent. nor does

our language I think in any way allow that to happen.

I think that the scourge has been unfair in the way they were calculating the effects, and in fact in our last discussion the calculations were that that scourge was going to come down considerably once they understood that section 312(a) already has similar language which exempts these individuals.

This amendment merely puts it in this welfare reform package so that it is clear to the INS officials that these individuals are also going to be exempt from the citizenship requirement if their disabilities are such that it will render them unable, physically, mentally unable, to take the exam.

We have an amendment already drawn up which would be acceptable, that we hope in conference would be accepted, to further specify that this is a very narrow limitation, and that the budget considerations are not as extreme as some would have us believe, and we are very confident that that is true because section 312(a) refers to naturalization.

What we want to do is make sure that we have it refer now to the exemption from welfare benefits for those people who suffer from these debilitating diseases.

Mr. SHAW. Mr. Chairman, will the gentlewoman yield?

Ms. ROS-LEHTINEN. I yield to the gentleman from Florida.

Mr. SHAW. I know you have been working on this for sometime and you and I may have spoken with regard to the noncitizen portion of the bill, which I know gives you and a few other Members great concern. I would just like to echo the words of my chairman, the gentleman from Texas [Mr. ARCHER], in saying we will be working closely during the conference process, and hopefully this is something that we can work together on.

□ 1215

I see that our colleague from south Florida has also come onto the floor, who has expressed great concern with regard to this portion of the bill, and I can assure you that we will do everything we can to be cooperative during the conference process. I am sorry that we were unable to change the amendment by unanimous consent, but we did run it by the minority, and they were not inclined to allow the change at this point.

So we will continue to work with you and the minority and the Senate in trying to resolve this problem.

Ms. ROS-LEHTINEN. I thank the gentleman. Yes, it is a shame; we had the language drawn up. I think it would have addressed the concerns that some individuals had about who specifically would be exempt from this exam.

Mr. Speaker, I yield to the gentleman from California [Mr. MINETA].

(Mr. MINETA asked and was given permission to revise and extend his remarks.)

Mr. MINETA. Mr. Chairman, I really appreciate my colleague yielding.

Mr. Chairman, I rise today in strong support of the amendment offered by our colleagues from Florida—and in strong disappointment that it has to be offered.

To me, it is absolutely reprehensible that this bill contains an attack on immigrants who were lawfully admitted to this country.

As the Chair of the Congressional Asian Pacific American Caucus, I can tell my colleagues that I have seldom seen an issue that has generated so much concern among the Asian Pacific American communities around the country.

The rhetoric surrounding this issue has been frightening to many in our community—61 percent are immigrants who arrived in this country since 1970 alone.

We began to fear where things were heading last year when Proposition 187 was being debated in California.

Asian Pacific Americans in California are second to none in our frustration with illegal immigration. Many in the community have waited patiently for years for spouses and children to join them through the legal process.

But it quickly became clear to us that the rhetoric and the emotion went far beyond the issue of illegal immigration alone.

Those who supported Proposition 187 told us repeatedly that legal immigrants had nothing to worry about.

But sure enough, here we are today, debating on the floor of the House of Representatives whether taxpaying, lawfully admitted immigrants will be eligible for the services their taxes pay for.

Many in our community, particularly those who arrived here fleeing Communist oppression and civil war, are frightened of where this will lead.

Already, the rhetoric surrounding this issue has been filled with assertions that we should "take care of Americans first." When did we change the definition of American? When did this happen?

Mr. Chairman, my parents were born in Japan, but they chose to make America their home.

I can tell you that never in the history of this country have there been two finer Americans. They chose America to build a future for their children. There is no decision they ever made for which I am more grateful.

From Albert Einstein to Martina Navratilova; from An Wang, the founder of Wang computers, to Elie Wiesel, winner of the Nobel Peace Prize—all have come to this country and been accepted as Americans.

H.R. 4 flies in the face of that principle, and to me it's a sad commentary on the state of national debate in this country.

I urge my colleagues to join with me in opposing H.R. 4.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Florida [Mr. DIAZ-BALART], who is a cosponsor of this amendment.

Mr. DIAZ-BALART. Mr. Chairman, I think that it is very important that I commend my colleague, the gentlewoman from Florida [Ms. ROS-LEHTINEN], for having introduced this amendment that I have cosponsored. It is very important that at the very least those who are physically or mentally disabled not be excludable from benefits even after being legally in this country because of their disability, and that is what this amendment, this very fine amendment, seeks to do.

I am very disappointed that a ban on SSI and AFDC and food stamps and Medicaid remains in the legislation, in the bill, with regard to legal residents. I think that ban is unfair. I think it is unnecessary. I think there is somewhat of an element of irrationality involved because a great percentage of those who may be ineligible, because they are not citizens, will become citizens, so the savings will be minimal at best from the point of view of those who say this ban will save the Government money.

So it is unfortunate it is in. We will continue fighting against the ban, against legal residents of the United States, from services and will continue working with the gentleman from Florida [Mr. SHAW] and the gentleman from Texas [Mr. ARCHER] and, of course, Members on the other side of the aisle to remedy this in the conference process.

But this inclusion, the ban's inclusion in the bill, makes it imperative certainly that people that feel like I do, as strongly as I do, and I know the gentlewoman from Florida [Ms. ROS-LEHTINEN] does on this issue, it is imperative that we oppose this legislation in its current form.

Mr. MCDERMOTT. Mr. Chairman, as the designee of the gentleman from Florida [Mr. GIBBONS], I move to strike the last word, and I ask unanimous consent to be allowed to yield blocks of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MCDERMOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the House, this is another one of the figleaf amendments. Now, this place is starting to look like a fig tree. Every time they bring the bill out, people look at it and say, "Well, this needs a figleaf."

We took benefits away from legal immigrants in this country.

Now, I went to the Committee on Rules and asked for the right to give those benefits to legal immigrants, and I was joined by the gentlewoman from Florida [Ms. ROS-LEHTINEN] and the gentleman from Florida [Mr. DIAZ-

Balart]. But the Rules Committee denied that. So we get this little figleaf that does not do anything.

It knocks a half a million people off the aged and disabled rolls. It is a help for a few pitiful people who cannot walk into the office and file. Now, that, in my opinion, is about 1 inch when we ought to go a mile.

If you are a legal immigrant in this country, you are working here, you are paying taxes, and bad times come to you, you ought to be entitled to everything else that every American is, and I think that this is only a half a loaf.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. ARCHER. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. BERMAN].

(Mr. BERMAN asked and was given permission to revise and extend his remarks.)

Mr. BERMAN. Mr. Chairman, I wonder if I could get the attention of the manager of the bill for one moment, the gentleman from Texas [Mr. ARCHER]. I wanted to ask you to explain what I find to be one of the most astonishing features of this particular provision which the issue is raised by this amendment.

The majority has decided to deny a series of very important benefit programs to legal, taxpaying resident immigrants in this country, and has made one exception, that foreign farm workers, guest workers, H(2)(a)'s, people who come here on a temporary basis, will remain and will be the only group of immigrants that will remain eligible for Medicaid, housing, SSI, AFDC, and all of these programs. So that while you have thousands of domestic farm workers, many of them here as legal immigrants who are paying taxes and are ineligible for these benefits and are among the lowest-paid workers in American society, the agribusiness lobbyists will be able to, and their clients will be able to, bring in foreign guest workers to harvest crops instead of using the available domestic farm worker supply and still be subsidized for the health care and the housing and other benefits for these workers.

How could this bill contain such an exception to this provision?

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Texas.

Mr. ARCHER. Are you talking about farm workers?

Mr. BERMAN. I am talking about foreign guest workers, farm workers, are the only group of immigrants left eligible for these benefits.

Mr. ARCHER. If the gentleman will yield, I would respond by saying these people come into this country under very special circumstances, under special provisions in the law, are invited in here to help the economy——

Mr. BERMAN. To work.

Mr. ARCHER. Under those special provisions. The average immigrant who comes to this country agrees, on entry, not the guest workers, but the other resident immigrants legally admitted to this country agree, when coming in, to be self-supporting. The guest worker does not make that agreement.

Mr. BERMAN. Reclaiming my time.

Mr. ARCHER. The gentleman does not wish a response?

Mr. BERMAN. I heard the response.

Mr. ARCHER. The response is more lengthy than that. If the gentleman wants to cut me off, he may.

Mr. BERMAN. The problem is I only have 3½ minutes. But I will yield as long as I have a little time to respond to your response.

Mr. ARCHER. Well, on your time. The immigration law of this country provides that when you seek residency here as a legal alien that you are agreeing to support yourself. If you do not and you become a charge of the taxpayers of this country, you are subject to deportation legally under the law today. A guest worker comes under a very different circumstance into this country and is protected by the law that relates to guest workers, and the gentleman should understand this.

Mr. BERMAN. I suggest a very different reason. I suggest that somewhere agribusiness stuck into this provision a bill to help subsidize the workers they want to import because they do not want to hire the domestic farm workers, and I find it just unbelievable that in a bill designed to encourage work you are helping to displace and subsidize foreign guest workers and displace American workers.

The CHAIRMAN. The Chair would like to point out that he has tried to be lenient on Members who go over their allotted time. If we start abusing it, the Chair is going to charge it against the manager's time.

Mr. McDERMOTT. Mr. Chairman, I yield 1 minute, the remainder of my time, to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, I would ask my colleagues that, as they consider this amendment, they would think of legal immigrants not as someone who recently arrived, not someone who only came over to receive benefits, but to think of the legal immigrant as a person who has been here for many years, who has worked, has paid their taxes, has raised their family and has been responsible.

The only thing that they do not have is the right to vote and are not citizens. But this amendment talks about a person who cannot take the examination, cannot be naturalized because they are physically or developmentally disabled or mentally impaired to take the test. So we are talking about a safety net for those legal immigrants who cannot take the exam because of their disabilities.

I would think that Members of this House on both sides of the aisle would show compassion to these people and support this amendment.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield 15 seconds to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman and hopefully, when we have more time, we will be able to address the underlying motives behind this issue in this legislation.

I thank the gentlewoman.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield 15 seconds to my colleague, the gentleman from New Jersey [Mr. MENENDEZ].

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, let me just say these people are the mothers and fathers, brothers, sisters, and sons and daughters of American citizens who came here and should not be denied. They work, they contribute, and they should not be denied simply because of their status when they have contributed all along, and at least in the gentlewoman's case, which I strongly support. We carve out a small exception to those people who should not simply be denied.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield 15 seconds to the gentleman from California [Mr. BECERRA].

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Mr. Chairman, I thank the gentlewoman for yielding a moment of time.

I also support this amendment. I think she is trying to do the right thing. We should not be denying people who do their darndest to work hard in this country and do the best they can ultimately to become U.S. citizens. They should have that opportunity.

I urge Members to support this amendment.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I hope the Members will support this humanitariian amendment to at least allow those individuals who are physically and mentally disabled to take their benefits that they deserve that they have worked hard to get.

I hope we can see clearly through this anti-immigrant, anti-refugee feeling and get on with the real issue of helping those people regardless of their citizenship status.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, again, as I mentioned earlier, I understand what the gentlewoman from Florida is trying to do. I still have a great concern for the broader definition. I think that she actually believes the definition to be more constricted than it is.

What came out of the Committee on rules is so broad in what can be a disability or a impairment that I believe we will find the very same things happen there that we have already found

under "disability" in other parts of the welfare code of this country today. I do not want to see that happen with national TV exposés down the line for abuses under this definition.

I would hope that the members of this committee will vote this amendment down, that in conference we might have the opportunity to construct more constrictive language, but I would further say relative to this and any other amendments of this type, that the law of this land, the immigration law of this land, since the late 1800's, provides that anyone coming into this country as a legal alien understands that they cannot become a public ward.

□ 1230

They cannot throw themselves into the hands of the taxpayers of this country, and if they do, if they go on welfare, they legally, today, can be deported.

In addition, where they come in under the sponsorship of other relatives, those relatives take on the responsibility of maintaining and supporting their immigrating relatives into this country so that they will not become a burden on the taxpayers of this country.

Mr. Chairman, my ancestors and most of our ancestors came to this country not with their hands out for welfare checks, even if they were willing to work, they came here for the opportunity for freedom and the opportunity to work and to achieve the successes that this country offers more than any other country in the world.

Mr. VENTO. Mr. Chairman, I rise in support of the Ros-Lehtinen/Diaz-Balart amendment to exempt legal permanent residents who cannot take the U.S. naturalization exam because of a physical or mental disability.

Certainly the denial of benefits under this bill to legal noncitizens is unjust and unwarranted. This denial has nothing to do with sponsor support. In addition the measures to strengthen and extend deeming should be carefully considered.

The policy in the GOP bill denies benefits to people who have legally been in the United States 5 years and have not achieved citizenship, even though they may have paid taxes and rent or maybe even own a home and have children, who are U.S. citizens. In St. Paul, MN, we have a significant settlement of Southeast Asians, the Hmong, who fled Laos after fighting along with United States troops against the Communist forces of North Vietnam. Because the Hmong did not have a written language, many adults have had great difficulty learning English. Under the provisions of the GOP measure before the House, they would be denied most benefits; $20 billion of the anticipated cuts made by this GOP bill come from just such limits.

This amendment before the House would provide some modest relief to the harsh GOP bill which unfairly and arbitrarily discriminates against legal noncitizens. The circumstances in St. Paul, MN for the Hmong are extraordinary, but individuals who have not become citizens and remain in the United States generally are subject to unusual factors. Under what logic are they being denied benefits? I heard someone raise the notion of fraud and abuse but is there a demonstrated record of such a problem? Are legal noncitizens any different in this regard than citizens?

The policy being advanced in this GOP measure is inappropriate and while I commend this amendment to my colleagues, the GOP bill is not much changed by this amendment. We do not even have an up or down vote on the subject of benefits for noncitizens due to the restrictive Republican rule and these piecemeal amendments will not remedy this punitive measure.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentlewoman from Florida [Ms. ROS-LEHTINEN].

The question was taken: and the Chairman announced that the ayes appeared to have it.

Mr. ARCHER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentlewoman from Florida [Ms. ROS-LEHTINEN] will be postponed until after the disposition of amendment No. 20.

It is now in order to consider amendment No. 19, printed in House Report 104-85.

It is now in order to consider amendment No. 20, printed in Report 104-85.

AMENDMENT OFFERED BY MR. MORAN

Mr. MORAN. Mr. Chairman, I offer amendment No. 20, printed in House Report 104-85.

The CHAIRMAN. The Clerk will designate the amendment.

The text of amendment No. 20 is as follows:

Amendment offered by Mr. MORAN: Page 170, after line 12, insert the following new section:

SEC. 442. PREFERENCE FOR FEDERAL HOUSING BENEFITS FOR FAMILIES PARTICIPATING IN WELFARE ASSISTANCE WORK PROGRAMS.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended—

(1) by striking the section heading and inserting the following new section heading:

"DECLARATION OF POLICY AND PREFERENCE FOR ASSISTANCE";

(2) by inserting "(a) DECLARATION OF POLICY.—" after "SEC. 2"; and

(3) by adding at the end the following new subsection:

"(b) PREFERENCE FOR FAMILIES PARTICIPATING IN WELFARE ASSISTANCE WORK PROGRAMS.—

"(1) IN GENERAL.—In selecting eligible families for available dwelling units in public housing and for available assistance under section 8, each public housing agency shall give preference to any family who, at the time that such occupancy or assistance is initially provided for the family—

"(A)(i) is participating in a work or job training program that is a condition for the receipt of welfare or public assistance benefits for which the family is otherwise eligible, or (ii) is eligible for and has agreed to participate in such a program as a condition for receipt of such assistance; and

"(B) has agreed, as the Secretary shall require, to maintain and complete such participation and to occupancy or assistance subject to the limitations under paragraph (3).

"(2) PRECEDENCE OVER OTHER FEDERAL AND LOCAL PREFERENCES.—Occupancy in public housing dwelling units and assistance under section 8 shall be made available to eligible families qualifying for the preference under paragraph (1) before such occupancy or assistance is made available pursuant to any preference under section 6(c)(4)(A) or 8(d)(1)(A), respectively.

"(3) 5-YEAR LIMITATION ON ASSISTANCE.—Notwithstanding any other provision of this Act, the occupancy of any family in public housing or the provision of assistance under section 8, pursuant to the preference under paragraph (1), shall be terminated upon the expiration of the 5-year period that begins upon the initial provision of such occupancy or assistance to the family.

"(4) FAILURE TO PARTICIPATE.—If the applicable public housing agency determines that any family who is provided occupancy in public housing or assistance under section 8, pursuant to the preference under paragraph (1), has ceased participating in the program referred to in paragraph (1)(A) before completion of the program or failed substantially to comply with the requirements of the program, such cessation or failure shall be considered adequate cause for the termination of the tenancy or the assistance for the family and the public housing agency shall immediately take action to terminate the tenancy of such family in public housing or the provision of assistance under section 8 on behalf of family, as applicable.

"(5) LIMITATION ON AVAILABILITY OF PREFERENCE.—The preference under paragraph (1) shall not apply to any family that includes a member who—

"(A) has occupied a public housing dwelling unit or received assistance under section 8 as a member of a family provided preference pursuant to paragraph (1), which occupancy or assistance has been terminated pursuant to paragraph (3), or (4); and

"(B) was personally required to participate in the program referred to in paragraph (1)(A).".

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. MORAN] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is there a Member in opposition claiming the 10 minutes?

Mr. MORAN. Mr. Chairman, I have not been informed of anyone opposed.

Mr. ARCHER. Mr. Chairman, I am unaware of opposition, but I would like to control the 10 minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. MORAN] will be recognized for 10 minutes and, without objection, the gentleman from Texas [Mr. ARCHER] will be recognized for 10 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, what this amendment would do, depending upon whatever welfare bill is enacted—I happen to support the Deal amendment—but what this amendment would do is to say that when you enter a work program, then in fact you go to the top of the waiting list for public and publicly assisted housing, so there would be an

incentive for people who seek work to be able to enjoy the support of subsidized housing.

Currently, there is very little turnover in any subsidized housing. In fact, there are 13 million people who are eligible for subsidized housing. And less than 3.5 million actually receive it.

Mr. Chairman, the original intent of subsidized housing was that it be transitional, that people who needed some help to get their feet on the ground would be able to take advantage of subsidized housing in the interim until they achieved economic self-sufficiency.

What this is doing is providing a significant incentive for people to find work, to get themselves on the ground, so to speak, and then after 5 years they would lose their eligibility for this assisted housing.

So that it will create some turnover in assisted housing as well.

I would suggest to the Members they consider this with regard to welfare reform.

I will bet that Members are not aware of this.

Mr. PASTOR. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Arizona.

Mr. PASTOR. I thank the gentleman for yielding.

Mr. Chairman, I support the gentleman's amendment. I think what he wants to do is great because we need a little bit of assistance to the people getting off welfare.

But with the rescissions and the new budget that is coming up and the budget for section 8 and the budget for public housing almost being destroyed, does the gentleman think it is really going to happen that you will be able to implement his amendment, knowing that the Republicans are going to destroy section 8 and public housing?

Mr. MORAN. I would respond to my friend, the gentleman from Arizona [Mr. PASTOR], the fact is this is a good amendment, regardless of what happens to section 8 or public housing. We cannot throw in the towel and ignore any improvements possible under the assumption that ultimately all housing subsidies programs are going to be eliminated. I do not think that is going to be the case.

In fact, those programs that continue to exist, we have all the more reason to prioritize who gets the advantage of them. This does not affect elderly or disabled people, because families need more than one-bedroom efficiencies, which is what is available to elderly and disabled.

I think many people may not be aware of fact that in terms of eligibility for housing subsidies, AFDC is counted as income. When welfare reform passes and people who choose not to go into a work program lose their AFDC, the other part of the Federal Government, HUD, is going to make it up for them. HUD is going to reduce their cost of subsidized housing so that there will be a reverse, a perverse incentive, if you are in public housing, not to participate in the work participation program.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, I too share some of the concerns raised by the gentleman from Arizona [Mr. PASTOR] with regard to the gentleman's amendment. I note he suggests it does not explicitly, does not affect the elderly and disabled, but there is no explicit exclusion in the amendment that the gentleman is offering.

Furthermore, as the gentleman from Arizona [Mr. PASTOR], our colleague, raised, the new proposals in terms of HUD, the reinvention blueprint actually asks to mix more people into housing. Of course, it normally leaves the preference decisions, with their long waiting lists, to the local control in many instances. This is contrary to that.

Furthermore, I think if this were to—it needs some work, I am sure—but it sets up a two-tier system for residents of public and assisted housing. It could displace many families currently on waiting lists or who are not enrolled in training programs, for a variety of reasons.

The gentleman mentioned the obvious ones in terms of age or disability. But others who have been waiting who are not on training programs and who have been on the list for years could be displaced. If the gentleman would continue to yield, and I appreciate his doing so, it makes no exceptions for families who may lose their jobs or whose economic situation changed within a 5-year period.

It makes no exceptions for families who go to work at jobs with wage levels that make them ineligible for housing.

I know the gentleman's contention is if they receive the income, that they would not be so affected in terms of still not being impacted. We would like to keep those benefits in place.

I think the intent of it is good. The effect of the amendment though, in terms of existing housing polices raises many questions.

Mr. MORAN. I say in response to my friend, the gentleman from Minnesota [Mr. VENTO], who has been very active in the housing area on the Subcommittee on Housing, it does not specifically exclude the elderly and disabled, but families looking for subsidized housing are not looking for one-bedroom efficiencies. They are not in competition with the elderly or disabled.

I would also say to my friend that one of the biggest problems in terms of subsidized housing being used for the people in greatest need is that the only area that most jurisdictions are willing to provide subsidized housing is for the elderly and disabled because they make more profit. The developer makes more profit in building a high-rise. They do not like to provide subsidized housing for families. That is where the greatest need is; that is, those who compose most of the waiting list, families with children, not the elderly or disabled, because most jurisdictions are more than happy to provide for the elderly and disabled. They do not want families with kids. They assume they are unruly, with kids and so on, when they come from a family of poverty. That is our biggest problem in making the best use of the limited subsidized dollars that we have.

But I would also suggest that those families that are on this waiting list, they ought to have an incentive to get a job, to pursue the ultimate objectives of welfare reform, which in fact both Democrats and Republicans agree is self-sufficiency. There ought to be an incentive. This is one of the most substantial incentives we can provide.

If you go out and search for a job and find a job, we are going to provide subsidized housing for a limited period of time, 5 years, so you can get on your feet. This is consistent with both Republican and Democratic philosophy. It also would make much greater priority use of the limited subsidized housing funds we have available.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MORAN. Is the gentleman speaking in opposition?

Mr. KENNEDY of Massachusetts. Yes.

Mr. MORAN. Mr. Chairman, 10 minutes is reserved on the other side, none of which has been used as yet. I would suggest the gentleman seek time there.

Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, what I wanted to talk about is more the general rhetoric that we have heard on the floor in the last few days about this bill.

Mr. Chairman, I have been astounded and astonished to hear the harsh, unreal, and irresponsible talk coming from the Democrats about welfare reform. To do as they have done, call State and local governments cruel and heartless, is irresponsible. To do as the Democrats have done, call our neighbors and neighborhoods mean and insensitive, is harsh to the extreme.

To do as the Democrats have done, refer to the work of our churches and charities as uncompassionate, is out of touch with reality.

Mr. BAESLER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. WALKER] yield for the purpose of a parliamentary inquiry?

Mr. WALKER. I do not, Mr. Chairman.

The CHAIRMAN. The gentleman does not yield.

Mr. WALKER. Oh, the Democratic opponents of welfare reform will say they have called none of those Americans these names. They claim to be attacking the Republican welfare reform bill or the Contract With America.

But the underlying facts belie their caterwauling. We Republicans are not empowered by our welfare reform bill. The legislation turns power back to States and localities, to neighborhoods, to churches, and to charities. The only way that the results can be cruel and harsh, insensitive and mean, and uncompassionate is if you do not believe in the basic goodness of the American people and the American society. And the fact is—confirmed by this debate—the liberals do not believe in the basic goodness of the American people and American society.

The Democrats long ago came to the conclusion that goodness and mercy flow through Federal bureaucrats. Opponents of welfare reform truly believe in taxing working people more so that they can have more money to spend on spreading good will through Washington solutions.

That's why liberals are opposed to this legislation. It changes things. Democrats are in favor of keeping the present welfare system. They derive much of their political standing and power from the present welfare system. Their talk of meanness and insensitivity is status quo talk.

The opponents of welfare reform have done everything they can for 40 years to build the present system. It is the symbol of all they believe. They do not want to see it changed by a new majority.

That is the real choice before us in the bill on this House floor.

Do you agree with the present system that robs working people of the treasure of their work in order to support people who refuse to work?

Do you believe the Food Stamp Program is the best way to feed the needy or are you disgusted to see food stamps abused as you walk through the grocery store check out line?

Do you believe the School Lunch Program works well or are you disturbed to see the garbage truck haul away half the food, food the kids have thrown away?

What the Democrats are defending with their harsh, unreal, and irresponsible talk are programs that are immoral and corrupt. It is immoral to take money from decent, middle-class Americans who work for everything they have and give it to people who think they are owed the money for doing nothing.

It is immoral to run up our debt leaving our children and grandchildren to pay the costs of federally apportioned compassion.

It is immoral to consign poor people to lives of living hell as government dependents so that politicians and bureaucrats can maintain power.

It is corrupt to keep a system that is best known for its waste, fraud, and abuse.

It is corrupt to give money to Federal bureaucrats that should be going to truly needy people and call the spending compassionate.

It is corrupt to pick on the most vulnerable people in our society, the children and the poor, to maintain ones own political power base.

Yet that is what this debate has revealed about the opponents of welfare reform. They cannot accept good welfare reform because it changes the pattern of power in America. The immoral and corrupt system they have fostered comes to an end. What the Democrats speak on this floor is the language of fear—fear of the future, fear of change, and fear of the loss of their political power. The system no matter how corrupt is their system and they want to keep it. The system no matter now immoral is their system and they want to keep it.

What the rhetoric of the Democrats have spoken on this floor tells us is that anyone who wants the welfare system changed should support the welfare reform legislation that we have before us.

Sixty years ago, Franklin Delano Roosevelt told us that all we had to fear was fear itself. Today, Democrats tell us clearly in this debate that all they have left is fear itself.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Sure, I would be happy to yield to the gentleman.

Mr. RANGEL. I thank the gentleman from Pennsylvania for yielding.

Mr. Chairman, is it not a fact that the Republicans are not driven to reform the system which Democrats want to reform too but they are driven in order to save the money in order to pay for this horrendous tax bill that you have introduced on the Contract With America?

Mr. WALKER. The gentleman is absolutely wrong. What we are attempting to do is have economic growth and at the same time make certain we bring down the debt and deficit. It is corrupt and immoral what the Democrats are out here on the floor defending. I say to the gentleman from New York [Mr. RANGEL].

Defending this welfare system is actually corrupt and it is immoral.

□ 1245

This system is absolutely one of the most corrupt and immoral systems, and it is about time we reform it.

Mr. RANGEL. It is tax reduction, not welfare reform, and the gentleman knows it.

Mr. MORAN. Mr. Chairman, I yield 30 seconds to the gentleman from Kentucky [Mr. BAESLER].

Mr. BAESLER. Mr. Chairman, I would like to rise in support of the amendment offered by the gentleman from Virginia [Mr. MORAN]. It does provide incentives, and I do think it recognizes the importance of work over those who do not work, and I hope we pass it.

Mr. MCDERMOTT. Mr. Chairman, to extend debate, as Mr. GIBBONS' designee, I move to strike the last word, and I ask unanimous consent to be allowed to yield blocks of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

PARLIAMENTARY INQUIRIES

Mr. MORAN. Mr. Chairman, I have a parliamentary inquiry of the Chair as to the effect of granting the last request.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MORAN. In other words, Mr. Chairman, will the gentleman from Massachusetts [Mr. KENNEDY] have a block of time to explain his position?

The CHAIRMAN. The gentleman from Washington [Mr. MCDERMOTT] will control 5 minutes and be able to yield it, and the gentleman has 1½ minutes remaining in his time.

Mr. KENNEDY of Massachusetts. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I am trying to understand. If we have a Democrat and a Republican that are both in favor of the amendment and we have a Democrat, a group of Democrats, that are opposed to the amendment, how has the Chair divided the time in aggregate?

The CHAIRMAN. Ten minutes went to the proponent of the amendment, 10 minutes to an opponent of the amendment——

Mr. KENNEDY of Massachusetts. The trouble is, Mr. Chairman, that the chairman of the committee is not opposed to the amendment.

The CHAIRMAN. He claimed the time by unanimous consent because no one else claimed it, and no one complained about it; no one objected to his unanimous-consent request, so the gentleman——

Mr. KENNEDY of Massachusetts. Did he ask for the unanimous-consent request, Mr. Chairman?

The CHAIRMAN. Yes, he did, and the gentleman from Washington [Mr. MCDERMOTT], as the designee of the ranking minority member, has the privilege of striking the last word, and having 5 minutes, and controlling it, and he just did that under unanimous consent.

Mr. KENNEDY of Massachusetts. I understand.

Mr. MCDERMOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I speak in strong opposition to this amendment, not for the intention that the gentleman from Virginia [Mr. MORAN] has for offering it, but

rather for some of the bizarre and unanticipated results that I think will occur if the amendment were accepted.

First of all, let us recognize that there in fact would be a disincentive to have families get into this program if the amendment offered by the gentleman from Virginia [Mr. MORAN] goes through as it is currently written with a 5-year time limitation. Why would any family want to get into a program that is going to limit them to 5 years in one of these housing programs when, if they do not go into the housing program under the 5-year provision, they would be able to stay in for a much longer period of time? This amendment only affects new section 8's that become available. There are very few new section 8's that are going to become available in this country in the next few years, particularly as a result of the budget process.

Second, it seems to me that we already have a situation where we are creating preference after preference. We have preference for victims of AIDS. We have preference for elderly. We have preference for disabled. I say to my colleagues, If you're just a regular poor person in this country, you can't get on any section 8 voucher list that actually will get you a section 8.

The fact is, in Massachusetts today, we have 17,000 people waiting on section 8. The only people that ever get a section 8 voucher are those at the very top who end up continuing to trade off between the special groups that have gotten these preferences, so it seems to me that what we ought to be doing is looking, as this housing committee is going to be doing in the next few weeks, not linking housing to the welfare debate, as this amendment unintentionally does, but let us review.

President Clinton has provided a blueprint through Secretary Cisneros to have a complete revision of the housing programs. The Republicans have done the same. The gentleman from New York [Mr. LAZIO] and I have an opportunity to look through these issues and get this issue resolved once and for all.

Mr. MCDERMOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I hope the amendment is defeated. We fall into an unfortunate pattern when we do things like this. We, outside the context of an overall consideration of a program, say this particular group is very worthy, and we give them a preference over everybody else, and Members vote on that thinking of the worthiness of the particular recipients of the preference. What they do not realize is that giving a preference to group A means giving a disadvantage to every other group.

So I say to my colleagues, You're not voting now, if you vote on this, as to whether or not this particular group is worthy of a preference. The question is: Is every other group in need of housing unworthy? Should every other group be put down? In fact, you have people who are very poor. You have people who have been working and not quite making enough wages to make it in the private market. Both groups get disadvantaged by this. It simply falls into a pattern that we have fallen into before. You hinder the law with a set of preferences that are often inconsistent, that don't harmonize, that don't, in fact, represent a rational preference system because you simply say this one group, and this one group is all you can deal with here because we're dealing with welfare. So this says this one particular group will be deemed by us more worthy than everybody else, and this is not a basis on which we should be deciding who everybody else is.

Mr. Chairman, I have served on the Housing Subcommittee, and I could not tell my colleagues who everybody else is, and I am sure other Members could not either. So the question is not whether we should do something for the people in this program. It is should we disadvantage everybody who is not in this program, should we decide that everybody not in this program is not worthy of getting housing or not worthy of a preference because, as the gentleman from Massachusetts pointed out saying, "No, you get pushed down the list," meaning they do not get housing at all. I do not understand why we would say, without the ability to make comparisons, that we are going to single out one group to the inevitable disadvantage of every other.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I thank the distinguished chairman of the Committee on Ways and Means.

Mr. Chairman, this is the where we are about to be introduced to the law of unintended consequences. I think that the gentleman from Virginia [Mr. MORAN] has the most noble of intentions, and I share his concern in regard to the general preferences, but I want to outline two things.

First of all, the area of preferences in, tenant preferences in particular, in housing will be addressed by the committee when we do the rewrite. It will be done in a very fundamental way, and it will be affecting many different people, many different groups, not just those people who are, say, victims of AIDS and the elderly, those people who have been dislocated as a result of Federal action. That will all be addressed in a more fundamental, more comprehensive, hopefully more thoughtful approach during the housing rewrite.

I also would like to say that we are going to be involved in placing seniors and disabled people who do not have the ability to go out to work who are disproportionately on the waiting lists. They are going to be bumped as a result of this amendment if it is offered.

So I would ask the gentleman if he would consider speaking with me and working with the committee to ensure that we target the area that he wants to target. I understand what he is trying to do, I think, and we would like to work with the gentleman in terms of addressing it in the housing bill. We think maybe he is dealing with some unintended consequences here in particular when it comes to single bedroom units and say that there are families interested in that. As a matter of fact, right now we are having families put in place in one bedroom units. Those are the same one bedroom units that the disabled, who cannot go out and work, or seniors who cannot go out and work, are seeking and are going to be bumped off the waiting lists, so I just simply ask the gentleman if he would consider possibly withdrawing it and working with me to ensure that we target the population that he is concerned with.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman from New York [Mr. LAZIO] for his statement, and I think the same questions that he is raising are questions that are raised previously with the gentleman from Virginia [Mr. MORAN], and the good intentions of the amendment has to be looked at. As my colleagues know, content without context is pretext, and we got a problem here in terms of how this all fits together in terms of what we are trying to accomplish, and I would hope that I think the suggestion of trying to either withdraw this or at least address the concerns raised with the gentleman from New York [Mr. LAZIO], myself, the gentleman from Massachusetts [Mr. KENNEDY] and others, would be possible, and I hope the author would consider that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield just briefly?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. I just also want to make the point that one of the difficulties with this issue is the whole notion of a 5-year sunset on all housing. I think the sunset that the gentleman from Virginia [Mr. MORAN] has written into this is a very different housing policy than we have ever had in this country, and I think to do this without having debate—as my colleagues know, I just found out about this amendment earlier today. I think this a very substantive change in our Nation's housing policy. It might make some sense under some circumstances, but let us have an opportunity to talk about it, to discuss it and to try to determine what the consequences are going to be. I want to just make sure that the gentleman from Virginia [Mr. MORAN] understands that there are going to be tens of thousands of people that are getting section 8 vouchers today that will have to get over $11 an hour in order to pay for 30 percent of their income that would qualify them

for housing in the private marketplaces.

So I say to my colleague, you're making a very big leap that somehow you're going to get from welfare to an $11 an hour job within 5 years. I don't know that we're going to be able to do that for the tens of thousands of people that could ultimately be affected as a result of this amendment. I think that it's well-intended, but I think it's shortsighted in terms of some of the perverse consequences that could result because of the way the amendment has been written.

Mr. LAZIO of New York. Mr. Chairman, I just want to expound on that again, what the gentleman from Massachusetts [Mr. KENNEDY] is saying again and the gentleman from Virginia [Mr. MORAN] I think again with the most noble of intentions, but we are talking about time limitations and upon the broad population, and I know this is not the intention, to possibly raise it in this context possibly some other time. We are dealing with people that do not have the ability to go out and go to work. The behavioral changes that we are seeking to adjust through welfare reform are not applicable when we talk about the disabled, the seniors.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I would join in asking the gentleman from Virginia [Mr. MORAN] to withdraw the amendment and let the committee work on it. I do not know what its impact on senior housing is, plus in our community we have a very unique project with Indian preference, and I think this amendment would override what has been very difficult negotiations.

Mr. McDERMOTT. Mr. Chairman, I yield 1 minute to the gentleman from Cleveland, OH [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I, too, would hope that the gentleman from Virginia [Mr. MORAN] would consider withdrawing this amendment. I know he is well intentioned in this amendment, but it is really a bad amendment.

Mr. Chairman, this amendment would impact every individual in public housing. Public housing recipients include the most vulnerable persons in this Nation, our elderly and children. There are nearly half a million elderly—predominantly single and disabled women—and almost a million and a half children living in public housing. The effects of the Moran amendment on their lives would most certainly be severe. Under this measure, participants in welfare-to-work programs have preference over all other eligible households. Thus, many of the elderly and children in families with nonable-bodied adults would be in jeopardy of having their assistance terminated.

In addition, setting an arbitrary time limit on housing assistance is misguided and, while families receiving housing assistance should be encouraged, this amendment really discourages them from doing so.

Mr. Chairman, I would hope the gentleman would withdraw his amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. MORAN] is recognized for the remaining 1½ minutes.

Mr. MORAN. Mr. Chairman, let me respond to my friends with whom I share many public policy objectives, but I would strongly disagree with the suggestion that we ought to stick with the status quo. Let me tell my colleagues about a family in Alexandria right across the bridge.

Mr. Chairman, the mother whose husband left her 4 years ago is sleeping in an automobile. Her 6-year-old is with her in the back seat. The 4-year-old is in the front seat. They have been on the waiting list for 4 years. She has no hope of ever getting subsidized housing, and she is not unique.

□ 1300

Because subsidized housing goes to people who have contacts, and in many urban areas, as it is in the District of Columbia, it went to people who were willing to bribe housing officials. In most suburban jurisdictions, subsidized housing goes to the elderly and the disabled, because that is where the profit margin is for building high-rise apartment buildings, and they are no threat to the community.

Families with children are in great need of subsidized housing today, and those families who are willing to participate in a work participation program ought to get some incentive and ought to get some support. There are 13 million families today who qualify for housing and people in housing have no incentive to leave it, and we have no regulation that requires them to leave it. They are in there for life.

Mrs. LOWEY. Mr. Chairman, I rise today in opposition to this amendment that would grant preference for obtaining Federal housing assistance to families that participate in required State welfare work programs.

While I share the goal of my colleague, the gentleman from Virginia—to assure that working people are rewarded for playing by the rules, I have concerns about the unintended consequences of this amendment as drafted.

By providing a housing preference for people participating in the State welfare work programs, this amendment will create a bias against women with young children. It should come as no surprise that when young children are involved, the primary caregiver often stays at home—especially when safe, affordable, child care is not available. If this amendment were to pass, those parents who are at home with their children for whatever reason—would be penalized—and could be denied of appropriate, affordable housing.

Furthermore, in discussing this amendment with housing officials in my district, I have heard serious concerns that this amendment might undermine preferences which have been carefully developed. For example, some communities have given preference for section 8 housing for residents of their own communities, I do not want to see this House run roughshod over reasonable requirements that have often been in place for some time.

While I know the intention of the amendment is to reward people who work, the unintended effect would be to penalize a parent who stays home with a young child. It could also damage perfectly appropriate locally established preferences. I urge my colleagues to vote "no" on this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. MORAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MORAN. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Virginia [Mr. MORAN] will be postponed until after the vote on amendment No. 18.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 18 offered by the gentlewoman from Florida [Ms. ROS-LEHTINEN] and amendment No. 20, offered by the gentleman from Virginia [Mr. MORAN].

AMENDMENT OFFERED BY MS. ROS-LEHTINEN

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 18 printed in House Report 104-85 offered by the gentlewoman from Florida [Ms. ROS-LEHTINEN] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

Mr. ARCHER. Mr. Chairman, I withdraw my demand for a recorded vote.

The CHAIRMAN. The amendment stands as agreed to.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. MORAN

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 20 printed in House Report 104-85 offered by the gentleman from Virginia [Mr. MORAN] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 35, noes 395, not voting 4, as follows:

[Roll No. 262]

AYES—35

Baesler	Condit	Emerson
Baker (LA)	Cooley	Geren
Beilenson	Cramer	Gilman
Brownback	Davis	Green
Bryant (TX)	Deal	Hall (TX)

Hansen
Hayes
Klink
Lincoln
McCrery
Montgomery
Moran
Myers
Myrick
Norwood
Orton
Parker
Pastor
Payne (VA)
Pelosi
Roth
Souder
Stenholm
Tanner
Thornton

NOES—395

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Conyers
Costello
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hancock
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Moorhead
Morella
Murtha
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Paxon
Payne (NJ)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stark
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—4

Clay
Roukema
Salmon
Smith (WA)

□ 1321

Messrs. ROBERTS, GOSS, and SMITH of Michigan, Mrs. FOWLER, and Messrs. FOLEY, MILLER of California, WICKER, and TIAHRT changed their vote from "aye" to "no."

Mr. HANSEN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SALMON. Mr. Chairman, I just wanted to say that I did miss rollcall No. 262. If I had been here, I would have voted "no."

The CHAIRMAN. It is now in order to consider amendment No. 21 printed in House Report 104–85.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. TRAFICANT: In section 7(i)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)), as added by section 556 of the bill, insert ", except that each electronic benefit transfer card shall bear a photograph of the members of the household to which such card is issued" before the period.

The CHAIRMAN. Under the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is there a Member in opposition to the amendment?

Mr. ROBERTS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have a system right now with food stamps that has become street currency. Hard-earned taxpayers' dollars going to provide food and nutrition for programs will end up being trafficked on the streets of our cities in many cases.

But as Members know, there are abuses not only on the street. Citibank has just moved to incorporate a photograph in their credit card. If you go to Sam's Club now, Sam's Club requires a photograph on that transaction card. All the States in the union now require a photograph on their driver's license.

There was a time when individuals would take a driver's license and use a fraudulent driver's license in the wrong capacity. As a result, the States were moved to put that photograph on there.

The Traficant amendment requires that if a State opts for the electronic benefit transfer system, they can use that money, but the Congress of the United States says, That card shall have a photograph of the head of the household.

There has been some question if, in fact, my amendment would require everybody in the household to have a photograph. No, it would not. That would be up to the States and legislative history to date shall determine that.

But the point is, many times you will see a police car at an intersection and the police officer does not have a radar gun on anybody. Maybe he or she may be doing their paperwork. People approach that intersection, see that police car, they take added caution.

Everybody in this House is concerned about the limited dollars we have to apply to the needy people of our country. Let me say this, every dollar that can be saved by preventing abuse and fraud and the unintended purpose of the expenditures of these moneys is that much more for the people of our country who depend upon their food and nutrition from programs such as this.

I am not going to use up all my time in the beginning on this. I am saddened to see there are some in the Department of Agriculture, bureaucrats that oppose it. Well, those bureaucrats could not commit Sam's Club not to do it. They could not commit Citibank not to do it. The private sector is starting to put those photographs in because in the final analysis, they are cost effective. They save money. They stop abuse.

Mr. Chairman, I reserve the balance of my time.

Mr. ROBERTS. Mr. Chairman, I yield myself much time as I may consume.

Mr. Chairman, I rise in reluctant opposition to the gentleman's amendment. The gentleman from Ohio [Mr. TRAFICANT], as every Member knows, is the Buy American amendment champion of the House of Representatives and does yeoman work in that regard.

I agree with the gentleman's intent of the amendment. And the gentleman does describe a real problem we have in the Food Stamp Program where approximately $3 billion in expenditures, as itemized by the inspector general of the Department of Agriculture, is going to fraud, abuse, and organized crime.

□ 1330

We have stores in big cities that are not stores, they are just clearing houses in regard to using the Food Stamp Programs and the coupons as a second currency to bankroll organized crime.

We have a strong antifraud provision in this bill. It is bipartisan. The distinguished ranking minority member, the gentleman from Texas [Mr. DE LA GARZA], chairman emeritus of the House Committee on Agriculture, has contributed to that effort, and the administration has contributed to that effort.

We asked the inspector general of the Department of Agriculture whether or not the amendment of the gentleman from Ohio [Mr. TRAFICANT], from a practical standpoint, would be of help. I think from a perception standpoint there is no question that gentleman's amendment in terms of intent is very positive, but the amendment requires that the EBT cards contain a photograph of the family receiving food stamps.

In the first place, we have a problem here with an unfunded mandate, since the States pay half the cost of the EBT, or that card. By this amendment, they would be required to pay additional amounts for a system that includes the photographs.

In addition, in contacting the Inspector General, there is very little if any evidence, there is no evidence that having a photograph of the entire family of the EBT card will stop any kind of trafficking.

In order to traffic in Food Stamp Programs with an EBT card, there must be a willing participant and a willing person in the grocery store. Having a photograph on that card will not deter the trafficking, because the grocery store person is a willing participant. That certainly would not stop the case. Without a willing partner in the grocery store, there would be no trafficking with the EBT cards.

I want to make it clear that the EBT cards are instrumental in reducing the incidences of street trafficking of food stamps, but it does not eliminate the trafficking. However, EBT does provide a trail, so that law enforcement personnel can trace these violations, and then really prosecute all who violate the act.

I would say to my colleagues, Mr. Chairman, that while I admire the gentleman's intent, and I admire the gentleman, the cost of placing a photograph of a family on the EBT card, while unknown, is unlikely to pay off. I think it is going to slow down our efforts to have States adopt a criteria to put in place the entire system is regard to EBT.

Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON], the distinguished chairman of the subcommittee in charge of food stamp reform.

Mr. EMERSON. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I, too rise in reluctant opposition to the amendment of the gentleman from Ohio [Mr. TRAFICANT]. I wonder if he might consider withdrawing it, and for this reason. We do create here an unfunded mandate.

The subsequent amendment is going to allow the States, if they wish, in pursuit of an EBT system to do what the gentleman wishes. I personally consider. I have been interested in the EBT approach to the management of our welfare system for a long time. I think it has very unique potential.

I intend, as the chairman of the relevant subcommittee on the Committee on Agriculture, to hold early oversight hearings into this subject, and I would like to work with the gentleman from Ohio and cooperate with him in seeing that his concerns are addressed. I would simply like to explore the issue that the gentleman raises here before we lock ourselves into doing it, and I am willing to pledge to him my cooperation in pursuing this idea.

There are a lot of aspects to EBT that in an oversight sense are going to need to be addressed. We will be back at the subject again in the farm bill, when that is before us in the committee in May. There are going to be opportunities this year to address the concerns of the gentleman from Ohio. I appreciate his interest and look forward to working with him as an ally in pursing the goals that he has in mind here.

Mr. Chairman, I just think there is a better way to do it down the road.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for his contribution, and I reserve the balance of my time.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Let me see if I understand this. The inspector general who has been responsible for a food stamp program that is the laughingstock of the free world is now going to advise us as to what is evidence and what may prove to be a system that would provide some preventive mechanisms from fraud and abuse?

If the Congress of the United States, after the track record of food stamp programs, is going to accept advice of counsel, some bureaucrat in some office downtown who never had to cash a food stamp and does not know how important they are to the family, if we are going to follow their advice and counsel, we have made a great mistake.

Second of all, let me say this. There is a lot of technology coming into play. The Coburn amendment adds to that. The Traficant amendment deals with the streets. People on the streets do not have computers, they do have fingerprint scans, but one thing they know: If there is a photograph on that card, and they do not have permission to have that card, and they are at any time apprehended with that card, they are subject to problems.

I do not need evidence from the inspector general, who screwed up the food stamp program. If the food stamp program was OK, we would not have the EBT here being discussed on the floor.

Citibank, Sam's Club, driver's license: when you go to vote on the Traficant amendment, look at your voting card. My God, are we worried about trafficking in voting cards? The truth of the matter is, the Congress of the United States is saying "Look, you do not have to adopt an EBT system. If you do, there are block grants. Go ahead and implement it." However, the Congress of the United States is saying as an added safeguard, to make sure that money that we are putting into food and nutrition goes to the people who need it, the Congress is saying we want a picture on it.

At Sam's Club they have a computerized system. You go in, they take your picture, and you get a computer printout card with a photograph on it. We are not reinventing the wheel here.

Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado [Mr. MCINNIS].

Mr. MCINNIS. Mr. Chairman, I thank the gentleman for an opportunity to address this.

I think the gentleman is absolutely right, Mr. Chairman. He used to be a sheriff. I used to be a police officer. Let me tell the Members, it makes a difference on the streets. I think the gentleman from Ohio brings up a good point, that hey, it may not thrill the inspector general, but when is the last time the inspector general rode out there in a squad unit or was out on the streets? It is going to make a difference.

We have huge amounts of fraud going out there with food stamps. The food stamp program has lost its credibility across this country because of the fraud, and frankly, not only because of the fraud, but the failure of somebody to do something about the fraud.

This is a very simple maneuver. It is not going to require a lot. It is not going to require big cost. It did not require us much to put that picture on our voting card. That is our picture. I can bet the Members money none of them are going to take this. This is a small crowd.

We know that out on the streets you get that picture, and it is like the gentleman from Ohio [Mr. TRAFICANT] says, it is like an empty squad car. When we would go out for our coffee breaks we never parked our squad cars behind the building. We parked them right out on the street, because everybody coming up thought they were getting radared. It is the perception that counts.

The perception will count in cutting down on food stamp program fraud. I stand in strong support of the amendment of the gentleman from Ohio [Mr. TRAFICANT]. I think we have to move this argument to the street. What is the streets' perception?

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is always interesting to note in a debate when somebody starts to pillory another individual, when they do not know anything about the other individual.

The new inspector general of the Department of Agriculture is Roger Viadero. He has been on board for 4 months. He is the gentleman who took the tape and provided the House Committee on Agriculture the first hearing on fraud and abuse in years and years and years. It was the 1st of February.

Prior to 4 months ago, he spent a career in the FBI and as a street cop: street, street. I would tell the gentleman from Colorado [Mr. MCINNIS] and the gentleman from Ohio [Mr. TRAFICANT], he was a street cop. He knows full well what will happen in regard to this particular effort.

Let me remind the gentleman that an EBT card is not an ID card. I hope nobody around here is voting with an EBT card. It is not a driver's license. It is not a bank card. In addition to that, Mr. Chairman, in terms of the inspector general's advice, and he is in charge of it, he has indicated that it will not stop the trafficking that my colleagues hope would take place.

If you have an EBT card and you cheat, you have to have a willing participant on the other side. It will take more time for States to meet the criteria of an EBT system to provide an audit trail to stop fraud if we put a picture on the EBT card.

If we require it, it is an unfunded mandate. States will have to pay half of the cost. In addition, the gentleman's amendment is structured, and he cannot amend it, according to the rule, that the entire family has to be on the card. What do we do with a 10-member family, or 9 or 8 or 7 or 6? The picture would have to be larger than the card.

This does not serve any practical, useful purpose. It may send a message in terms of perception, but in terms of food stamp program reform and stopping crime and fraud, we should not use perception, we should use the best advice of a street cop, an FBI expert, and a gentleman who has come to the inspector general's office after it has been absent. The administration did not fill that position for the better part of 2 years.

Mr. Chairman, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if the Members will read the amendment, it stays "The transfer card shall bear a photograph of the members of the household to which such card is issued." The States who enact that will make that determination. It does not necessarily mean they will have to have a photograph of everybody in that family. That is a misrepresentation.

I commend the fine background of this new inspector general, but let me say this, anybody who says this photograph will not be a deterrent is either smoking dope or never did work on the street, because the gentleman himself has said in his comments that it would take a willing participant, a willing second party, and a willing second party knows that they are holding, now, a transfer card with someone else's picture on it.

Mr. MCINNIS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield 30 seconds to the gentleman from Colorado.

Mr. MCINNIS. Mr. Chairman, I agree with the gentleman, and I agree with the inspector general, whoever perpetrates the fraud walks into the store and has a willing participant on the other side of the counter. What we are talking about is before they walk into the store, there are people who will take that card with fraud intended, and with the photos on there, they are not going to go into the store.

Of course it is going to have savings. Of course it will cut down on fraud.

Mr. ROBERTS. Mr. Chairman, might I inquire of the Chair how much time we have remaining?

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] has 1½ minutes remaining, and the gentleman from Ohio [Mr. TRAFICANT] has 1½ minutes remaining. The gentleman from Kansas [Mr. ROBERTS] has the privilege of closing.

Mr. TRAFICANT. Mr. Chairman, I yield 30 seconds to the former sheriff, the gentleman from Pennsylvania [Mr. HOLDEN].

Mr. HOLDEN. Mr. Chairman, I thank the gentleman for yielding time to me.

First, I want to commend the gentleman from Missouri [Mr. EMERSON] and the chairman, the gentleman from Kansas [Mr. ROBERTS], for the work they did on this. I, too, have 14 spent years in law enforcement, 7 as a sheriff, and I support the amendment of the gentleman from Ohio.

We have pictures on drivers licenses, we have pictures on ID's, to identify people for alcohol. It works as a deterrent. The first EBT project program in the whole country was in Reading, PA, in my district.

I just hung up with the director of public welfare in Berks County, PA. They tell me this will work as an added deterrent to people trying to defraud the welfare system through EBT. I urge everyone to support this.

Mr. ROBERTS. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I thank the gentleman for yielding time to me.

I simply want to point out we are a little into an apples and oranges argument here. The point of opposition that I have to the amendment of the gentleman from Ohio [Mr. TRAFICANT] is that it is an unfunded mandate.

A few weeks ago we passed an unfunded mandate bill and said States, we are not going to do this to you anymore. We are going to give you broad flexibility to figure things out. Here are the broad parameters of the program. Now, you devise it as best you can.

The next amendment to be offered is one that allows States to pursue the gentleman's idea, but does not mandate it.

□ 1345

Mr. ROBERTS. Mr. Chairman, I yield 30 seconds to the gentleman from Oklahoma [Mr. LARGENT].

Mr. LARGENT. Mr. Chairman, I rise in opposition to this amendment as well.

My opposition is simply based upon the fact that the subsequent amendment that we are going to be addressing introduced by the gentleman from Oklahoma [Mr. COBURN], who has done extensive work on this, really yields the opportunity, as my colleague the gentleman from Missouri just said, to the States.

If we are about anything in H.R. 4, it is about granting the authority and the power to make decisions like this back to the States where people really are on the street dealing with this issue.

I urge a "no" vote on this amendment on the basis that it will be addressed later.

Mr. TRAFICANT. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio is recognized for 30 seconds.

Mr. TRAFICANT. I am going to support the Coburn amendment, but remember this: The Coburn amendment does not say there has to be a photograph.

The Traficant amendment says the Congress of the United States gives you the option of having this new system.

But the Congress of the United States says you can opt to use that block grant money for it. But the Congress of the United States wants a photograph on that card, because the Congress of the United States wants to ensure that the limited dollars that we have go to the hungry children in the families that we are here trying to help with the limited moneys that we have. I appreciate your support.

Mr. ROBERTS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Kansas is recognized for 30 seconds.

Mr. ROBERTS. Well, if we could lower our voice a little bit and indicate that Members who oppose the amendment are not smoking dope, it would be helpful. Maybe corn silk at one time but certainly not dope.

I would hope the gentleman would withdraw the amendment, that we could deal with this in regards to the farm bill when we reauthorize the Food Stamp Program. That is the appropriate time. It is an unfunded mandate.

The Inspector General of the Department of Agriculture who has done more to sift out fraud and point out the problem says from a perception standpoint maybe, from a practical effect no.

Consequently, I would hope that Members would oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ROBERTS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT] will be postponed until after the debate on the amendment numbered 25.

It is now in order to consider amendment No. 22 printed in House Report 104-85.

AMENDMENT OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. COBURN:

In section 556(a) of the bill, strike paragraph (2) and insert the following:

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) by striking "the approval of";

(C) in subparagraph (A) by striking ", in any 1 year,"; and

(D) by amending subparagraph (D) to read as follows:

"(D)(i) measures to maximize the security of such system using the most recent technology available that the State considers appropriate and cost-effective and which may include (but is not limited to) personal identification number (PIN), photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the date of the enactment of the Food Stamp Simplification and Reform Act of 1995, measures that permit such system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment."; and

The CHAIRMAN. Pursuant to the rule, the gentleman from Oklahoma [Mr. COBURN] and a Member opposed will each control 10 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman I yield myself such time as I may consume.

After listening to the discussion that we just had, I think it is important that we bear in mind that the objectives of the gentleman from Ohio and my objectives are the same. That is, to try to return integrity to the Food Stamp Program at the point at which food stamps are used.

Several gentlemen have shown their congressional voting card here today that does have a photo ID on it. This amendment will allow that if a State so chooses to have a photo ID.

The Food Stamp Program was established to provide a level of nutritional sustenance for people who cannot afford to feed themselves. Oftentimes this does not seem to be the case when we observe how food stamps are used.

Everyone knows that the current system has loopholes that have allowed fraud, waste, and abuse to become rampant. Many States, including my home State of Oklahoma, are looking at electronic benefit transfer systems as an alternative way which have proven to be effective at saving administrative costs and cutting down on waste, fraud, and abuse.

H.R. 4 encourages States to establish EBT systems for distributing food stamp benefits. For this reason I wholeheartedly agree.

My amendment is intended to further help States make the transition to an EBT system while strengthening the ability of States to cut out the waste in the system.

The first part of the amendment addresses a concern that many States have voiced in setting up an EBT system. Current law states that an EBT system must demonstrate lower administrative cost than paper coupons in any one year.

Although costs have been shown to be considerably lower with EBT systems over time, the first-year cost may be higher in order to set up this new system.

The amendment drops the "any one year" phrase to give States the flexibility to set up a system that works properly while still keeping administrative costs far lower than the current system.

The second part of the amendment addresses one of the most common forms of food stamp abuse, their use by unauthorized persons.

With paper coupons or even EBT cards, there is danger that someone could steal the benefits we have provided.

There is also nothing to prevent a recipient from giving his coupons or EBT card to a noneligible person. We should ensure that the person to whom we have given the food stamp benefits is the only person who can use those benefits.

The Traficant amendment addresses this in one fashion, although the State should be allowed to determine how best to achieve security in their system, whether it is a photo ID, a PIN number, a fingerprint or a retinal scan, all of which companies are readily available to provide. The State can determine how to do it. But the system must be secure.

The most important part of the amendment, however, addresses the most visible problem people have with the current Food Stamp Program—people using food stamps for things other than food.

I cannot tell you how many times I have had people in my district talk to me about the abuse of food stamps. The whole purpose of this program is to make sure food stamps are used for their intended purpose, for nutrition and support, and not for items other than that.

Current law provides certain guidelines as to what can and cannot be provided. This system is intended to electronically and through computer technology force that into happening. It has a wide range of time on it, up to 2 years, and we will have a discussion about the benefits associated with this.

I would urge all of my colleagues to vote for this amendment.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Kansas.

Mr. ROBERTS. I thank the gentleman from Oklahoma for yielding. I thank him for his amendment. I would like to engage him in a colloquy if I might.

There could be a situation here when States are able to define the food items that are eligible, that conceivably that could slow down the conversion by States to the EBT system.

I know that that is not the outcome that the gentleman anticipates or wants and the body should understand that if it looks like this could occur, that the 2-year time frame can be extended to 5 years. I think the gentleman has stated this, but I wanted to make sure that that was the gentleman's intent.

Mr. COBURN. That is my intent, Mr. Chairman.

Mr. ROBERTS. I thank the gentleman for his contribution, and I support the amendment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Tennessee.

Mr. FORD. To the author of the amendment, I want to support the amendment, but would the gentleman respond to a couple of questions if you do not mind?

The electronic transfer benefit, would this apply to food stamps as well as the block grant cash benefits of the AFDC recipients as well?

Mr. COBURN. This amendment does not address that, but it could be used in that fashion if a State wanted to use it. But it would be under a completely different set of circumstances. But this

amendment addresses only food stamp benefits.

Mr. FORD. But this electronic transfer would be through some sort of card; is that correct?

Mr. COBURN. That is correct.

Mr. FORD. States are going on-line now with the electronic benefit transfer; is that correct?

Mr. COBURN. That is correct.

Mr. FORD. With the Personal Responsibility Act, we are talking about block-granting the cash benefit to AFDC recipients and then in most cases they are recipients of food stamps as well.

With that, should we authorize or say to those States that the cash benefit should also be a part of this electronic card?

Mr. COBURN. We have not tried to make that a focus of this amendment and that has not been addressed. We were specifically addressing food stamps because of the significant amount of fraud that is seen and used with food stamps, both on the black market, the use of purchasing even cars or drugs.

The whole goal of the amendment is to eliminate the fraud in the Food Stamp Program and not address the other issues, although it is entirely possible that it could be used in that manner.

Mr. FORD. We just want to make sure that we can also look at this information superhighway, that we make sure that the cost savings that might be involved with the cash benefits. Now that we are only allocating the 1994 level under the formula of $15.4 billion, we want to make sure that States can also have savings here, that they will not have to mail out a check monthly to the AFDC recipients.

Mr. COBURN. Reclaiming my time, that is entirely possible with this system and States could do that.

Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Chairman, I rise in strong support of the amendment offered by my colleague the gentleman from Oklahoma.

The Coburn amendment makes very modest changes to this legislation which will do a tremendous amount to solve the real threat to the credibility of the Food Stamp Program which is posed by fraud, waste, and abuse. Beyond that, it will save taxpayers dollars. We have to all be about that task.

The electronic benefit transfer cards save money over the current paper food stamps. Distributing food stamps by this method will also enable us to eliminate a great deal of the fraud.

There is indeed, today, a regrettable amount of black market in food stamps. Hundreds of millions of dollars of our taxpayers' money are going to be used right now not for food for the hungry but to buy drugs from black-marketed stamps and to buy beer and drugs that do not help the families who are supposed to be benefited. This program will give us an opportunity to stop that kind of fraud and abuse. But more importantly, it will let the States decide.

In the debate we just heard on the Traficant amendment, we saw the mentality of Washington, DC, that for too long, we, in the Congress, know the answer. Certainly a photograph is a right step in the direction of stopping fraud. But there are other mechanisms. There are retina testers, there are thumbprint screeners. There are lots of different devices. Technology moves faster than the U.S. Congress.

What the Coburn amendment does is it said, we don't have all that wisdom here. We should let the States, charged with the responsibility of administering this program, make those decisions.

I urge my colleagues to support the Coburn amendment.

Mr. COBURN. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. I want to commend my colleague on this very good amendment.

We have talked about it a lot in Florida and we have talked about it in other States. In fact, Maryland is going quickly to the EBT system. This amendment gives the States the flexibility to implement what I think is the most important aspect of reform in the Food Stamp Program; $1.8 billion has been shown to be wasted at least in the Food Stamp Program. This very good amendment will now strike some of that and bring the dollars to truly benefit the needy of our communities.

The Republican Party is about feeding the poor. We want to make certain they get basic nutrition.

This bill also provides that we can exclude cigarettes, alcohol, and hopefully ice cream, hopefully popcorn, hopefully junk foods that are taking our precious tax dollars and giving people food that is not nutritious in value.

I strongly support the Coburn amendment. I urge my colleagues to do the same.

Mr. COBURN. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Oklahoma [Mr. COBURN] is recognized for 1 minute.

Mr. COBURN. Mr. Chairman, I urge my colleagues to support the amendment.

If there is an emotional issue, it is that the money that we spend to help those who need it should go for what we intend it to do. This amendment goes very far in that regard.

I would urge all to support this amendment.

Mr. GIBBONS. Mr. Chairman, to extend the debate, I move to strike the last word, and I yield to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, let me try a couple of questions to the author of the amendment.

The way I read your amendment is that you require the States which would mean that this would be a mandate on the States to put in place. I am not opposed to your amendment at all. I am just trying to make sure that we clearly understand that we would require the States to do this which would mean that this would be a mandate; is that correct?

Mr. COBURN. If the gentleman will yield, what we are requiring is the States to be responsible for how they spend the money in terms of using the available technology that is available to them at any one period of time. It is our intention, and if you will see in the rest of the bill, that there is no mandate on States other than having the call. They can use any one they want, the cheapest one or the most expensive.

The most expensive happens to be retinal images presently. If they want to use that, they can. They are just required if they want to have block-granted food stamps that within a 2-year period, if the technology is available, which we think it will be, that they are going to use a system that secures it for the very purpose that the food stamp was intended for, that supplement.

Mr. FORD. I think it is a good amendment. I guess an amendment to your amendment would not be in order under the rule of the House today, but if this bill does go to the Senate in conference, hopefully the provision with the electronic transfer would be part of the cash benefit for the AFDC recipients as well that would be included at some point.

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Mr. COBURN. I would very much agree with the gentleman on that. I think that is a good way to make sure those benefits are intended and spent, and intended in a direction. They cannot be spent on things we would not want, our support dollars going to support.

That is not part of this amendment and I think it is a wonderful suggestion. If the gentleman would bring that up when we do go to conference, we could do that.

Mr. FORD. Before I yield to my other colleagues, let me say that it is very clear that this is an area that we need to look at, the electronic on-line system with food stamps as well as AFDC.

Fraud, waste, and abuse is something we all are in opposition to and we want to do everything possible to cut it out, but we certainly do not want to confuse it with the vast majority of these recipients and try to suggest for one minute that people who are trying to make ends meet and to feed their children every day, and it is difficult for food stamps and other benefits to carry them through the month, that we want to lump everybody into some type of waste, fraud, and abuse situation. That is not the case. Those who are doing it, we want to stop it certainly, but we want to stop it immediately.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding, and I agree with the gentleman's amendment. But make no mistake about it, this is not going to get to the problem of the people that do the massive abuses in automobiles and traffic in this. I say to the gentleman from Kansas City, you have to have a willing counterpart to engage in this, and I think what you have to do is go even further than this and get some real strong restrictions from the inspector general to get to the root because of the people that are ripping off the food stamp program. It is not the little old lady trying to get by and feed her children that is ripping off the food stamp program. And as noble as this is, you are not going to solve the big problems of ripping off the hundreds of millions of dollars until you get to some real strict enforcement like the gentleman from Kansas is talking about.

Mr. COBURN. Mr. Chairman, if the gentleman will yield, I would just remind the gentleman 10 days ago using the system in Houston, several gentleman were found through the use of the EBT securities system and will be making restitution of some $300,000 to $500,000 because we can now with the EBT system track for fraud and individual abusers. And the technology is there. There is technology to eliminate this fraud and abuse, even to eliminate willing providers because the computer chip will be hard to beat.

Mr. HEFNER. Good for them.

Mr. FORD. Mr. Chairman, I yield the remainder of the time to the gentleman from Texas [Mr. DE LA GARZA], who serves on the Committee on Agriculture.

Mr. DE LA GARZA. I thank the gentleman for yielding the time, and thank our colleague, the gentleman from Florida [Mr. GIBBONS].

Let me say everyone is in favor of cutting fraud and waste and abuse, and saving money. There is not problem in that. How we address it is part of the problem.

And I basically am in accord with what the gentleman is attempting to do.

The CHAIRMAN. The gentleman's time has expired. All time has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. COBURN].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 24 printed in House Report 104-85.

AMENDMENT OFFERED BY MR. UPTON

Mr. UPTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 24 offered by Mr. UPTON: At the end of subtitle B of title V, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. DISQUALIFICATION RELATING OF CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) No individual is eligible to participate in the food stamp program as a member of any household during any period such individual has any unpaid liability under a court order for the support of a child of such individual.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Michigan [Mr. UPTON] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Does any Member seek control of the time in opposition?

The Chair recognizes the gentleman from Michigan [Mr. UPTON].

AMENDMENT, AS MODIFIED, OFFERED BY MR. UPTON

Mr. UPTON. Mr. Chairman, I ask unanimous consent for a very small modification in the amendment which, as I understand, the ranking member of the committee has agreed to.

The CHAIRMAN. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment No. 24, as modified, offered by Mr. UPTON: At the end of subtitle B of title V, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. DISQUALIFICATION RELATING OF CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) No individual is eligible to participate in the food stamp program as a member of any household during any period such individual has any unpaid liability that is both—

"(1) under a court order for the support of a child of such individual; and

"(2) for which the court is not allowing such individual to delay payment.".

Mr. UPTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Is there objection to the modification?

There was no objection.

The CHAIRMAN. The gentleman from Michigan [Mr. UPTON] is recognized for 10 minutes.

Mr. UPTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very encouraged by the child support enforcement provisions that are part of this welfare reform bill. But we need to do more.

I have spent considerable time with a number of 14- and 15-year-old mothers who face a very hard life juggling school work, work and the demands of parenthood as well. Many of us take that responsibility very seriously, as we live for our kids and we want them to have a better life, and we are taken aback by parents who shirk this responsibility and refuse to make even a modest payment to help support their child. The result is that both the child and the attending parent suffer and are penalized.

This amendment will no longer reward parents who fail to fulfill their obligations to pay child support but continue to receive Government assistance through the Food Stamp Program.

Today there is $34 billion in unpaid child support due to more than 23 million children. More specifically, more than 30 percent of women with kids in poverty receive no child support whatsoever.

A survey of income and program participation found that of the 525,000 noncustodial parents receiving food stamps, 79 percent or 415,000 were not paying child support.

It is time to stop the free lunch. We are asking custodial single parents, who happen to be primarily mothers, to cover a lot of bases and carry the load, but what about the other parent? Where is the equity? We cannot forget that parenting is the responsibility of two people, and we certainly cannot forget the children who are in desperate need of assistance.

If this amendment passes, I fully intend to work to ensure that this amendment targets those who are dodging their parental responsibilities, not those who are making an honest effort to care for their child.

Mr. Chairman, we cannot continue to support deadbeat parents, and I urge Members to vote "yes" on this amendment.

Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. MARTINI].

Mr. MARTINI. Mr. Chairman, I thank the gentleman for yielding the time, and I congratulate him for the fine effort on this amendment.

To me, this amendment is a clear statement of right and wrong.

If there is one overriding message in our overhaul of the welfare system, it is that we as a government and as members of a compassionate society demand that all of us act as responsible citizens.

Well, as most of my colleagues know, parenthood demands responsibility.

Any person who brings a child into this world and then refuses to do everything in his or her power to ensure that child's well-being deserves punishment, not the taxpayers' generosity.

In Maine, it has been the case that the very threat of such sanctions as license forfeiture has produced a huge increase in the amount of child support that state has collected.

I would expect that the very threat of withholding food stamps from deadbeat parents would do the same.

I once again commend the gentleman from Michigan for his excellent idea, and urge my colleagues to support this measure.

Mr. UPTON. Mr. Chairman, I yield 1½ minutes to the gentleman from

Texas [Mr. DE LA GARZA], former chairman and now ranking member of the committee.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding the time, and I appreciate his interest and his effort. All of us are of course in favor of reducing fraud, waste and abuse, and certainly this is an area of very strong interest to us.

What I would like to ask of the gentleman is that there is concern that there needs to be further refinement of his amendment. Am I correct in that?

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Michigan.

Mr. UPTON. Mr. Chairman, I thank the gentleman for yielding back. I would like to say I want to work very closely with the chairman and others on his side, as well as our side, to make sure that the intent of this legislation, or that the actual language follows the intent.

In some cases, of course, an individual not making child support payments may be doing so in conjunction with the court, and those we do not want to penalize. We want to make sure those individuals who are in fact in arrears at the subjugation, I guess, of the courts, are in fact those who are penalized. This language does not permit that.

I would like to work with the gentleman and others as the bill moves forward to make sure we get the best language available.

Mr. DE LA GARZA. Mr. Chairman, we appreciate that. We support the gentleman's intent and motive, and hopefully we will be able to craft it in an appropriate manner so it can address effectively the intent. And I thank the gentleman.

Mr. UPTON. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding time to me. I will not take the 2 minutes.

As indicated, the gentleman's amendment does require that no person can receive food stamps if that person is required by a court order to pay child support, and then dealt with the unpaid liability issue. The gentleman has amended his amendment so that becomes more flexible and certainly more practical.

Let me seek the gentleman's assurance that the effective date of this amendment will coincide with the implementation of the new child support enforcement system as described in H.R. 4.

Mr. UPTON. I accept that.

Mr. ROBERTS. I support the gentleman's amendment and I thank him for his contribution.

Mr. GIBBONS. Mr. Chairman, in order to extend the time of debate, I move to strike the last word.

The CHAIRMAN. Does the gentleman wish to control the 5 minutes?

Mr. GIBBONS. Mr. Chairman, I ask unanimous consent, if the occasion arises, that I be allowed to allocate blocks of time to Members.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is about the most tepid debate I have seen around here in years, and I think it is really by design.

Yesterday it was obvious that the Republicans wanted to move this bill quickly through the House without anybody really seeing what was in it and what it really did. But they have succeeded in cutting off all of the really spirited debate by what they have done here.

I wish the cameras would please pan the floor. I think there are 12 Members, maybe 13. Two just came in. Fourteen Members here on this debate, 14 Members out of 435 Members on this debate on the most important piece of legislation that will come before this body, a piece of legislation that takes about $70 billion from poor children to use in the crown jewel of the contract to give tax cuts that are not needed to people who do not deserve them.

There are 12 or 14 of us here. And the Committee on Rules I think did this deliberately. The amendments we have had have been nothing amendments. I do not impugn anybody's integrity about them, but they have just been nothing amendments. We have not even called for rollcalls on any of them. They do nothing. They could have been done by unanimous consent.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. No, I am not going to yield. But why did the Committee on Rules do that?

I have the floor and I would like to continue using it. If I have any time left over, I may yield it to you, sir.

The CHAIRMAN. The gentleman from Florida has the time.

Mr. GIBBONS. Mr. Chairman, the Committee on Rules had 164 requests for amendments up there. They granted 31 amendments, 5 of which came from the Democrats, and 2 of our amendments they stole from us and gave to the Republicans because they sounded so good that they could not resist that. I have a list of 13 really important amendments here that they turned down and would not even let be debated here, and yet there are 12 or 14 of us here on the floor to carry on this nothing debate today.

The Committee on Rules did not allow the Stenholm amendment to restrict the 70 billion dollars' worth of savings here to budget deficit reduction and not to spend it on tax cuts. They did not allow another 12 amendments, all sponsored by Democrats, that were good, substantive amendments, that were controversial. They put in all of these nothing amendments that we have had here all day.

You know, I do not blame the Republicans for wanting to duck this bill. I know they are embarrassed that they had to bring this dog to the floor. But that is the only way they could raise a part of the money so they can give it back to tax cuts that the Nation itself does not need, tax cuts that come at the wrong time in the American economic history.

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America is at full employment right now. America is at maximum factory capacity utilization right now. The American dollar is unstable because the world currency traders are betting we do not have the guts to balance or reduce our budget deficit.

And so we come into this debate today on these nothing amendments so that people will be bored to death and so that 10 or 12 of us here will be here to take part in it. It is a travesty. It is a travesty that the time of Congress is wasted on what we have here before us today. It was deliberately done to bore the audience to death and the Members to death so that they would have no opportunity to make any important decisions.

The Committee on Rules did not allow the Matsui-Kennedy amendment.

Mr. UPTON. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I appreciate the gentleman yielding.

And I want to say good job to the gentleman from Michigan [Mr. UPTON], good amendment.

You know, the breakdown of the family is a national tragedy, and when we do have time to discuss the amendments, let us discuss what is happening.

This is another notch. This is another foot forward in trying to control irresponsibility of parents that forsake their kids.

I just want to, in the U.S. News, read a couple of quotes out of it. It says:

> More than virtually any other factor, a biological father's presence in the family will determine the child's success and happiness.
>
> Rich or poor, white or black, the children of divorce and those born outside of marriage struggle through life at a measurable disadvantage. The absence of fathers is linked to the most social nightmares from boys with guns to girls with babies.

This is a step forward. We have the ability within H.R. 4 to identify these individuals. It is reasonable that we do not reward the individuals that have forsaken their responsibilities for their kids by giving them additional Federal handouts.

Mr. UPTON. Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. I thank the gentleman for yielding.

Ah, memories are made of this. It was just the other day when the gentleman from Florida was requesting of

the House in decibels a little higher than the ones he just used everybody to sit down and cease and desist, let us have a rational debate.

I would suggest that the amendments that we are considering are not nothing amendments. I would suggest the policy debate we had in the House Agriculture Committee that went 15 hours did not involve nothing. It involved tremendous policy decision in regards to food stamp reform.

Might I remind the gentleman from Florida that in October 1987 the Democrats first attempted to self-execute the adoption of their welfare reform bill into the reconciliation bill without a separate vote. The adoption of the rule was considered to be the adoption of the welfare reform amendment. That rule was rejected by the House. A second legislative day was created that same day by Speaker Wright. Memories are made of this.

And we brought forward a new rule for reconciliation minus the welfare reform component. The Committee on Rules subsequently reported a separate rule for the welfare reform bill making in order just one amendment, one amendment, not a series of amendments or nothing amendments that we are talking about here, in the nature of a substitute by the minority leader, but that rule was withdrawn from lack of support by the Democrats.

Finally we had a third rule.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

PARLIAMENTARY INQUIRY

Mr. TAYLOR of Mississippi. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. TAYLOR of Mississippi. At what point can I be recognized to offer an amendment so that whatever savings come from this bill, possibly $70 billion, would be dedicated for deficit reduction?

Mr. ROBERTS. Regular order, Mr. Chairman.

Mr. TAYLOR of Mississippi. I am making a parliamentary inquiry, sir.

The CHAIRMAN. The rule does not allow amendments to these amendments.

Mr. TAYLOR of Mississippi. How did that happen, Mr. Chairman.

The CHAIRMAN. It is in the rule.

Mr. TAYLOR of Mississippi. And a majority of Members voted to keep a Member from offering an amendment so that the savings from this bill could be placed towards deficit reduction?

Mr. ROBERTS. Regular order.

The CHAIRMAN. When the House adopted House Resolution 119, the rule governing this debate, the rule declared there were no amendments to be offered to these amendments being offered today.

Mr. ROBERTS. Mr. Chairman, as the designee of the chairman of the Committee on Ways and Means, I move to strike the last word.

The CHAIRMAN. The gentleman has that right.

The Chair recognizes the gentleman from Kansas [Mr. ROBERTS] for 5 minutes.

Without objection, the gentleman may control the time.

There was no objection.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, so finally, a third rule, Mr. Chairman, as I continue with memories are made of this, and would call for the attention of the gentleman from Florida if he might, was reported which provided for 4 hours of general debate, only minority substitute, and a set of en bloc amendments by the gentleman from Texas [Mr. ANDREWS]. Both the Michel and Andrews amendments were subject to 1 hour of debate each. The rule made in order a compromise and reported bill put together by the four committees of jurisdiction, 1 hour, four committees, not what we are having here today, as the base text for the amendment purposes.

The rule was adopted 213 to 206, so there was just a tad bit of controversy in regards to that rule back in 1987 on the very same subject.

The manager of the rule, the gentleman from Texas [Mr. FROST], said that was a modified closed rule, and so here we are today after hours of debate, many hours of debate.

I would remind the gentleman from Florida that Members are in their offices. Members have heard this debate on and on and on, 15 hours in the Ag Committee, many, many hearings. I think the commentary is specious. I think it ill serves the House. I think it ill serves the intent of Members who brought to this title of the bill important amendments that they thought were important.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. UPTON] if he chooses to comment.

Mr. UPTON. Mr. Chairman, I yield, to close the debate on this amendment, to my friend, the gentleman from Arizona [Mr. KOLBE].

The CHAIRMAN. The gentleman from Michigan [Mr. UPTON] has 30 seconds remaining. The gentleman from Kansas [Mr. ROBERTS] has 3 minutes remaining. That is all the time remaining.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. VOLKMER. Has someone claimed time in opposition to the amendment?

The CHAIRMAN. No one has.

Mr. VOLKMER. I do so.

The CHAIRMAN. The gentleman has that right. The gentleman controls 10 minutes.

The Chair recognizes the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I yield such time as she may consume, but no longer than 5 minutes, to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

I know that the gentleman from Texas [Mr. DE LA GARZA] has spoken with the gentleman from Michigan [Mr. UPTON] about this amendment, and I understand that he was given an opportunity to try to perfect the amendment without any opposition from the minority side, because we recognize how important it is to make this correct.

But I do want to make some points, because I think it is very important that we understand what we are trying to do and get this on the record.

When the amendment was drafted, it failed to distinguish between a parent who fell behind in payments but was making a good-faith effort to make payments, and a deadbeat dad who refuses to pay support even though he had the money. And if you denied food stamps to these individuals who were trying to make their payments, recipients would have likely spent their money on food than on child support payments, which is why we have tried to correct that, and I suggest the gentleman was correct in doing that, and I appreciate it, and I hope that if this language is not correct, that we continue to work on this.

However, let me just say to you all that I want to point out here on the table about the Deal substitute again.

Because I think it is important that we understand we even have a stronger child support enforcement where we are demanding an uncompromising, punitive measure for deadbeat dads. It is basically a stronger version of legislation than was even introduced by Representatives JOHNSON, KENNELLY, and others, and that the Deal substitute will strongly enforce income withholding and allow States to revoke licenses, and the substitute also enhances the paternity establishment by simplifying procedures in hospitals.

What I would like to just suggest is that while we all agree that this is a very, very, very important part of this debate, that if you have questions and you are not pleased with what is happening on the other side right now with strong enforcement, I would hope that you would all, please, support the Deal amendment.

Mr. VOLKMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the gentleman from Florida earlier had pointed out, this amendment, even though it may be somewhat meritorious on its face, but actually has very little to do with food stamp fraud. Very few people fit the category that the gentleman from Michigan is attempting to address to say to deny them food stamps, every benefit from food stamps, and yet we have within the proposal by the majority on that side provisions to reduce food stamps for needy families, people

out there that need it, by USDA, says by $24 billion. Even CBO says $21 billion we are cutting back.

And this little amendment is supposed to help it? This little amendment does not help those people who are going to be denied.

How are they going to be denied? Well, they are going to be denied because their proposal under the thrifty food plan does not give you 103 percent of the thrifty food plan. Oh, no, it says 2-percent increase a year, and as had been pointed out by USDA, that means by 1999 people are going to be getting less than they are getting today. Everybody, the working poor, are going to get less. Children at home are going to get less than under the lunch program. They cannot eat at school. They cannot get their breakfast food for breakfast. They cannot get food stamps at home.

Now, we were told in the Committee on Agriculture when we marked up this bill on this part of the welfare bill that it was only going to cost $16.5 billion. That is all they were going to take away. It is not through reform that money is taken away from people. It is through the thrifty food plan and the cap that they put on. They put a cap on there so that you cannot in times of recession, you are not going to have any increase. People are going to do away with food.

Here we are talking about an amendment that does very little to correct the situation. There were amendments that this gentleman and others on this side tried to offer to this bill so that hungry kids could eat. We were denied the opportunity to offer that amendment.

What is more important, to say that someone cannot get good stamps because he is not supporting the children? Yes, I agree, that is a good idea. But, gentlemen, that does not help the kids that are going to go hungry because of the cuts in this bill. That does not give them any more. You are not helping them a bit.

Our amendments that we wanted to do to help, we did not get to offer. We were denied those, to take the cap off. We were denied to put the thrifty food plan back in in whole. We were denied. Why? Because they need that $21 or $24 billion to give to millionaires, to give to the big corporations. That is where the money is going to go, out of the mouths of babes. That is where it is going to go, gentleman from Michigan.

This is where you are going to vote to put the money. Between now and 2 weeks from now you will have voted to say take away from them and give it over here.

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Michigan.

Mr. UPTON. Mr. Chairman, my amendment, the gentleman talked a little bit about fraud and how my amendment does not go after fraud. The gentleman is right. What my amendment does is this. it indicates that if there is a deadbeat parent that is out there that is not paying child support by order of the court and receiving food stamps, that is what it does.

Mr. VOLKMER. He should not get the food stamps.

Mr. UPTON. It does not go after fraud. It does not address a whole number of things you talked about. I was not able to add 100 amendments as someone would have perhaps liked on this bill.

Mine is a very small amendment that goes after folks who abuse the system who are trying to get a free lunch at the expense of the taxpayers, and I say enough is enough.

Mr. VOLKMER. Reclaiming my time, you are addressing more than one-tenth of 1 percent of the problem. You were given 20 minutes of the time of the House to do it. I cannot get 1 minute to address problems.

□ 1430

I would like to address one other problem here, that I took to the Committee on Rules an amendment which I was not given the opportunity to offer, and that is, under the language of the working requirements in this bill that you have before you today you could have people that are on welfare today that are not working, that should be working but they are not working, maybe they could not find a job, and if they have been on welfare for 90 days they do not meet the criteria in order to continue on welfare. They are off because they are not working 20 hours a week. They are given some time to find a job after this bill becomes law.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. No, I will not yield. I tried to talk to the gentleman about this. We tried to talk to his staff and discussed the amendment with him. We were not even allowed a colloquy on those who were sick and ill and because they got laid off by the employer involuntarily and could not work 20 hours a week. We tried to discuss this. We could not even get a colloquy on that. We could not get a colloquy worked out with the gentleman's staff.

So I will not yield. They will not even address the problem. What happens to the working poor, the man between 18 and 50 who is out there working trying to make it but for some reason or other he gets laid off by the employer, not because of his own fault, he could not work 20 hours a week. They say you do not get it anymore. Now, is that more important than this amendment we have here today? I think so, I think so. At least as important. But they say "no."

Mr. Chairman, I reserve the balance of my time.

Mr. ROBERTS. I yield 1 minute to the distinguished chairman of the Subcommittee on Human Resources of the Committee of the Ways and Means, the man who is most responsible for this welfare reform proposal, Mr. SHAW.

Mr. SHAW. I thank the chairman for yielding to me.

Mr. Chairman, I would say to my friend from Missouri, who has just consumed a great deal of time, do not trivialize the amendment that is presently on the floor. This is a very important amendment. There is nothing more frightening today than what is going on of the trend toward fathers not taking care of their children; fathers would have kids with unwed mothers and then disappear. In fact, we find they are having kids with a number of women and then disappearing and leaving the poor mothers to fend for themselves, to depend upon the life of dependence on welfare.

This is an important amendment, and this deserves the time of this committee, and I am proud to support it.

I say to my friend, the gentleman from Florida [Mr. GIBBONS] that this amendment process, these are not unimportant amendments. We just passed an amendment a few hours ago on a voice vote, I might say, that was very important, in which we put $750 million more in child care. If you need child care, that is an important amendment. It is an important amendment, and that is why we supported it.

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] has 2 minutes remaining, the gentleman from Michigan [Mr. UPTON] 1½ minutes remaining, and the gentleman from Missouri [Mr. VOLKMER] 1½ minutes remaining.

The gentleman from Missouri [Mr. VOLKMER] has the right to close.

Mr. ROBERTS. Mr. Chairman, I yield 35.2 seconds to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I will add my 30 seconds to that which the gentleman just yielded to me, and I yield the balance of my time to my good friend, the gentleman from Arizona [Mr. KOLBE], to close in support of the amendment.

Mr. KOLBE. I thank the gentleman for yielding this time to me.

Mr. Chairman, a lot of things have been said here on the floor today. It reminds me of a bloodhound who is sent out after a convict out there but somebody gave him the wrong piece of clothing. So we are chasing up the wrong tree, we are going after the wrong thing here.

What we have heard is not what this amendment is about. It is very simple, as the gentleman from Michigan [Mr. UPTON] explained just a few minutes ago.

It is a good amendment. It says if an individual is getting food stamps now and under a court order to pay child support and he has not gone to court to get a delay because he cannot afford to make the payments under the court order, not having done that, no delay from the court, if he is not making payments, he should not be getting food stamps. The taxpayers should not

be subsidizing him. They are trying, but they cannot afford to. They have not done that. They are under an order from the court, they are supposed to be making payments, they should not be getting food stamps. The rest of the taxpayers should not be subsidizing them. They are supposed to be making child support payments to support their kids. That is what this says. They do not get the food stamps if they are not current in their child support payments.

It is as simple as that. It clearly fills a loophole, fills a gap in the bill. Something should be done. I do not know why all the discussion about other things.

Mr. ROBERTS. I yield the balance of my time to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. I thank the chairman for yielding.

Mr. Chairman, I am somewhat puzzled here because the distinguished ranking member of the Committee on Ways and Means, who controls the debate on the other side, was up making the speech complaining about the quality of debate. Surely having made such a complaint, he should insure that at least his side follows his admonition. The gentleman from Missouri made a lot of very baseless allegations, rhetorical statements that have absolutely nothing to do with the point of debate here.

The gentleman says our staff denied him the right to find out some matters involved here. The gentleman's staff, so the record will be straight, the gentleman's staff discussed with our staff some questions relating to work requirements. The majority staff answered them. They added some language to a report which the gentleman was concerned about, in cooperation with the staff of the gentleman from Missouri, relating to retroactive work requirements.

So let us be clear between substantive debate and rhetorical flourishes here. I wish the gentleman from Florida, having admonished us to stick to quality, would get his own troops in line.

Mr. VOLKMER. Mr. Chairman, In order to have the outstanding quality in this debate, I yield the time remaining to the outstanding member of the Committee on Agriculture, the former chairman, now the ranking member of the full committee, the great gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, yes, perhaps we have gone a little astray of the debate on the amendment. But—and not in defense, but feeling the same way as the gentleman from Florida [Mr. GIBBONS]—the issue is the way that the rule is crafted, the inability for a ranking member to have sufficient time to discuss an issue.

But the underlying theme here is the motive and the reason. We are going about with little amendments that cut a little bit here, save a little bit there. What for? So that we can pay for tax breaks for the rich. That is what this is all about.

It is not what the chairman of the committee is intending to do. We have a good chairman. We have good members on this committee. But the underlying motive of the leadership is money to pay for tax breaks for the rich and take it from the children and take it from the elderly and take it from those that cannot defend themselves.

So, getting back to the amendment, I commend the gentleman for his amendment. I think it is a good amendment. But I disagree with what we are going to do with the funds: Give it to the rich.

The CHAIRMAN. All time has expired.

The question is on the amendment, as modified, offered by the gentleman from Michigan [Mr. UPTON].

The amendment, as modified, was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 25, printed in House Report 104-85.

AMENDMENT OFFERED BY MR. HOSTETTLER

Mr. HOSTETTLER. Mr. Chairman, I offer amendment No. 25, printed in House Report 104-85.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOSTETTLER:

In title V of the bill, strike subtitle B and insert the following:

Subtitle B—Consolidating Food Assistance Programs

SEC. 531. FOOD STAMP BLOCK GRANT PROGRAM.

(a) AUTHORITY TO MAKE BLOCK GRANTS.—The Secretary of Agriculture shall make grants in accordance with this section to States to provide food assistance to individuals who are economically disadvantaged and to individuals who are members of economically disadvantaged families.

(b) DISTRIBUTION OF FUNDS.—The funds appropriated to carry out this section for any fiscal year shall be allotted among the States as follows:

(1) Of the aggregate amount to be distributed under this section, .21 percent shall be reserved for grants to Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

(2) Of the aggregate amount to be distributed under this section, .24 percent shall be reserved for grants to tribal organizations that have governmental jurisdiction over geographically defined areas and shall be allocated equitably by the Secretary among such organizations.

(3) The remainder of such aggregate amount shall be allocated among the remaining States. The amount allocated to each of the remaining States shall bear the same proportion to such remainder as the number of resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families bears to the aggregate number of resident individuals in all such remaining States who are economically disadvantaged separately or as members of economically disadvantaged families.

(c) ELIGIBILITY TO RECEIVE GRANTS.—To be eligible to receive a grant in the amount allotted to a State for a fiscal year, such State shall submit to the Secretary an application in such form, and containing such information and assurances, as the Secretary may require by rule, including—

(1) an assurance that such grant will be expended by the State to provide food assistance to resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families,

(2) an assurance that not more than 5 percent of such grant will be expended by the State for administrative costs incurred to provide assistance under this section, and

(3) an assurance that an individual who has not worked 32 hours in a calendar month shall be ineligible to received food assistance under this subtitle during the succeeding month unless such individual is—

(A) disabled,

(B) has attained 60 years of age, or

(C) residing with one or more of such individual's children who have not attained 18 years of age, but is not residing with any other parent of any of such children, unless that other parent is disabled.

(d) ANNUAL REPORT.—Each State that receives funds appropriated to carry out this section for a fiscal year shall submit the Secretary, not later than May 1 following such fiscal year, a report—

(1) specifying the number of families who received food assistance under this section provided by such State in such fiscal year;

(2) specifying the number of individuals who received food assistance under this section provided by such State in such fiscal year:

(3) the amount of such funds expended in such fiscal year by such State to provide food assistance; and

(4) the administrative costs incurred in such fiscal year by such State to provide food assistance.

(e) LIMITATION.—No State or political subdivision of a State that receives funds provided under this title shall replace any employed worker with an individual who is participating in a work program for the purpose of complying with subsection (c)(3). Such an individual may be placed in any position offered by the State or political subdivision that—

(A) is a new position,

(B) is a position that became available in the normal course of conducting the business of the State or political subdivision,

(C) involves performing work that would otherwise be performed on an overtime basis by a worker who is not an individual participating in such program, or

(D) that is a position which became available by shifting a current employee to an alternate position.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section $26,245,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

(2) For the purpose of affording adequate notice of funding available under this section, an appropriation to carry out this section is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is available for obligation.

SEC. 532. AVAILABILITY OF FEDERAL COUPON SYSTEM TO STATES.

(a) ISSUANCE, PURCHASE, AND USE OF COUPONS.—The Secretary shall issue, and make available for purchase by States, coupons for the retail purchase of food from retail food stores that are approved in accordance with subsection (b). Coupons issued, purchased, and used as provided in this section shall be

redeemable at face value by the Secretary through the facilities of the Treasury of the United States. The purchase price of each coupon issued under this subsection shall be the face value of such coupon.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—(1) Regulations issued pursuant to this section shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under this section. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following:

(A) The nature and extent of the food business conducted by the applicant.

(B) The volume of coupon business which may reasonably be expected to be conducted by the applicant food store or wholesale food concern.

(C) The business integrity and reputation of the applicant.

Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. The Secretary is authorized to issue regulations providing for a periodic reauthorization of retail food stores and wholesale food concerns.

(2) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under subsection (d) may not accept or redeem coupons until the Secretary receives full payment of any penalty imposed on such store or concern.

(3) Regulations issued pursuant to this section shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under this section or the regulations issued pursuant to this section. Regulations issued pursuant to this section shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of this section or the regulations issued pursuant to this section, except that such information may be disclosed to and used by States that purchase such coupons.

(4) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the program under this sectionmay obtain a hearing on such refusal as provided in subsection (f).

(c) REDEMPTION OF COUPONS.—Regulations issued under this section shall provide for the redemption of coupons accepted by retail food stores through approved wholesale food concerns or through financial institutions which are insured by the Federal Deposit Insurance Corporation, or which are insured under the Federal Credit Union Act (12 U.S.C. 1751 et seq.) and have retail food stores or wholesale food concerns in their field of membership, with the cooperation of the Treasury Department, except that retail food stores defined in section 533(9)(D) shall be authorized to redeem their members' food coupons prior to receipt by the members of the food so purchased, and publicly operated community mental health centers or private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs, public and private nonprofit shelters that prepare and serve meals for battered women and children, public or private nonprofit group living arrangements that serve meals to disabled or blind residents, and public or private nonprofit establishments, or public or private nonprofit shelters that feed individuals who do not reside in permanent dwellings and individuals who have no fixed mailing addresses shall not be authorized to redeem coupons through financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Credit Union Act. No financial institution may impose on or collect from a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in a manner consistent with the requirements, other than any requirements relating to cancellation of coupons, for the presentation of coupons by financial institutions to the Federal Reserve banks.

(d) CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—(1) Any approved retail food store or wholesale food concern may be disqualified for a specified period of time from further participation in the coupon program under this section, or subjected to a civil money penalty of up to $10,000 for each violation if the Secretary determines that its disqualification would cause hardship to individuals who receive coupons, on a finding, made as specified in the regulations, that such store or concern has violated this section or the regulations issued pursuant to this section.

(2) Disqualification under paragraph (1) shall be—

(A) for a reasonable period of time, of no less than 6 months nor more than 5 years, upon the first occasion of disqualification,

(B) for a reasonable period of time, of no less than 12 months nor more than 10 years, upon the second occasion of disqualification, and

(C) permanent upon—

(i) the third occasion of disqualification,

(ii) the first occasion or any subsequent occasion of a disqualification based on the purchase of coupons or trafficking in coupons by a retail food store or wholesale food concern, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single investigation may not exceed $40,000) in lieu of disqualification under this subparagraph, for such purchase of coupons or trafficking in coupons that constitutes a violation of this section or the regulations issued pursuant to this section, if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that such store or food concern had an effective policy and program in effect to prevent violations of this section and such regulations, or

(iii) a finding of the sale of firearms, ammunition, explosives, or controlled substance (as defined in section 802 of title 21, United States Code) for coupons, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single investigation may not exceed $40,000) in lieu of disqualification under this subparagraph if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that the store or food concern had an effective policy and program in effect to prevent violations of this section.

(3) The action of disqualification or the imposition of a civil money penalty shall be subject to review as provided in subsection (f).

(4) As a condition of authorization to accept and redeem coupons issued under subsection (a), the Secretary may require a retail food store or wholesale food concern which has been disqualified or subjected to a civil penalty pursuant to paragraph (1) to furnish a bond to cover the value of coupons which such store or concern may in the future accept and redeem in violation of this section. The Secretary shall, by regulation, prescribe the amount, terms, and conditions of such bond. If the Secretary finds that such store or concern has accepted and redeemed coupons in violation of this section after furnishing such bond, such store or concern shall forfeit to the Secretary an amount of such bond which is equal to the value of coupons accepted and redeemed by such store or concern in violation of this section. Such store or concern may obtain a hearing on such forfeiture pursuant to subsection (f).

(5)(A) In the event any retail food store or wholesale food concern that has been disqualified under paragraph (1) is sold or the ownership thereof is otherwise transferred to a purchaser or transferee, the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern shall be subjected to a civil money penalty in an amount established by the Secretary through regulations to reflect that portion of the disqualification period that has not yet expired. If the retail food store or wholesale food concern has been disqualified permanently, the civil money penalty shall be double the penalty for a 10-year disqualification period, as calculated under regulations issued by the Secretary. The disqualification period imposed under paragraph (2) shall continue in effect as to the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern notwithstanding the imposition of a civil money penalty under this paragraph.

(B) At any time after a civil money penalty imposed under subparagraph (A) has become final under subsection (f)(1), the Secretary may request the Attorney General of the United States to institute a civil action against the person or persons subject to the penalty in a district court of the United States for any district in which such person or persons are found, reside, or transact business to collect the penalty and such court shall have jurisdiction to hear and decide such action. In such action, the validity and amount of such penalty shall not be subject to review.

(C) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations issued under this section. The amount of any such fine shall be established by the Secretary and may be assessed and collected separately in accordance with regulations issued under this section or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the store or concern to collect the fine.

(6) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem coupons who violates this section or a regulation issued under this section, including violations concerning the acceptance of coupons. The amount of any such fine shall be established by the Secretary and may be assessed and

collected in accordance with regulations issued under this section separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the person to collect the fine.

(e) COLLECTION AND DISPOSITION OF CLAIMS.—The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under this section or the regulations issued pursuant to this section, including, but not limited to, claims arising from fraudulent and nonfraudulent overissuances to recipients, including the power to waive claims if the Secretary determines that to do so would serve the purposes of this section. Such powers with respect to claims against recipients may be delegated by the Secretary to State agencies.

(f) ADMINISTRATIVE AND JUDICIAL REVIEW.—(1) Whenever—

(A) an application of a retail food store or wholesale food concern for approval to accept and redeem coupons issued under subsection (a) is denied pursuant to this section,

(B) a retail food store or wholesale food concern is disqualified or subjected to a civil money penalty under subsection (d),

(C) all or part of any claim of a retail food store or wholesale food concern is denied under subsection (e), or

(D) a claim against a State is stated pursuant to subsection (e),

notice of such administrative action shall be issued to the retail food store, wholesale food concern, or State involved. Such notice shall be delivered by certified mail or personal service. If such store, concern, or State is aggrieved by such action, it may, in accordance with regulations promulgated under this section, within 10 days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store, concern, or State fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such request is made by such store, concern, or State such information as may be submitted by such store, concern, or State as well as such other information as may be available, shall be reviewed by the person or persons designated by the Secretary, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect 30 days after the date of the delivery or service of such final notice of determination. If such store, concern, or State feels aggrieved by such final determination, it may obtain judicial review thereof by filing a complaint against the United States in the United States court for the district in which it resides or is engaged in business, or, in the case of a retail food store or wholesale food concern, in any court of record of the State having competent jurisdiction, within 30 days after the date of delivery or service of the final notice of determination upon it, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as the Secretary may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid, it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless on application to the court on not less than ten days' notice, and after hearing thereon and a consideration by the court of the applicant's likelihood of prevailing on the merits and of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

(g) VIOLATIONS AND ENFORCEMENT.—(1) Subject to paragraph (2), whoever knowingly uses, transfers, acquires, alters, or possesses coupons in any manner contrary to this section or the regulations issued pursuant to this section shall, if such coupons are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than 20 years, or both, and shall, if such coupons are of a value of $100 or more, but less than $5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than 6 months nor more than 5 years and may also be fined not more than $10,000 or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000.

(2) In the case of any individual convicted of an offense under paragraph (1), the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(3) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of this section or the regulations issued under this section, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $20,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than 5 years and may also be fined not more than $20,000, or, if such coupons are of a value of less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000.

SEC. 533. DEFINITIONS.

For purposes of this subtitle—

(1) the term "coupon" means any coupon, stamp, or type of certificate, but does not include currency,

(2) the term "economically disadvantaged" means an individual or a family, as the case may be, whose income does not exceed the most recent lower living standard income level published by the Department of Labor,

(3) the term "elderly or disabled individual" means an individual who—

(A) is 60 years of age or older,

(B)(i) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or Federally or State administered supplemental benefits of the type described in section 212(a) of Public Law 93-66 (42 U.S.C. 1382 note), or

(ii) receives Federally or State administered supplemental assistance of the type described in section 1616(a) of the Social Security Act (42 U.S.C. 1382e(a)), interim assistance pending receipt of supplemental security income, disability-related medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), or disability-based State general assistance benefits, if the Secretary determines that such benefits are conditioned on meeting disability or blindness criteria at least as stringent as those used under title XVI of the Social Security Act,

(C) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(D) is a veteran who—

(i) has a service-connected or non-service-connected disability which is rated as total under title 38, United States Code, or

(ii) is considered in need of regular aid and attendance or permanently housebound under such title,

(E) is a surviving spouse of a veteran and—

(i) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(F) is a child of a veteran and—

(i) is considered permanently incapable of self-support under section 414 of title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)), or

(G) is an individual receiving an annuity under section 2(a)(1)(iv) or 2(a)(1)(v) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individual's service as an employee under the Railroad Retirement Act of 1974, after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act (42 U.S.C. 301 et seq.), and if an application for disability benefits had been filed,

(4) the term "food" means, for purposes of section 532(a) only—

(A) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to subparagraphs (C), (D), (E), (G), (H), and (I),

(B) seeds and plants for use in gardens to produce food for the personal consumption of the eligible individuals,

(C) in the case of those persons who are 60 years of age or over or who receive supplemental security income benefits or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private

nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly.

(D) in the case of persons 60 years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices,

(E) in the case of narcotics addicts or alcoholics, and their children, served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs,

(F) in the case of eligible individuals living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter, and not firearms, ammunition, and explosives) if the Secretary determines that such individuals are located in an area of the State where it is extremely difficult to reach stores selling food and that such individuals depend to a substantial extent upon hunting and fishing for subsistence,

(G) in the case of disabled or blind recipients of benefits under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), or are individuals described in subparagraphs (B) through (G) of paragraph (4), who are residents in a public or private nonprofit group living arrangement that serves no more than 16 residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act (42 U.S.C. 1382e(e)) or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section, meals prepared and served under such arrangement,

(H) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters, and

(I) in the case of individuals that do not reside in permanent dwellings and individuals that have no fixed mailing addresses, meals prepared for and served by a public or private nonprofit establishment (approved by an appropriate State or local agency) that feeds such individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices,

(5) the term "retail food store" means—

(A) an establishment or recognized department thereof or house-to-house trade route, over 50 percent of whose food sales volume, as determined by visual inspection, sales records, purchase records, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry, consists of staple food items for home preparation and consumption, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices,

(B) an establishment, organization, program, or group living arrangement referred to in subparagraph (C), (D), (E), (G), (H), or (I) of paragraph (5),

(C) a store purveying the hunting and fishing equipment described in paragraph (5)(F), or

(D) any private nonprofit cooperative food purchasing venture, including those in which the members pay for food purchased prior to the receipt of such food,

(6) the term "school" means an elementary, intermediate, or secondary school,

(7) the term "Secretary" means the Secretary of Agriculture,

(8) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, Palau, or a tribal organization that exercises governmental jurisdiction over a geographically defined area, and

(9) the term "tribal organization" has the meaning given it in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

SEC. 534. REPEALER.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is repealed.

Strike section 591 of the bill and insert the following:

SEC. 591. EFFECTIVE DATE; APPLICATION OF REPEALER.

(a) EFFECTIVE DATES.—

(1) GENERAL EFFECTIVE DATE OF SUBTITLE A.Subtitle A shall take effect on October 1, 1995.

(2) GENERAL EFFECTIVE DATE OF SUBTITLE B.—Except as provided in subsection (b), subtitle B and the repeal made by section 534 shall take effect on the date of the enactment of this Act.

(3) SPECIAL EFFECTIVE DATE.—The repeal made by section 534 shall not take effect until the first day of the first fiscal year for which funds are appropriated more than 180 days in advance of such fiscal year to carry out section 531.

(b) APPLICATION OF REPEALER.—The repeal made by section 534 shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided under the Food Stamp Act of 1977 before the effective date of such repeal, and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

The CHAIRMAN: Pursuant to the rule, the gentleman from Indiana [Mr. HOSTETTLER] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is there a Member in opposition?

Mr. DE LA GARZA. Mr. Chairman, I rise to oppose the amendment and seek the time allotted.

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 10 minutes.

Mr. GIBBONS. Mr. Chairman, in order to extend debate time, I move to strike the last word and ask unanimous consent that I may yield that time to the gentleman from Texas [Mr. DE LA GARZA], the former chairman of the Committee on Agriculture, and that he be allowed to control the time and yield it in blocks.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, for the past 30 years in this country we have conducted a social experiment. More than $5 trillion has been spent on this experiment, aimed at exterminating poverty in the United States. Despite this massive outpouring of taxpayer dollars, poverty actually has increased. The people sitting in the coffee shops in Vincennes, IN, understand from this data that letting Washington, DC, handle it is a bad idea. The people on the job site in French Lick understand that taking more and more of their tax dollars is not only bad for them, but it does not help the people it is supposed to help. The people dropping off their kids at school in Chandler understand the local officials and other residents of communities have a far better perspective on dealing with the problems of the economically disadvantaged than do career bureaucrats in a Washington, DC, office. Washington, DC, does not have the answers; the people of the eighth District of Indiana and all the other districts in the U.S. do.

This is why I am introducing an amendment calling for repeal of the Food Stamp Act of 1977 and block granting cash to be used by the States for food assistance to the economically disadvantaged. Funding would be frozen at fiscal year 1995 levels, around $26.25 billion. This would bring a savings of $18.6 billion over current Congressional Budget Office baseline levels. The savings come from ending the individual entitlements status of the programs. The amendment also includes a work provision calling for able-bodied individuals who are under the age of 60 and who are not at home alone with a dependent child to work at least 32 hours each month. Only 5 percent of the grant funds can be used for administrative costs, meaning 95 percent of the funds go to food assistance.

I signed the Contract With America, Mr. Chairman, not for political gain, but because I though the policies it espoused were good policies. This amendment returns to the original concept of H.R. 4, which included the block granting of food stamps. There are concerns raised by some about how well the States will administer the program. While I resist the temptation to answer this with "They can't do any worse than has the federal government," I think the testimony from Ag Committee hearings, the track record of the Federal Government and the feeling of the public at large bear testament to the fact that it is time to give this program to the States—as the other committees have decided to do with many of the other programs.

It seems we need to be reminded that the taxpayers providing funding for

food stamps are residents of the States. It is the taxpayers' money, not money belonging to the Agriculture Committee or to the Congress or to the Federal Government. It belongs to the people. We should, therefore, take the administration of the program closer to the people. Governor Thompson and Governor Engler among others have shown just how innovative and effective welfare reform at the State level can be.

I do not question the sincerity of my Republican colleagues' belief that they can reform the program at the Federal level, rather I sincerely disagree with the policy itself. Under Federal guidance, food stamp spending has increased nearly 300 percent since 1979. Today more than 28 million people in the United States receive food stamps.

For true and comprehensive welfare reform to take place, we at the Federal level must let go and let the more local bodies of government—along with the private sector responsibility. This is what has been done in much of this welfare reform bill, and this is what should be done with food stamps.

With that, Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I ask unanimous consent that I may yield en bloc half of my time to the gentleman from Kansas [Mr. ROBERTS], the distinguished chairman of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, you know, the gentleman who is sponsoring the amendment is absolutely correct in his desire to cut spending. He just happens to be incorrect in the method which his amendment seeks to accomplish that end. The amendment under consideration, like the bill it amends, fails to take into account something pretty basic, something any consumer in any corner of any of our neighborhoods could tell us: The cost of food goes up.

Mr. Chairman, for goodness sakes, the cost of a box of cereal now is in excess of $4. That is more than it was last year, quite a bit more than it was the year before that. That is why the cost of the Food Stamp Program has to track the increasing costs in groceries. Food costs go up for all of us, including those on food stamps.

The amendment under consideration, like the bill it seeks to amend, fails to take into account another fact: If you have more people on food stamps, you are going to have to have more funds available for those people's needs. Only Jesus can feed the multitude from a single little boy's portion. For us mere mortals, if we are going to have more people, we are going to need more portions, it is as simple as that.

□ 1445

Mr. Chairman, this is critically important, not for the people presently on assistance, presently on welfare, who have been so denigrated in the debate that has taken place, but working families hanging in there, standing on their own, but one recession away from losing their job, losing their pay check and needing the assistance of food stamps. A critical part of this Nation's safety net is the ability of programs to rise and shrink depending on economic cycles. We have had recessions before, and we will certainly have them again.

This chart indicates the difference between the Deal substitute and the bill that it seeks to amend relative to the costs of food. The red line shows that in years to come, under the bill before us, we do not keep up with the cost of food.

Mr. HOSTETTLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I have a prepared text here, but there is something else that I really want to say as part of this debate here.

I began to realize there was something wrong with our food stamp program when I was in college. I worked my way through college, and I had a friend who did not work, but he went out, and he applied for and qualified for food stamps, and, when I was working on weekends from 11 o'clock at night until 7 a.m. in the morning and when I was working in the evenings in the dormitory, he was not, and he was qualifying for food stamps, and that is the problem with these programs. Some of the people who get them really do need them, and some of the people do not.

What we are saying here with the Hostettler amendment is we are going to put it out at the lowest level where the local officials can really seriously monitor who really needs these programs and who does not because we have a serious problem with fraud, and we are spending the people's money. We are not spending our money; we are spending the people's money, and most of the people work very, very hard for this, and my colleague here has come up with what I think is is very good idea, to help improve the efficiency of this program, and I throughoughly support the Hostettler amendment to this bill.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentlewoman from North Carolina [Mr. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, this amendment, like this bill, will hurt poor families and hurt children. But, the amendment goes further. It will also hurt farmers, hurt large and small grocery stores and hurt the economy. The Food Stamp Program feeds more than poor families. It feeds the farmers who feed America. It fees those who retail foods, along the dusty country roads and in the large urban shopping centers.

For most in the food business, up to 30 percent of their revenue comes from the Food Stamp Program. Cut food stamps and you cut commodities. Cut food stamps and you choke America's economy. Cut food stamps and you put people out of work and maybe into welfare. I say cut food stamps because a block grant is a cut. It is a cut because, unlike current law, there would be no automatic increases in funding to keep pace for inflation under a block grant program. It is a cut because, when populations rise, as they will over the next years, the funds do not rise. The demand rises, the funds are frozen. That is a cut.

A block grant is a cut because States will be able to use one-fifth of the money for things other than food. If a State spends 20 percent less on food in 1 year than was spent in a prior year, that is a cut. We confronted this issue of block granting food stamps in the Committee on Agriculture. In fact, we spent, as the Chairman said, 15 hours, into the early morning, when we considered title 5 of this bill. On a bi-partisan basis, Democrats joined with Republicans, and we soundly rejected the block grant proposal. That decision was wise then, and it is wise now. This amendment also requires work for food stamps.

In some instances, it requires 32 hours of work per week. Yet, it does not mandate the minimum wage as compensation for that work. That is another issue we confronted in the Agriculture Committee, and, again, on a bi-partisan basis, Democrats and Republicans, overwhelmingly rejected forced labor at less than the minimum wage. This amendment hurts everybody, Mr. Chairman. It hurts the rich, the poor, it is poorly conceived, ill-advised and goes against the considered, bi-partisan opinion of the committee of jurisdiction. It deserves to be rejected.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] does provide that the Food Stamp Program will be block granted to the States. I rise in reluctant opposition.

The committee considered several policy options as we were considering food stamp reform, and in contacting the Governors of the States and the National Governors' Conference, not to mention many experts in the field, the first policy option that we considered was that of the gentleman from Indiana [Mr. HOSTETTLER]. However the Republican leadership, along with the committee leadership, made the determination that the Food Stamp Program should remain at the Federal level as a safety net during the transition period while States begin to reform the entire welfare programs, and the committee strongly believes that the intent of the gentleman is very good, but that the Food Stamp Program should be reformed. After all, it

is our responsibility before it is converted into, into a block grant.

Fraud and trafficking, as we have heard, are serious problems in the program. We do have significant reforms, and they are bipartisan, and States will have the responsibility to institute reforms of the AFDC program and other State programs. They will be harmonized, and, while this is going on, we think it is important that there be a food program for needy families.

We have a provision allowing States that have implemented the EBT system that has been much discussed in this debate on a statewide basis to administer the Food Stamp Program in a block grant. Therefore States can have a block grant for food stamps, as the gentleman desires, if they have taken steps to reduce fraud and if they have really started to implement an efficient system to issue the food benefits. The EBT block grant in H.R. 4 says that food benefits can only be used for food. The Hostettler amendment will allow States to issue food benefits and cash. The gentleman has a very innovative amendment. It was a good amendment. This is a very sharp departure from our current practice. Food stamps should be used only for food. Under that amendment what has been food benefits can be used for any item.

My opposition to this amendment does not mean there will never be any block grant for the food stamp program, quite the contrary, but the Committee on Agriculture will continue its oversight of the program, monitor the State's progress of AFDC and other block grants.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Texas, the distinguished ranking minority member.

Mr. DE LA GARZA. Mr. Chairman, I associate myself with the gentleman's remarks and endorse his remarks in opposition to the amendment.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman from Texas for his comments, and I reserve the balance of my time.

Mr. HOSTETTLER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise in strong support of the gentleman's amendment to block grant food stamps back to the States, and I understand that the chairman of the committee really says that he wants to do that, but he did not do it, and I believe this is a very important amendment because it will complete the historic transformation of the most disastrous, cruel, and mean-spirited and destructive Federal welfare system ever created. We owe it to the States, the counties, the local communities, and the people currently trapped in this system to pass this amendment. This amendment will ensure that the Governors and local officials have not just some, but all, of the tools they need to create real solutions to serious problems facing their communities. Without this amendment our work here is actually incomplete.

I remember when we first began the task of designing solutions to end the welfare bureaucracy. We agreed the best thing we could do for the truly needy Americans was to return control of all major programs back to the States. We agreed on this approach because the current system run by Washington is broke, it does not work. I cannot understand why we would now turn around and say, "Well, block grants are good, but not for food stamps." That is what I just heard. If local control is the solution for school lunches, family nutrition and child protection, which we believe it is, then it must also be the answer for reforming food stamps. The Governors need and deserve all the flexibility we can give them to solve the problems that they understand best. I say to my colleagues, "To only give them two-thirds of the tools they need is like playing golf without a putter. You can't finish."

Two committees I served on stood fast, and fulfilled their promise and passed out a tough, but fair welfare bill. Despite all the Democratic rhetoric, I strongly support and believe in the block grant proposals contained in this bill, but I cannot believe the Committee on Agriculture caved in to the big farm lobbyists and failed to fulfill their Contract With America. By doing this they have put our entire effort at real reform at risk. This system was designed by the Governors and the Congress as an integrated system that works simultaneously, together. It was to work as one, each section supporting the next. This is why it is so important we pass this amendment.

Let us get back to the State authority that our U.S. Constitution demands, Mr. Chairman. The Governors would not need and deserve nothing less than full welfare reform.

Mr. DE LA GARZA. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I would just like to point out to the members of the committee that this amendment, when offered by the gentleman from Indiana in the Committee on Agriculture, got a total of five votes, and yet the Committee on Rules has made it in order while the amendment offered by the gentlewoman from Florida, which is very important to correct the thrifty food plan provision under this bill, got 18 votes. It was not made in order by the Committee on Rules.

Mr. Chairman, I just wanted to point out to my colleagues how this Committee on Rules of the majority is operating, giving an amendment that has no chance at all a chance, and yet would not give a good amendment a chance.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the concern and the sense of frustration of the gentleman from Texas, Mr. SAM JOHNSON, who spoke here just a moment ago, and, as I tried to indicate, in regard to the policy options that we considered in the House Committee on Agriculture there were four. The first option that was suggested by the gentleman from Indiana was obviously supported by the gentleman from Texas in terms of his remarks, and we offered the Governors a block grant, and we said, "What do you want? Here are the coupons. Here is the Food Stamp Program."

They said, "Thank you, but no thank you. We don't want to administer the Food Stamp Program. We want the tax, 27 billion dollars' worth."

Well, with all due respect, Richard Nixon is no longer President, and we do not have any revenue to share.

So then we said, "OK, you can't have the cash. That really wouldn't be responsible. But you can have the coupons."

They said, "We don't want the coupons."

That may give my colleagues a little indication as to what they would do with the cash.

So then we considered a 40-60 split, and if you give them the 40 percent, and that amounts to the people on food stamps that are also on welfare, and we wanted to have one-stop service, streamline it, bring the cost down.

□ 1500

But the 60 percent on the other side would have grown. That is about a $6 billion expenditure, and we could not afford that. So we decided to do what we tried to do for decades, years, and that is establish food stamp reform. And we have done that, and we have a good bill.

I remind everyone on this floor that not one farm lobbyist came to this chairman and this committee and indicated that we should cave in in regards to food stamp reform. I am tired of hearing it, and it is not accurate. And the Committee on Agriculture measured up to its responsibility, and we have a fine food stamp reform package. If the package were considered a year ago, it would have been incredible in this House of Representatives.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, when it comes to the question of block granting food stamps, I want to commend the responsible and thoughtful leadership of the gentleman from Kansas [Mr. ROBERTS] and the gentleman from Missouri [Mr. EMERSON] who both understand what a bad idea this is. The amendment was voted down 37 to 5 in the Committee on Agriculture just a few weeks ago.

The notion that without block grants States are powerless against Federal

bureaucrats is pure fiction. Block granting the food stamp program would place a terrible burden on States and take food out of the mouths of hungry children and the elderly.

The big difference with block grants is in that the programs are no longer entitlements, so in a slump States would no longer get a automatic boost in Federal aid. They would have to cut benefits or, more likely, place newly unemployed on waiting lists. Longer-term recipients would keep their benefits as would people with steady job histories, but those with a little bad luck would suffer.

This proposal would put hard-working families with children on waiting lists for food, just when they need it the most. It would actually put long-term recipients ahead of people with short-term needs. I thought we wanted to decrease long-term dependence.

The Deal substitute recognized that State flexibility is important, but that welfare reform will fail if States do not have the proper resources for State programs. The Deal plan provides States with flexibility to respond to economic downturns and increases in child poverty.

I would like to have my name associated with the chairman's remarks on the farm. Not one farmer came to me. Children came to me about this.

Mr. HOSTETTLER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Georgia [Mr. BARR].

Mr. BARR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, when I looked at the amendment of the distinguished colleague from Indiana, Mr. HOSTETTLER, I asked myself certain questions. I asked do we want a program that is streamlined? I said to myself, yes. I said do we want a program that is consistent? I said to myself, yes. I asked do we need a program that reduces fraud? I said yes. I said do we want a program that requires the dignity of work by a recipient that is able, and I said yes. More important, my constituents said yes to each and every one of those questions.

I think this is a very well thought-out amendment. I think it is consistent with what we are doing here, and it has an added bonus of reducing the power of bureaucrats which I think is good, my constituents think is good, and the recipients of this important program think is good.

I rise in strong support of my distinguished colleague from Indiana's amendment.

Mr. HOSTETTLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to first state the reason why the Committee on Rules most probably ruled this amendment in order was given the fact the recent CNN-USA Today-Gallop Poll says that 60 percent of Americans believe the budget deficit should be cut by cutting food stamps. Not by reducing the increase in spending in food stamps, and not even by freezing the expenditures in food stamps as this amendment calls for, but by cutting food stamps. Sixty percent of Americans believe we have got to return to fiscal responsibility by reducing this program.

In conclusion, the staff of Governor Pete Wilson of California contacted our office today and said that this amendment was vital to the total welfare reform that must happen on the State level. It gives the States the ability and the capability to have real welfare reform on the local level.

Mr. ROBERTS. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Arizona [Mr. PASTOR], a valued member of the committee.

Mr. PASTOR. Mr. Chairman, I rise today to help set the record straight and talk about the actual cuts that the WIC Program would suffer under the Republican welfare proposal. To begin, the House has just passed a $25 million rescission to the WIC Program. Is this cut not to be considered a cut just because it was voted on separately? Second, under a block grant approach, WIC would be competing with other programs for funding and only 80 percent of its funds would be guaranteed for WIC-like services. Yet, how can we in good conscience say that WIC will not be cut when we are drastically cutting the other programs in its block grant? Is the remaining 20 percent that might be diverted to another program not to be considered a cut? Or, more to the point, if the child and adult care feeding program and the summer food program are cut, will that not lead some States to shift funds around to meet the various competing needs? What guarantees will we have to assure that funds for this program will be there when needed?

Lastly, I want to clarify how WIC funds are spent. To begin, WIC dollars are not spent on items such as disposable diapers, as was alleged last night on the floor of the House. Expenditures under WIC are used to promote good nutrition and to encourage eligible persons to participate in this program. To fulfill the spirit of the block grant approach, States have already been given some latitude in the administration of this program. States have the option of approving food items to meet the specific nutritional needs of a particular population group which may have certain nutritional deficiencies. This way, nontraditional foods may be permitted to meet these identified needs. The principal point to remember, though, is that WIC vouchers are used exclusively on nutritional products. Are we now switching the terms of the debate to say that States should not determine how to best encourage mothers and children to participate in this program? I would admonish this body to seek a modicum of consistency as we move forward with the year's legislative agenda.

PARLIAMENTARY INQUIRY

Mr. ROBERTS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROBERTS. Mr. Chairman, is it the Chair's understanding that as the designee of the chairman of the Committee on Ways and Means, I can move to strike the last word?

The CHAIRMAN. The gentleman has that right. If the gentleman is asking unanimous consent to combine it, he would have 6½ minutes remaining.

Mr. ROBERTS. Mr. Chairman, I move to strike the last word, and I ask unanimous consent to merge that additional time with the time I am currently controlling.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, again I want to say that I am rising in reluctant opposition to the amendment of the gentleman from Indiana. The intent of the amendment is to move immediately in regard to block grants to the States. The intent of the amendment is good. The bill as passed by the committee gives us the opportunity to do that once States can demonstrate they meet the criteria of an EBT program. So we are not at odds. It is merely a timing issue.

I would also like to add, in a calmer tone, that this perception that somehow the Committee on Agriculture did not address true food stamp reform is simply not accurate. I would like to stress again that no farm organization, no commodity group, no lobbyists in regard to the food chain, no one in the agriculture community, that I am aware, called the chairman in reference to changing any policy in regards to food stamp reform, whether it be a block grant or not.

The decision reached by the committee was reached by determining serious policy options: Will it work, can we achieve the reform, can it be done in a timely basis.

Now, I understand the blood pressure around this place in regards to the marching orders and the deadlines that have been suggested, not only with welfare reform but the entire Contract With America. There is nothing in the Contract With America, by the way, that specifies that block grants of cash be given to States. We are attempting, and I think we are actually achieving, true reform.

Now, my good friend from Texas, the chairman emeritus of the House Committee on Agriculture, and others on the minority side, have characterized the food stamp reforms as something that we have done in regards to saving money to pay for tax cuts. We had this discussion all during our committee markup, and I want to repeat what I said then: The food stamp provisions of H.R. 4 in title IV are for the purpose of badly needed reforms. These reforms

are to achieve policy changes, not to cut spending to pay for taxes.

The Committee on Agriculture held extensive hearings, and let me just read again the provisions that are contained in this reform package. I want all sides to listen to this. I want all of the folks who have been so vocal on that side in regard to the tax cuts and all the Robin Hood statements that we have had in that regard, and I want everybody on this side over here who claims instant purity in regards to whatever this legislation should or should not be.

We increase the penalties and procedures to curb the more than $3 billion annually that is lost to waste, fraud, and abuse. We have not done that for years. We are doing it now. We are harmonizing the welfare reform in regards to AFDC and food stamp programs so that States can provide a more efficient one-stop service. Not only for the taxpayer, but for the user.

In regards to the recipient, we have a promotion of real private sector work by requiring able-bodied individuals between 18 and 50 years of age who have no dependents must work at least part-time now to be eligible for food stamps, called workfare, jobfare. It promotes the adoption of a new and more efficient technology within something called the electronic benefit transfer system.

Finally, it takes the program off of autopilot that it has been on for years and years and years and years, to regain the control of the ballooning costs. This thing started about $1 million back in 1961. Four years later, we were up to $60 million. I remember the former chairman of the House Committee on Agriculture, Bob Poage said, "You know, sometimes this is going to get to be expensive. We are going to get to real money here."

Ten years later, $4.6 billion. Today, $27 billion, in terms of cost. Ten years ago, 19.9 million people. Today, 27.3 million people. The economy went up, these costs went up, automatically. The economy went down, and that is the time the Food Stamp Program should work. Why, of course they continued to go up.

So we have restored, as far as I am concerned, the congressional responsibility to at least come in and take a look at this with a 2-percent increase every year, and with real reform, as suggested by the gentleman from Missouri [Mr. EMERSON], in terms of adding $100 million in terms of the feeding programs to the homeless and the soup kitchens all around the country. Under these reforms there will be no more uncontrolled growth in costs. If there is a future need for funding, Congress will do its job, we will step up to that responsibility. No child will go hungry.

So I think it a good reform package.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Chairman, I want to associate myself with everything that the distinguished chairman of the Committee on Agriculture has just said, and to say to my conservative brothers and sisters that the bottom line here is accountability. The chairman stated that we offered the States the block grant in food stamps, which is the form in which the program now exists. You do have a much higher level of accountability with food stamps than you do with cash. Frankly, food stamps or cash are neither one any good, which is why we have the strong provisions in this act to move us toward an electronic benefit transfer system in which we will achieve the highest level of accountability.

Mr. ROBERTS. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments. There is sound policy for all of these reforms. It is time to stop building straw men and support the reform.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join the gentleman from Kansas in opposition to this amendment. There was a novel and innovative block grant program called revenue sharing. It did not work. Besides, if you give 50 States the money, you will have 50 different programs. Is that streamlining?

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. STENHOLM].

The CHAIRMAN. The gentleman from Texas is recognized for 45 seconds.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Vermont.

□ 1515

Mr. SANDERS. Mr. Chairman, the chairman of the committee made a point when he said no child would go hungry. I believe he just said that.

Does the chairman deny that in America today, with the highest rate of childhood poverty in the industrialized world, 5 million children are already hungry?

Mr. STENHOLM. Mr. Chairman, I would just like to associate myself with the remarks of the chairman, the ranking member, and say that on the Hostettler amendment, I cannot believe that he would offer an amendment that reduces the work requirements. In a bill in which we have talked about work, this amendment would require recipients to work only 32 hours. The Deal substitute would require an average of 20 hours of work per week.

With all of the rhetoric going on on this floor, how we would have entered in an amendment that was defeated 37 to 5 in the Committee on Agriculture, I cannot believe.

Mr. Chairman, I rise in strong opposition to Mr. HOSTETTLER's amendment to block grant the Food Stamp Program and to freeze the spending level through fiscal year 2000. I believe it is very important that we maintain a very basic food safety net to ensure that children do not go hungry.

The fact is that 82 percent of food stamp households contain children and 16 percent have elderly members. In addition, 92 percent of food stamp households have gross incomes at or below the Federal poverty level. Freezing the funding levels, therefore, will most heavily impact poor children and the elderly and will not account for major shifts in the economy.

Not only does Mr. HOSTETTLER's amendment threaten this safety net, it also weakens the current work requirement in the base bill. This amendment would require recipients to work only 32 hours in a calendar month, whereas, the Deal substitute would require an average of 20 hours of work per week. The Deal substitute also provides funding for additional employment and training to help move people off welfare and into work.

Finally, I would like to remind my colleagues of the discussion we had yesterday regarding the deficit reduction issue. Members from the other side of the aisle pointed out to me that the committees had spoken on deficit reduction provisions during the markup process. I resent that characterization since my substantive deficit reduction amendments were not allowed to be voted on. However, the sense-of-the-committee resolution which stated savings should go to deficit reduction did unanimously pass the Agriculture Committee. On the other hand, I would like to point out that by a vote of 37 to 5, Members from both sides of the aisle in the Agriculture Committee rejected the Hostettler amendment. The committee has, in fact, spoken clearly on this issue.

I urge the defeat of this amendment and support of a food safety net for children and the elderly.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HOSTETTLER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: Amendment No. 21 offered by the gentleman from Ohio [Mr. TRAFICANT]; amendment No. 25 offered by the gentleman from Indiana [Mr. HOSTETTLER].

AMENDMENT OFFERED BY MR. TRAFICANT

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 21 printed in House Report 104-85 offered by the gentleman from Ohio [Mr. TRAFICANT] on which further proceedings were postponed and

on which the ayes prevailed by voice vote.

Mr. ROBERTS. Mr. Chairman, I withdraw my demand for a recorded vote.

The CHAIRMAN. The gentleman from Kansas [Mr. ROBERTS] withdraws his demand for a recorded vote, and the amendment is agreed to.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. HOSTETTLER

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 25 printed in House Report 104-85 offered by the gentleman from Indiana [Mr. HOSTETTLER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 114, noes 316, not voting 4, as follows:

[Roll No. 263]

AYES—114

Archer	Goodlatte	Norwood
Armey	Goodling	Paxon
Bachus	Goss	Petri
Baker (LA)	Graham	Porter
Barr	Greenwood	Portman
Bartlett	Gutknecht	Quillen
Barton	Hall (TX)	Radanovich
Bono	Hancock	Ramstad
Bryant (TN)	Hansen	Riggs
Bunning	Hefley	Rohrabacher
Burton	Herger	Roth
Chabot	Hilleary	Royce
Chenoweth	Hoekstra	Salmon
Christensen	Hoke	Sanford
Chrysler	Hostettler	Scarborough
Coble	Hunter	Schaefer
Coburn	Hyde	Seastrand
Collins (GA)	Inglis	Sensenbrenner
Cox	Istook	Shadegg
Crane	Johnson, Sam	Shays
Crapo	Jones	Smith (MI)
DeLay	Kasich	Smith (WA)
Doolittle	King	Solomon
Dornan	Kiug	Souder
Duncan	Largent	Spence
Dunn	Livingston	Stearns
English	Manzullo	Stockman
Ensign	McCollum	Stump
Fawell	McCrery	Talent
Fields (TX)	McInnis	Tate
Flanagan	McIntosh	Taylor (MS)
Forbes	Mica	Taylor (NC)
Fox	Miller (FL)	Thornberry
Funderburk	Moorhead	Torkildsen
Gallegly	Myers	Walker
Gekas	Myrick	Wamp
Geren	Neumann	Weldon (FL)
Gilman	Ney	Zimmer

NOES—316

Abercrombie	Bilbray	Burr
Ackerman	Bilirakis	Buyer
Allard	Bishop	Callahan
Andrews	Bliley	Calvert
Baesler	Blute	Camp
Baker (CA)	Boehlert	Canady
Baldacci	Boehner	Cardin
Ballenger	Bonilla	Castle
Barcia	Bonior	Chambliss
Barrett (NE)	Borski	Clay
Barrett (WI)	Boucher	Clayton
Bass	Brewster	Clement
Bateman	Browder	Clinger
Becerra	Brown (CA)	Clyburn
Beilenson	Brown (FL)	Coleman
Bentsen	Brown (OH)	Collins (IL)
Bereuter	Brownback	Collins (MI)
Berman	Bryant (TX)	Combest
Bevill	Bunn	Condit
Conyers	Kanjorski	Pombo
Cooley	Kaptur	Pomeroy
Costello	Kelly	Poshard
Coyne	Kennedy (MA)	Pryce
Cramer	Kennedy (RI)	Quinn
Cremeans	Kennelly	Rahall
Cubin	Kildee	Rangel
Cunningham	Kim	Reed
Danner	Kingston	Regula
Davis	Kleczka	Reynolds
de la Garza	Klink	Richardson
Deal	Knollenberg	Rivers
DeFazio	Kolbe	Roberts
DeLauro	LaFalce	Roemer
Dellums	LaHood	Rogers
Deutsch	Lantos	Ros-Lehtinen
Diaz-Balart	Latham	Rose
Dickey	LaTourette	Roukema
Dicks	Laughlin	Roybal-Allard
Dingell	Lazio	Rush
Dixon	Leach	Sabo
Doggett	Levin	Sanders
Dooley	Lewis (CA)	Sawyer
Doyle	Lewis (GA)	Saxton
Dreier	Lewis (KY)	Schiff
Durbin	Lightfoot	Schroeder
Edwards	Lincoln	Schumer
Ehlers	Linder	Scott
Ehrlich	Lipinski	Serrano
Emerson	LoBiondo	Shaw
Engel	Lofgren	Shuster
Eshoo	Longley	Sisisky
Evans	Lowey	Skaggs
Everett	Lucas	Skeen
Ewing	Luther	Skelton
Farr	Maloney	Slaughter—
Fattah	Manton	Smith (NJ)
Fazio	Markey	Smith (TX)
Fields (LA)	Martinez	Spratt
Filner	Martini	Stark
Flake	Mascara	Stenholm
Foglietta	Matsui	Stokes
Foley	McCarthy	Studds
Ford	McDade	Stupak
Fowler	McDermott	Tanner
Frank (MA)	McHale	Tauzin
Franks (CT)	McHugh	Tejeda
Franks (NJ)	McKeon	Thomas
Frelinghuysen	McKinney	Thompson
Frisa	McNulty	Thornton
Frost	Meehan	Thurman
Furse	Meek	Tiahrt
Ganske	Menendez	Torres
Gejdenson	Metcalf	Torricelli
Gephardt	Meyers	Towns
Gibbons	Mfume	Traficant
Gilchrest	Miller (CA)	Tucker
Gillmor	Mineta	Upton
Gonzalez	Minge	Velazquez
Gordon	Mink	Vento
Green	Molinari	Visclosky
Gunderson	Mollohan	Volkmer
Gutierrez	Montgomery	Vucanovich
Hall (OH)	Moran	Waldholtz
Hamilton	Morella	Walsh
Harman	Murtha	Ward
Hastert	Nadler	Waters
Hastings (FL)	Neal	Watt (NC)
Hayes	Nethercutt	Watts (OK)
Hayworth	Nussle	Waxman
Hefner	Oberstar	Weldon (PA)
Heineman	Obey	Weller
Hilliard	Olver	White
Hinchey	Ortiz	Whitfield
Hobson	Orton	Wicker
Holden	Owens	Wilson
Horn	Oxley	Wise
Houghton	Packard	Wolf
Hoyer	Pallone	Woolsey
Hutchinson	Parker	Wyden
Jackson-Lee	Pastor	Wynn
Jacobs	Payne (NJ)	Yates
Jefferson	Payne (VA)	Young (AK)
Johnson (CT)	Pelosi	Young (FL)
Johnson (SD)	Peterson (FL)	Zeliff
Johnson, E. B.	Peterson (MN)	
Johnston	Pickett	

NOT VOTING—4

Chapman	Moakley
Hastings (WA)	Williams

□ 1536

Messrs. BASS, KIM, BERMAN, and DICKEY changed their vote from "aye" to "no."

Mrs. MYRICK and Messrs. BARTLETT, CRANE, COX of California, HEFLEY, PORTER, MOORHEAD, RAMSTAD, DORNAN, PETE GEREN of Texas, TAYLOR of Mississippi, FOX of Pennsylvania, and RIGGS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 26 printed in House Report 104-85.

AMENDMENT OFFERED BY MR. BLUTE

Mr. BLUTE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BLUTE:

Page 37, after line 21, insert the following:

"(11) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that such recipient is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the recipient flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the recipient flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or has information that is necessary for the officer to conduct the official duties of the office, that the location or apprehension of the recipient is within such official duties.

Page 37, after line 21, insert the following:

"(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part, of the absence of the minor child from the home for the period specified in or provided for under subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

Page 235, after line 24, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. ELIMINATION OF FOOD STAMP BENEFITS WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 555, is amended by adding at the end the following:

"(j) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household while the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and (C)" and inserting "(C)"; and

(2) by inserting before the semicolon at the end the following: ", (D) notwithstanding any other provision of law, the address of a member of a household shall be made available, on request, to a Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that (i) the member (I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or (II) has information that is necessary for the officer to conduct the officer's official duties, (ii) the location or apprehension of the member is within the official duties of the officer, and (iii) the request is made in the proper exercise of the duties, and".

Page 266, after line 15, insert the following:

SEC. 606. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(e)), as amended by section 601(b)(1) of this Act, is amended by inserting after paragraph (2) the following:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if, throughout the month, the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient name and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody of confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in this case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within the official duties of the officer; and

"(C) the request is made in the proper exercise of such duties.".

Amend the table of contents accordingly.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. BLUTE] and a Member opposed with each control 10 minutes.

Mr. FORD. Mr. Chairman, I am reluctantly opposed to the amendment offered by the gentleman from Massachusetts [Mr. BLUTE].

PARLIAMENTARY INQUIRIES

Mr. SHAW. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SHAW. Mr. Chairman, I have noticed during the debate on at least one occasion, if not more, that a Member of this body has stood up to claim the time on the negative side of the amendment, and has not voted that way.

Is it the Chair's interpretation that those who claim to be voting or are against the amendment must have every intention to vote against it, also?

The CHAIRMAN. The Chair must assume that the Member seeking the time in opposition intends at the time he seeks it to vote against it. It is not the Chair's intention to double check everyone's vote.

Mr. VOLKMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOLKMER. Mr. Chairman, I am just curious if the gentleman from Florida [Mr. SHAW] could tell us the name of an individual who rose in opposition to an amendment and then did not vote that way.

Mr. SHAW. Mr. Chairman, I will tell the gentleman privately, if he wishes to know.

Mr. VOLKMER. I would like to know, Mr. Chairman.

Mr. FORD. Mr. Chairman, to extend debate, as the designee of the gentleman from Florida [Mr. GIBBONS], I move to strike the last word and ask unanimous consent to merge that additional time with the time I am currently controlling.

The CHAIRMAN. The Chair would ask, does the gentleman from Tennessee [Mr. FORD] intend to control the entire 15 minutes? Was that the gentleman's request?

Mr. FORD. Yes, Mr. Chairman, it was.

The CHAIRMAN. Without objection, the unanimous consent request is agreed to.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, the need for welfare reform in our country is obvious. The system is broken and it just does not work. There are aspects of our welfare system that are downright silly.

Recently, many of us saw the movie "The Fugitive," with Harrison Ford. In the movie, the fugitive gets financial help from a friend. However, a more real world scenario would have the taxpayer financing the fugitive's flight from justice, because that is exactly what is happening in the streets of America today.

□ 1545

The truth is indeed stranger than fiction because in the real world fugitives do in fact go to the taxpayers to subsidize their life on the lam. Sting operations in Ohio, Pennsylvania, and other States have found anywhere from one-third to three-fourths of fugitive felons collecting welfare benefits. Last year, then Congressman and now Senator RICK SANTORUM and I introduced legislation to address this situation. This amendment, the Blute-Lipinski-Johnson amendment, is based on that bill and would solve this problem by doing two things.

First, Mr. Chairman, it defines the term "fugitive felon" and cuts off benefits to those who fit the definition. Second, it forces Federal agencies to share certain information with law enforcement officials who request it, enabling them to better track down fugitives. Under present law, Federal social service agencies routinely deny information to the police regarding the whereabouts of criminals who have committed felonies and later fled justice, even though in many cases they are sending a check to the fugitive's

new address. This amendment would end that scenario by requiring social service agencies that administer SSI, food stamps, and AFDC to turn off the spigot of free money once they are made aware that an individual is a fugitive felon. Presently there are about 392,000 fugitive warrants on file at the National Crime Information Center. So if only 30 percent of this total is collecting an average welfare benefit package of $300 monthly, a very conservative estimate means that taxpayers could be shelling out almost $400 million annually. We have got to stop making crime pay.

My amendment would take us a step closer to a smaller, more efficient welfare system that benefits those who truly need it.

This legislation has been endorsed by the National Association of Chiefs of Police and the Fraternal Order of Police.

Let's put an end to this taxpayer ripoff that allows criminals to benefit from the tax dollars of law-abiding Americans, and let's put an end to protecting these criminals from being thrown back into jail because our own government agencies are denying information about their location to law enforcement.

Support the Blute-Lipinski-Johnson amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. FORD. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. I thank the gentleman from Tennessee for yielding me the time.

Mr. Chairman, it is very apparent to me that on Tuesday night and then yesterday, we in this House have been presented with legislation which I would call as ugly as a sow's ear. They have tried yesterday and today to make a silk purse out of a sow's ear by trimming it on the edges.

We first had the amendment by the gentlewoman from Connecticut to improve on the child care provisions. But just marginally. We had amendments by the gentleman from Oregon [Mr. BUNN] and the gentleman from New Jersey [Mr. SMITH] in regard to unwed mothers under 18. We still have major problem, but it is just a marginal improvement.

In the debate on the Johnson amendment, the gentlewoman from Utah said was real cruel to mothers to deny them child care. That is what the bill did when it basically came out of the committees. It still does, because it does not fully fund the child care, so it is still cruel but maybe not quite as cruel. It is still a sow's ear.

We have adopted the Traficant amendment and the Upton amendment, and the Blute amendment is now before us and I am sure it will be adopted. But these, too, are just minor changes on the fringes. Still the problem remains, reducing school lunches, reducing food stamps for the working poor, the hungry kids, kicking people off welfare, actually, kicking them off programs that will help them so that they work themselves out of, not letting them have those programs.

Seventy billion dollars in total cuts. Where is it going to go? Major corporations, going to go to the wealthy in tax cuts when we do the bill next week.

It is still a sow's ear, folks. You have not made a silk purse out of this sow's ear. The only silk purse that is going to be here today in my opinion is the Deal substitute. If you want a silk purse, you vote for the Deal substitute. You have got a sow's ear.

Mr. BLUTE. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. LIPINSKI], a coauthor of this amendment.

Mr. LIPINSKI. Mr. Chairman, I am very proud to stand up and support this amendment. I believe this amendment is a silk purse amendment and not a sow's ear amendment. As you all know now, fugitives have been receiving welfare benefits. I found it hard to believe at first, but upon further investigation, I discovered that the Federal and State laws prohibited some welfare agencies from disclosing the addresses of recipients to law enforcement departments under the guise of confidentiality.

Does America really want to protect the confidentiality of a fugitive? Do the American people want to support these people with their tax dollars? I doubt it very seriously.

The amendment that we offer today not only ensures the exchange of information between police and welfare agencies but makes fugitives ineligible for benefits in the first place. Currently there is no provision in the welfare bill to prohibit States from passing confidentiality laws. Section 403(f) of H.R. 1214 says that the Federal Government may not regulate the conduct of States except to the extent expressly provided. We need to provide that, so no State shall hinder police in their search for fugitives.

It is estimated that one-third of those running from the law are receiving welfare benefits. Yet, in some States it is impossible or next to impossible to track them down by going to the agency and asking for an address. Lieutenant Griffin of the Chicago Police Department told me that it is a tremendous benefit to be able to access public aid lists. It is the only spot they really go to, he said.

The Federal Government has been just as guilty as the States in protecting the rights of criminals. Between the two, we have created a bureaucratic nightmare.

For example, the Food Stamp Act expressly prohibits the release of information of recipients. And the States build on this nonsense by either denying access of data or making the process of receiving data too prohibitive.

Another situation that I discovered is the inconsistency with which information is available. For example, in Illinois, police can access AFDC lists but not so food stamp lists. Depending on what kind of assistance someone receives depends on whether police can track them down. Does this make any sense? I do not think so.

Access of information should be consistent regardless of the type of assistance someone is receiving. Let's set a Federal standard. You break the law, you do not receive benefits, and the police can use these public aid lists if need be.

What will happen if this amendment does not pass? Fugitives will continue to receive welfare benefits and the police will not be able to track them down. Let's pass a little common sense. Let's pass the Blute-Lipinski-Johnson amendment today.

Mr. FORD. Mr. Chairman, I yield 2½ minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. I thank the gentleman for yielding me the time.

Mr. Chairman, let's introduce just for kicks, as we say, a note of reality into this debate. Welfare reform and the end of food stamp abuse, yes. Everybody is for that. Increased pain and suffering for America's children, no, many of us are opposed to that.

A little while ago, the chairman of the Committee on Agriculture stated that under his reform, no child in America would go hungry. Who are we kidding?

Today in America, before cutbacks to food stamps or to WIC or to other nutrition programs, 5 million children in the United States are hungry. Today, in this country, we have by far the highest rate of childhood poverty in the industrialized world. What kind of country are we when we are talking about more cutbacks for low-income kids, when we already have double the highest rate of childhood poverty in the industrialized world?

Mr. Chairman, if we were serious about welfare reform, and I do not think we really are, but if we were, we would be talking about a Federal jobs program to create real jobs so that poor people could then have real work and earn a real income.

If we were serious about welfare reform, we would be talking about raising the minimum wage so that when poor people work, they can escape from poverty, not abolishing the minimum wage as some would have.

If we are serious about talking about welfare reform, we must talk about improving child care capabilities, so that children of working mothers and working families are provided for. If we are serious about talking about welfare reform, we must talk about job training and transportation so that welfare recipients are able to get to the jobs that are open for them.

Last, today we are talking about welfare reform as it applies to the poor. I hope that in the future we will have the guts to talk about welfare reform as it applies to the rich and the multinational corporations.

I hope that we will say that the U.S. Government with its huge deficit and its enormous social problems can no longer afford to spend tens of billions of dollars a year providing tax breaks and subsidies to the rich and the large corporations. I look forward to that welfare reform.

Mr. FORD. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. RANGEL], one of the distinguished members of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Chairman, there has been a lot of concern about people calling each other mean-spirited and not being concerned about the welfare of children in this great country of ours. But also there has been a restriction that our Republican friends have, and, that is, a contract. That contract seems to be driving people to do things that are inconsistent with what they truly believe. What are they driving to do?

The first drive, the jewel in the crown, is to cut back taxes. That is the driving force. That is the engine. Whether it is $780 billion over 10 years or $200 billion that we have to cut back in taxes now, not that we have heard the American people screaming for it, but I assume the wealthy people know what is best for them and I assume you work closer with them. But assuming that you have agreed and you are committed in your contract to turn back $200 billion in revenues, then you have that same strong commitment to balance the budget, indeed, change the Constitution. Once you have reached those conclusions, the tax cut and to balance the budget, the only thing left to do is to cut, cut, cut, cut. And where do you cut? Did you go to the strongest that have been enjoying the subsidies? No, you went to our aged, you went to our sick, you went to our children, and you charged it all up to the lack of discretion of the teenaged mother for making God's child without having a legal contract.

□ 1600

How dare we in this body determine what a child should or should not have because of the lack of discretion of the mother? And how do we feel as federally elected legislators in saying we have messed up this program as Democrats, so our responsibility is to turn it over to the Governors, no strings attached? Oops, I made a mistake, there are strings attached.

Do not show enough compassion to give cash assistance to anybody that has a child if they are 18 or younger and they are not married. Oops, another thing that had strings attached.

If there is another child while you are on welfare, regardless of how it came or the conditions, the governors are restricted from giving cash assistance.

Oh, there is another restriction. No matter what the economic conditions are in the locality where the recipient is, no matter how hard he or she tries to get a job, if no jobs are available, then we say the governors cannot give them cash assistance because the time has run out.

I tell my colleagues this: If a political pundit had to find out how to win an election they would say go against affirmative action, go against immigrants, go against people who are poor, go against welfare, go against food stamps and make America feel that we have to reform the system. But then again, if you put that in a contract and you win, you can bet your life it is not enforceable, not in this great country it is not.

Mr. BLUTE. Mr. Chairman, I yield 2 minutes to the gentleman from Dallas, TX, Mr. SAM JOHNSON, one of the leaders of the welfare reform movement here in the Congress.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I say to the gentleman from New York [Mr. RANGEL], I heard him yesterday talking about how we had left out our felons who were getting welfare, left them out. That is what we are talking about right now is an amendment to correct that and make it happen.

The Deal bill does not even talk to that. In fact, it destroys any welfare reform that there is going.

I cannot believe that our Federal Government actually pays with taxpayers dollars, I might add, welfare benefits to criminals who are fleeing prosecution from the law. I heard the gentleman say that.

I would like to list for those who do not know the benefits criminals get while on the run: Criminals, criminals under current law can and do receive AFDC, SSI, and food stamps.

Instead of giving benefits to those who truly are in need we are giving them to individuals who have broken the law and are trying to escape from it.

The real question is why does this atrocity continue to happen. The answer is because current law prohibits Federal welfare agencies from sharing information with local law enforcement communities.

What this means, if your local police officer calls the Federal welfare agency that administers those benefits and asks for the address of a known felon, that welfare agency by law is forbidden even from giving the most current address to the police.

I cannot believe that this is happening in our country. It is just one more irritation that our police officers currently have to hurdle in their attempt to stop crime.

This is simply outrageous. Whoever said crime does not pay never understood how Government bureaucracy works. I urge all of my colleagues and I hope the gentleman from New York [Mr. RANGEL], too, will support this amendment and stop the flow of taxpayer dollars to criminals and allow welfare agencies to help our police officers fight the war on crime.

Mr. RANGEL. Mr. Chairman, will the gentleman yield for the purpose of my support?

The CHAIRMAN. The gentleman's time has expired.

Mr. FORD. Mr. Chairman, I yield 10 seconds to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I would be glad to support this well thought out amendment to stop welfare payments from going to fugitives who are fleeing. The only thing I ask is, where does the fleeing fugitive apply for welfare?

Mr. FORD. Mr. Chairman, may I inquire about how much time we have remaining?

The CHAIRMAN. The gentleman from Tennessee [Mr. FORD] has 7½ minutes remaining and the gentleman from Massachusetts [Mr. BLUTE] has 1½ minutes remaining.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding and I want to take this minute to talk about what I am for, what our caucus is for in terms of welfare reform.

We are for a welfare reform package that is tough on work, that puts a work expectation for people receiving benefits.

We are for a welfare reform package that enforces personal responsibility, particularly the personal responsibility for your children.

Third, we are for a welfare reform package that does not punish kids because, for gosh sakes, it was not the kids that caused the problems we have with the present system.

These are meaningful responses, meaningful reforms and they are represented in the Deal substitute. By contrast, the bill of the majority fails on all three counts, most particularly the work requirement.

A Congressional Budget Office study put it on the front page of the Washington Post today talking about how States will fail under the GOP work rules.

We need to make a work program work, and that is the Deal substitute. Please support it this afternoon.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I simply rise to ask of the sponsors two questions: No. 1, the question of the gentleman from New York [Mr. RANGEL]. If someone is a fugitive, how is it that we are paying him anything, since the definition of a fugitive is we do not know where he is and he is not declaring it because he is on the run from the law?

The second question is: The meaning of the amendment, where it says that if a child, a second provision of the

amendment that says if a child is absent for any length of time that you would not give the welfare to that family. My question is would you simply not give the welfare attributable to that child during the period of absence or for other children also who may be present in the home?

Mr. BLUTE. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Massachusetts.

Mr. BLUTE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, with regard to the first question, it is happening right now where fugitive felons are receiving welfare benefits and law enforcement agencies cannot get the information from social service agencies as to exactly who these people are or where they are.

Mr. NADLER. Could the gentleman answer the second question?

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has expired.

Mr. FORD. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank my colleague from Tennessee for yielding the time.

Mr. Chairman, let me say I do not think there is a person in the House and certainly not in this great country that would say that criminals are by and large the ones getting welfare. I did not know that 2- and 3-years-olds were criminals. so I would certainly be supportive of keeping criminal fugitives from getting welfare, but I am really here to talk about is what I stand for in terms of how to make this program really work and really be welfare reform.

We have to have real welfare to work, we have to have a job creation program that is really sincere and offers to people the real opportunity to work. At the same time, we have to be sensitive to our infants and to our women and children. and I just want to emphasize that. We hear all of the talk about investment in the future and taxpayers' money. And "I do not want to pay for those deadbeats." This is what an investment in our children is all about.

Just take the Women, Infants and Children Program. We can see what we would save if we were participating in the Women, Infants and Children Program some $12,000 to $15,000 per child that we invested in making sure that women, infants and children had good nutrition programs.

The Republican program does not have good nutrition programs, it does not focus on the child. It focuses on taking away from the child.

Let us move forward to a progressive standard for all people and that is vote for the Democratic alternative. Let us make sure welfare reform is that and not welfare punishment.

Mr. BLUTE. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HEINEMAN], one Member who has had a real world experience with this issue, being a former police chief of Raleigh, NC.

(Mr. HEINEMAN asked and was given permission to revise and extend his remarks.)

Mr. HEINEMAN. Mr. Chairman, I rise in strong support of the Blute-Lipinski-Johnson amendment. As a former police chief I can tell you that we need to crack down on the number of welfare recipients who become fugitive felons and are now collecting welfare benefits at the expense of the American taxpayer.

Today there are almost 400,000 fugitive warrants on file at the National Crime Information Center—and it is estimated that one-third of those felons are receiving public assistance.

What's even worse is that law enforcement officers are prevented by privacy laws and regulations from tracking down these wanted felons.

Welfare and Social Security offices are prevented from telling law enforcement officials the whereabouts of a felon—even though they are sending him or her a Government check every month.

This is outrageous and an affront to the American taxpayer. We need to crack down on this kind of waste and abuse of our current welfare system—and help our law enforcement officials. This amendment will correct this ridiculous situation.

I urge my colleagues to support the Blute-Lipinski-Johnson amendment and I compliment my friend from Massachusetts for offering this amendment.

Mr. FORD. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, as a member of the Pennsylvania State Legislature in 1987, I sponsored the Employment Opportunities Act. Democrats and Republicans got together in Pennsylvania and created a joint job training initiative and moved 200,000 people off of the welfare rolls, not by punishing them but by providing job training and child care, and transportation subsidies so they could get to a multitude of training programs and they work. We do not have to be mean-spirited if we want to help Americans by moving them toward self-sufficiency. It has worked in a number of States.

It is unfortunate that the Republican majority thinks that the American people really do not understand. We have 9 million children on welfare, and they come to the floor talking about one set of abuses in Chicago with 19 children in which someone was not doing the right thing with the welfare check. Millions of families are doing what they should do with a welfare check, and that is helping children meet their needs every day and working and preparing for the moment in which they can be self-sufficient again in this land. We should be doing as much here in the U.S. Congress.

The Preamble to the Constitution says it is our responsibility to promote the general welfare. This majority today in this Congress is not moving to promote the general welfare. It is really moving to pull the carpet up from under millions of Americans who need the help so one day they can be in a position to be tax producers rather than recipients of subsidies from the Government.

Mr. ARCHER. Mr. Chairman, under the rule I move to strike the last word.

Mr. Chairman, I yield myself such time as I may consume.

It seems we always get distracted from the debate on the amendment at hand. But I must say the gentleman who just spoke in the well spoke of local answers to problems, and then he turns right around and says but do not give the States and the local communities more opportunity to do the kind of constructive job that he just spoke to.

Ironic, because our plan does precisely that. It puts more resources in the hands of the communities and the States where real success can occur, not where you have payment. And one thing my friend from New York forgot to mention is what are we doing here; we are cutting off Federal bureaucrats. We forget to use them in his litany and yes, we are doing that and we are creating more flexibility.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Massachusetts seek to yield his last one-half minute?

Mr. BLUTE. Mr. Chairman, I yield the remainder of our time to the gentleman from Chattanooga, TN [Mr. WAMP].

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. WAMP].

(Mr. WAMP asked and was given permission to revise and extend his remarks.)

Mr. WAMP. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. BLUTE] and the gentleman from Texas [Mr. ARCHER] for yielding time to me.

Mr. Chairman, to keep convicted felons from receiving Government welfare benefits is through my eyes a no-brainer. This amendment will fix an injustice in the current system that I believe no one wants.

Mr. Chairman, no matter what side of the debate you fall on, I think you will agree that welfare dollars should not be spent on criminals, should not be spent on criminals who have successfully avoided the law. This is not the type of success we want to reward.

While you may agree this is wrong, the gentlewoman from Texas thinks this does not happen very much. It is an exception that is costing the taxpayers an estimated $1 billion annually.

The American people are frustrated. Mr. Chairman, I urge my colleagues to support this amendment and close a disgusting loophole in the welfare bureaucracy.

Two hundred years ago Benjamin Franklin said:

I am for doing good to the poor, but I differ in my opinion of the means. I think the best way of doing good for the poor is not making them easy in poverty but leading them or driving them out.

Mr. FORD. Mr. Chairman, could I inquire how much time is remaining?

The CHAIRMAN. The gentleman from Tennessee [Mr. FORD] has 2½ minutes remaining, and the gentleman from Texas [Mr. ARCHER] has 3½ minutes remaining.

Mr. FORD. Mr. Chairman, do we reserve the right to close?

The CHAIRMAN. The gentleman from Tennessee has the right to close.

□ 1615

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I thank the distinguished chairman for yielding and commend him for his great work on this welfare reform bill.

We all know our welfare system is broken, that it needs to be fixed, that it creates dependency, victimization, and ultimately despair amongst our citizens, and we need to change that, and we need to tighten up the welfare system so it does what it is supposed to do.

And one of those things should not be giving welfare benefits to convicted felons who are on the lam from the law. I have with me a number of letters from the parole board in my State where they have been rejected from getting information from social welfare agencies on the whereabouts of felons that the parole board is looking for.

This is a system that is broken. It is wrong. It should not happen.

I urge all of my colleagues on both sides of the aisle to adopt this amendment, and let us restore some sanity to our welfare system.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. MCDERMOTT], a very distinguished spokesman on welfare reform in this Nation, one who has been very active in this debate.

Mr. MCDERMOTT. Mr. Chairman, the fundamental difference between the Democrat and the Republican approach to what we do about welfare is what you believe is the fundamental problem. If you beat on people, they will go to work; that is what Republicans believe.

Now, if this bill were in effect in 1982 when Ronald Reagan, and we had that big sweep and we were close to the wall, the unemployment rate in the State of Washington was 12.1 percent. The national unemployment rate was 9.6 percent. The Bureau of Labor Statistics says the underemployment rate in the country at that time was 16.5 percent, and in the State of Washington it was 20 percent. That includes those people who were involuntarily working part-time and discouraged workers.

Now, when you say you are going to take a 16-year-old kid and drive them out into the street by taking away the money for their kid and that somehow they are going to magically find a job when there is 20 percent of the people unemployed or underemployed in the State of Washington, you simply live in a dream world.

This is a bad bill.

Mr. ARCHER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have got to try to separate rhetoric from fact in this debate. It is very difficult to do.

When we talk about the supposed reductions in whether WIC or school lunches or whatever it might be, we are not talking about cuts at all. We are talking about increases of dollars based on the current level.

But from the Democrat side of the aisle, they think only Federal entitlement programs dictated in a straitjacket with Federal bureaucrats administering with pounds and pounds of regulations are the only way that you get help to people who need help. Just the reverse.

And as far as work habits or work requirements are concerned, you can go to Massachusetts or Virginia, and you can go to States today that are putting people on work as a condition of welfare within 60 days. That is what we want all of the States to be able to do, and we want to get through with this waiver process and these pounds of papers that have to be filed that take money away from really going to those who need help.

That is why we have got an outstanding welfare reform approach, and it is why the Democrat substitutes will not do the job.

Mr. Chairman, I yield back the balance of my time.

Mr. FORD. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, no one wants to see fugitives receive welfare in this country. You know, it is really amazing to see what the Republicans are doing and saying about children in this country. The Los Angeles opinion page on Sunday said that: "Congressional Driveby: Gang-bangers Kill Innocent Kids. Republicans Just Kill Programs To Help Kids." And to quote the gentleman from Florida [Mr. SHAW], who is the chairman of the subcommittee, and the source is the CONGRESSIONAL RECORD of March 22, he said. "We are talking about children you would not want to leave your cat with over the weekend," or you hear what the gentlewoman from Connecticut [Mrs. JOHNSON], who serves on the Committee on Ways and Means, says, "It is not hard to clothe your kids, folks. Just go to the secondhand store to do so."

The Republicans are so mean to kids in this welfare reform package just for the sole purpose of giving the well-to-do rich of this Nation a huge tax cut.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from North Carolina.

Mr. HEFNER. I do not think felons should get welfare.

But the numbers just do not add up, Mr. Chairman. If you are going to get $69 billion over 5 years to pay for a tax cut, somebody is going to get cut.

Bureaucrats are bureaucrats whether in North Carolina or Washington, DC, or North Dakota or wherever they are. You are not cutting out bureaucrats. You are going to cut $69 billion worth of benefits to the most vulnerable people in these United States to give a tax cut to the wealthiest people in this country, and that is what you said in your contract, and that is what you are trying to live up to. So why not brag about it?

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. BLUTE].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 30 printed in House Report 104–85.

AMENDMENT OFFERED BY MR. SALMON

Mr. SALMON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SALMON: Page 387, after line 10, insert the following:

SEC. 768. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

Amend the table of contents accordingly.

The CHAIRMAN. Pursuant to the rule, the gentleman from Arizona [Mr. SALMON] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Does the gentleman from Tennessee [Mr. FORD] seek the time in opposition?

Mr. FORD. Yes, I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Tennessee [Mr. FORD] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, delinquent parents can no longer be allowed to shirk their responsibilities and expect the Government to act in their place. That is unfair to the child. It is unfair to the taxpayer. It is time we sent a message if you bring a child into this world that you are going to care for it. This is the

compassionate and sensible thing to do for our Nation's children.

In child support cases, liens are not used by States to their full potential. Upon locating property, many caseworkers still prepare individual liens and seek judicial approval for each case. This is a slow and ineffective process, and our Nation's children are the ones that are paying for it.

Our amendment makes it easier for States to collect or for States to issue liens to collect past-due support and to help each other collect child support debts by providing that child support liens are enforceable across State lines without going to court again unless contested. Past-due support in all cases already becomes a judgment by operation of law.

Many States support this amendment. In fact, just about every State we have talked to wants this amendment. This is not an unfunded mandate. In fact, the States will save money by this measure, and the Nation's children will benefit.

America cannot work unless its citizens take more responsibility for their own actions. It is time that parents fulfill not only their own emotional but also their financial obligations to their children. We can at least address the financial obligations in this body.

Mr. Chairman, this amendment has widespread support from the national child support enforcement advocates. Marilyn Smith, president of the National Child Support Enforcement Association, has campaigned tirelessly for the reforms in this amendment, and Jerri Jensen, president and founder of Aces, whose story was told this week in the TV movie "Abandoned and Deceived," says that irresponsible parents should not be able to profit from selling out-of-state property while their children suffer due to lack of court-ordered child support.

Child support enforcement is a vital component of welfare reform. Delinquent parents can no longer be allowed to shirk their responsibilities and expect the Government to act in their place. That is unfair to the child, and unfair to the taxpayer. It is time we sent the message that if you bring a child into this world, you must care for it. This is the compassionate and sensible thing to do for our Nation's children.

The national collection rate of child support payments is abysmal. Regularly received collections average 18 percent in the United States. In my State, Arizona, the rate is only 10 percent, and even in the best States it reaches only as high as 27 percent. For this reason we have decided to adopt child support enforcement measures as part of the Welfare Reform legislation we promised in our Contract With America. The States will achieve a better collection rate though these provisions and thus lower costs to the States and Federal Government, who are left to provide the full financial care for children of delinquent parents.

States are already required to use liens to collect past-due support but do not use this remedy to its full potential. Upon locating property, they prepare individual liens and must go back to court for each case, which is burdensome and slows the process significantly. Thus deadbeat parents can indulge in luxury items such as boats and fancy cars, buy real estate, make investments, etc., while their children are left to endure life's hardships with not only the emotional, but also the financial support of only one parent. Most often the mothers are left with this heavy burden, and are forced to look to the State and Federal Government for a helping hand. Abandoning parental responsibility can no longer be tolerated if this country is to survive, and the Government should not bear the burden of deadbeats anymore.

The Salmon-Waldholtz-Torkildsen amendment is a simple, straightforward approach to the problems States are currently experiencing in collecting past-due support. It states that liens will anse by operation of law, which means that processing the thousands of delinquent cases will be much easier and cheaper by avoiding return visits to court. For example, since 1992, Massachusetts has issued administrative liens in every case where a noncustodial parent owed more than $500—liens to more than 90,000 child support delinquents with property as varied as workman's compensation claims, wages, bank accounts, and real estate. All were handled by computer on a wholesale rather than retail basis, collecting more than $13 million.

Not only has the collection process been difficult within a State, it is even more so when delinquent parents cross State lines to thwart efforts to track them down and collect. Although 30 percent of all child support cases are interstate, only 10 percent of all dollars collected originate from out-of-State. For example, if a deadbeat dad from Arizona moves to Utah to avoid supporting his children, currently it is extremely difficult to recover the money he owes across State lines. Under our amendment, if the lien is sent to another State to attach property owned in that State, it can be filed by the State agency in the second State without going to court to get accepted as a lien issued in that State. Again, this simplifies the process and thus it will be vastly easier for States to collect even across State lines. Arizona, Massachusetts, and Utah have come out in support of this amendment and other States have expressed great interest in such procedural changes.

The sections of the welfare reform bill that were reported out of the Committee on Ways and Means—primarily those sections dealing with child support enforcement reform—go far in solving the collection problems experienced at the State level. However, the Salmon-Waldholtz-Torkildsen amendment is fundamental to the successful reform of the system, according to child support associations and State agencies across the Nation. The National Child Support Enforcement Association, a leader is the reform movement, has called this amendment the basis for every other enforcement mechanism in this legislation. Time is of the essence in our efforts to end the cycle of dependency while ensuring the well-being of our children.

Mr. Chairman, I reserve the balance of my time.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL], one of the distinguished members of the Committee on Ways and Means and who handled an amendment similar to this, if not the same amendment, before the committee.

Mr. NEAL of Massachusetts. Mr. Chairman, I think one of the most significant options in this debate has been how a well-organized minority can, indeed, move the majority. I remind the listeners today and the viewing audience that there was no child support initiative offered by the Republican majority in this House until we convinced them that there should have been a strong child support component. I offered a similar amendment to this during the Ways and Means markup, and it was turned down on a party-line vote.

The gentleman from Massachusetts [Mr. TORKILDSEN], to his credit, had contacted my office and asked me to offer this amendment. It has the support of Bill Clinton and Bill Weld. I think that this goes to the heart of personal responsibility, paying for the children that you have.

During the Ways and Means Committee markup I offered an amendment to the child support enforcement title to include the use administrative liens to collect past-due child support. This amendment failed on a party line veto.

Now this amendment has bipartisan support. Congressman SALMON and Congresswoman WALDHOTZ are cosponsors of this amendment. This amendment is something both President Clinton and Governor Weld agree upon.

This is the type of amendment which should have bipartisan support. Under current law, a child support payment becomes a judgment by operation of law as it becomes due and unpaid and entitled to full faith and credit. This provision takes existing law one step further and allows States in interstate cases to move and to levy and seize assets without registering the underlying order in the sister States, unless the lien is contested on grounds of mistake of fact. Because the lien arises by operation of law, unlike current practice, which is "case-by-case." It gives similar treatment in interstate cases to liens as has been already accorded to interstate income withholding order since 1984. An estimated one third of delinquent obligors own property eligible for a lien. With approximately 3.5 million delinquent support cases nationwide, that equals a million or more liens, easy to issue and transmit by computer, impossible to write by and send by hand.

Mr. SALMON. Mr. Chairman, I yield 30 seconds to the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman from Massachusetts for his efforts in committee and here on the floor to adopt this. As I told him during the committee, it was new to me. I just had to look at it, and a number of us have, and we are going to support it.

Mr. FORD. Mr. Chairman. I yield 15 seconds to the gentleman from Massachusetts [Mr. NEAL], a member of the Committee on Ways and Means.

Mr. NEAL. Mr. Chairman, I want to thank the gentleman from Louisiana [Mr. MCCRERY]. I think that the gentleman from Louisiana [Mr. MCCRERY] is an example of how this bill could have been accomplished in a bipartisan manner. From day 1, he indicated a willingness to work with the minority party to get a good, sound bill done, and his mind was always open in this debate.

I thank the gentleman for his kind words.

Mr. SALMON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Chairman, nearly 2 years ago, a constituent of mine—Susan Brotchie, a divorced mother and president of Advocates for Better Child Support—met with me and requested that I work on legislation to address the issue of delinquent parents hiding their assets in real property, and thus avoiding child support payments. Out of that meeting was born H.R. 1029 and the substance of this amendment.

Let us face it. Child support enforcement will only be truly effective if we enforce cases across State lines. It is also important that we reduce the burden placed on parents left with little or no means of support. It is cost prohibitive for a parent whose children need support to chase a delinquent parent from State to State, hire lawyers, and wade through multiple State judicial systems.

This amendment attacks the interstate problem at its core by allowing States to give full faith and credit to liens placed in other States. It saves Federal and State taxpayer money, while leaving in tact all State enforcement procedures. This amendment improves existing law; it does not create new, unfunded mandates on the States.

My home State of Massachusetts remains a leader in the fight to make delinquent parents accountable. Since 1992, Massachusetts has issued administrative liens in every case where a parent owed more than $500. Massachusetts also set up reciprocal agreements with neighboring States, so that liens placed in Massachusetts are given full faith and credit in Vermont. These reforms have resulted in a 29-percent increase in child support collections in the last 3 years—a compliance rate that has risen from 51 to 60 percent—and 10,000 more families receiving support. Expanding this model nationwide would boost tne rate of compliance in interstate cases up to 70 percent.

By not passing this amendment, we are endorsing the safe havens that currently exist for parents who own property in other States. This Congress must send a powerful message to delinquent parents: You can no longer enjoy the benefits of property and luxuries in other States and not fulfill your fundamental commitment to our children.

Welfare reform will only be complete if we boost compliance in interstate cases. Fewer children and single parents will turn to public assistance, making this amendment is win-win-win situation—a win for children, a win for custodial parents, and a win for taxpayers.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN], who is a former prosecutor.

□ 1630

Mr. MEEHAN. Mr. Chairman, I rise in support of this amendment. This is a actually a very, very good amendment to a very bad bill.

We have been doing a lousy job in this country of holding people accountable when they have children. Mr. Chairman, as a prosecutor in Massachusetts, I prosecuted a case, the first criminal enforcement case in child support in Massachusetts under the revised statute. It was a defendant who was married, lived in Lowell, MA. This defendant took off to New York. He had 7 children at home. The bank began foreclosure procedures because the wife could not make payments. He was living in New York City, on 52d Street, and he had a place in the Caribbean.

The child support enforcement division in Massachusetts could not get at any of the assets.

We could do a much, much better job of collecting child support. State agencies do not have the ability to do long-arm statutes, go out and collect these assets. We could save $32 to $35 billion if we could just collect child support.

By the way, 90 percent of the money that is owed in child support in this country is men who owe women child support. I cannot help but think that if 90 percent of the money was women who owed men, this system would have found out a way to collect these payments.

This bill is part of a bill I supported and sponsored. It is long overdue. I would hope we could get something done to increase the effort to hold people accountable when they have children. We are doing a lousy job at it now.

Massachusetts, as my colleague indicated, is a leader in this area.

Mr. SALMON. Mr. Chairman, I yield 30 seconds to the gentlewoman from New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.).

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding, and I want to extend my congratulations to our colleague, the gentleman from Arizona. This is a wonderful amendment.

Mr. Chairman, I speak now as the first person back 10 years ago who brought the issue of child support, and the national disgrace it had become, before our Congress.

We have had two reforms. I hope this third reform that is implicit in this bill—because child support enforcement is welfare reform—that is, his amendment, we will be recognizing that no child support system is any better than the individual States. So we have reached into the States. This is an interstate system, and we have to have reciprocity.

Mr. FORD. Mr. Chairman, before I yield additional time, in order to extend debate, as the designee of the gentleman from Florida [Mr. GIBBONS], I move to strike the last word and ask unanimous consent to merge that additional time with the time I currently control.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of this amendment which requires the States to adopt procedures under which liens may be imposed automatically against the property of persons who are delinquent in child support payments in another State, and also of the next amendment providing for suspension of drivers and professional licenses for child support delinquencies.

The nonpayment of child support is an urgent public crisis that compromises the economic security of a very large number of American children and families. In 1994, more than half the children living in single-parent families were poor, and the majority, the large majority of them were in families where the child support payments were delinquent.

Before I came to this House, I was the author of bills in the New York State Legislature which allowed for liens to be placed against the property of persons who were delinquent in their child support payments and which provided for suspension of drivers and professional licenses of delinquent payors.

The lien bill passed and resulted in a large increase in child support collections in New York.

The amendments before us today would improve the collection of child support in an area where we have serious collection difficulties, interstate collections. Interstate child support cases comprise 30 percent of all child support cases and a very large fraction of the failures of collection.

The effective child support enforcement helps many single-parent families make the move to independence, self-reliance. This approach has succeeded in New York, and it will improve the lives of single parents and their children across the country.

This amendment will let absent parents know we are serious about collecting due child support. It will contribute to improving the economic conditions of children and families and will

lessen the number of families forced to go on welfare to survive.

I urge my colleagues to support this amendment and the next amendment as two very worthy amendments to what is, unfortunately, a very bad bill but which will improve that bill significantly.

Mr. SALMON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. WELLER].

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. I thank the gentleman from Arizona for yielding this time to me.

Mr. Chairman, I rise in strong support of the Salmon-Waldholtz-Torkildsen amendment, which further strengthens the essential child support enforcement provisions contained in the "Personal Responsibility Act," our Republican welfare reform initiative.

It is unconscionable that 30 percent of dead-beat parents are able to shirk their responsibilities to their children because they reside in a different State than their children. In fact, in Illinois, little children were stiffed to the tune of $176.1 million in 1994 due to deadbeat parents who refused to meet their responsibility to their own flesh and blood. This has got to stop.

Provisions in H.R. 4 go a long way toward solving this problem, and this amendment works hand-in-hand with these improvements by providing a simple, straightforward method of processing interstate collection. It simply allows liens on personal property filed in one State to be honored in a second State without having to go back to court, thereby avoiding unnecessary delays and judicial red-tape. It is better for the child and the taxpayer.

Abandoning parental responsibility can no longer be tolerated—and the Personal Responsibility Act, with this amendment, brings us one step closer to providing America's children with the inherent parental support they need and deserve.

Mr. FORD. Mr. Chairman, may I inquire as to how much time remains?

The CHAIRMAN. The gentleman from Arizona [Mr. SALMON] has 4 minutes remaining and the gentleman from Tennessee [Mr. FORD] has 9 minutes remaining.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, the debate on this floor regarding welfare reform has been, in my opinion, as far from what is real in the real world as anything I have ever seen. I have heard what a lot of you call rhetoric. I have heard a lot of theoretical aspirations from many of you.

Many of you would not know a welfare mother if you saw her. Not only would you not know her, but you do not know how they live. You do not know what it takes to feed their children. You do not know what it takes to find a job.

You talk about getting jobs. Leaving the jobs out of the bill and not having a full track to find a job, it is not easy to find a job. Most people on welfare will not work. I have not seen in any of these bills any way that would lead to a job.

So all we are talking about here is vapor, vapor that does not really go any place. And we are looking at children in a very cruel way.

There is no mistake about it. Our welfare system needs to be improved. We all know that. But do we have to improve it by taking food out of children's mouths? Do we have to improve it by taking away the welfare help we are giving States now? You are talking about States' rights, but you are not giving them the autonomy they need. On the one hand you say here is autonomy; on the other hand you take away the money. Does that make sense? It does not work. If you want the States to do something with welfare reform, then give them the same amount of money you gave them before.

I stand here today to say to you that all of this is a bunch of baloney. It does not lead down to the neighborhoods where the people are poor and need help. All this about wearing secondhand clothes, where have you heard of such a mess before? Wearing secondhand clothes? It goes to show you where the mindset is. How can you make an amendment if you do not have the right mindset?

Mr. FORD. Mr. Chairman, I yield 1½ minutes to my distinguished colleague, the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. I thank the gentleman for yielding this time to me.

Mr. Chairman, once you get past all the rhetoric, you are left with just the facts. And the facts are that H.R. 4 does not fund its requirements.

Translation—H.R. 4 passes on a huge unfundated mandate to States, cities, counties and localities.

Just yesterday President Clinton signed the unfunded mandate legislation into law. During the debate and in the days which have passed since we sent this legislation on, many on the other side have been beating their chest and talking about how they saved our States, cities, and American taxpayers from the evils of the Federal Government. And now, before the President's signature is even dry we are being asked to support the mother of all unfunded mandates.

But do not just take my word for it. A letter from the United States Conference of Mayors "* * * H.R. 4 will further strain local budgets. It basically shifts costs our way. We can expect general assistance expenditures to skyrocket in those states which provide it * * *".

The League of Cities had this to say about H.R. 4, "The bill could be one of the greatest mandates ever imposed upon our communities."

And from a report issued today by the Congressional Budget Office on H.R. 4, "the literature on welfare-to-work programs, as well as the experience with the JOBS program indicates that States are unlikely to obtain such high rates of participation." And June O'Neil, the Director who was recently installed by the Republican leadership said that "given what is known about how these programs work, I was comfortable signing" the report. "We did this totally based on the evidence."

Support the only responsible welfare reform bill. Protect your States and cities. Support the Deal substitute.

Mr. SALMON. Mr. Chairman, I am a little confused. I have not found that the gentlewoman from Florida or the gentleman from Tennessee have been—they have been going on and on—and I do not find any of this information in the Salmon-Waldholtz-Torkildsen amendment.

The CHAIRMAN. The Chair would inform the gentleman from Arizona [Mr. SALMON] that the Chair has been reasonably lenient because about 75 percent of the conversation has not been on the appropriate amendment.

Mr. SALMON. I am baffled. We seek child support enforcement.

Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. I thank the gentleman for yielding this time to me.

Mr. Chairman, I will actually speak on the Salmon amendment. I am a strong supporter of it. I have been listening to this debate for a week, "Help the children, the children, the children; you are mean-spirited." All you talk about is children, children. We finally have a bill before us, an amendment that will help children without increasing the Federal bureaucracy. It is about time. We have deadbeat dads going from State to State, running away from child enforcement authority, and here is a great idea. We can help children without funding a huge bureaucracy. The argument all week has been, "You have got to vote more money, throw more money at a problem that we have not been able to solve for the past 30 years, by making bureaucracies larger. And if you are not for huge bureaucracies, then you are against children." That is garbage, and everybody here knows it is garbage.

That is the great thing about the Salmon amendment: It finally helps us do it without increasing the size of bureaucracy.

Let us cut down on deadbeat dads running away from their responsibility, and do it without creating a huge Federal bureaucracy.

Mr. FORD. Mr. Chairman, for the purpose of debate I yield 1½ minutes to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. I thank the gentleman from Tennessee for yielding the 1½ minutes.

Mr. Chairman, we would like to discuss just this one particular amendment. The problem is that on a lot of these small amendments that we see, when you take a look at the entire bill, what we have is a beast. And whether you put lipstick on it or not, it is still an ugly beast. It is difficult to talk just about one little aspect of this entire debate when the beast is out there hovering over your shoulders.

What we find in this entire debate is the fact that we are talking about cuts, cuts to kids, cuts to school lunch programs. And for what? We found out very clearly in an amendment that passed yesterday. These are cuts on kids, cuts on school lunch programs so that we could pay for cuts for tax breaks, cuts for the wealthy. That is what we are driving toward.

Billions of dollars will be saved, saved by cutting from kids and cutting from school lunch so we can send it over to give tax breaks for the wealthy. That is what this is all about. That is our concern.

But we have to talk about this entire legislation, not just about one particular amendment, because this is going to affect the entire country, not one individual.

So let us remember, when we start voting on these particular amendments, whether you are voting to pass it or not, you cannot improve the looks of a beast by putting some lipstick on it. I hope that we understand that, ultimately, the folks who are going to suffer at the hands of this beast are not the folks in this room, not the people that got elected, but the people who voted to elect us to office. That is, the children and the families who will suffer because school lunch programs will not be there and day care will not be there—all because Republicans wanted to give tax cuts to the rich.

Mr. FORD. Mr. Chairman, let me inquire as to how much time the Democrats would have and whether or not we reserve the right to close on this particular issue.

The CHAIRMAN. The gentleman from Tennessee [Mr. FORD] has the right to close, and he has 4 minutes remaining.

Mr. FORD. Mr. Chairman, I would like to also know whether or not my colleagues on the other side of the aisle will request the additional 5 minutes and if so, how will we handle that in the closing?

Mr. SALMON. Yes, we will request the additional 5 minutes.

Mr. FORD. Then I will yield to the gentleman.

Mr. SAM JOHNSON of Texas. Mr. Chairman, as the designated representative for Mr. ARCHER, I move to strike the last word.

The CHAIRMAN. The gentleman is entitled to 5 minutes on his pro forma amendment and, without objection, may control that time.

There was no objection.

Mr. SAM JOHNSON of Texas. I thank the Chair, and I yield to the gentleman.

□ 1645

Mr. SALMON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am a little bit baffled. It seems that we are hearing that this amendment somehow benefits the rich. I am getting a little bit confused. Actually this amendment hurts the rich deadbeat dads and it helps the children that are not getting their child support, and I would really appreciate if we can understand that cogent point and stay on point.

I would like to point out, Mr. Chairman, how this amendment came about. It did come up in the Committee on Ways and Means. It was not successful. I think it should have been there. I will agree that it should be a bipartisan effort, and I am happy to say I believe now it is. The gentlewoman from Utah [Mrs. WALDHOLTZ] and the gentleman from Massachusetts [Mr. TORKILDSEN] and I put our heads together and came up with this idea. The gentleman from Massachusetts [Mr. TORKILDSEN] has been working on this issue for the last couple of years, and it is an important issue, not only to American families, but children everywhere.

The CHAIRMAN. The Chair would like to inquire from the gentleman from Texas, [Mr. SAM JOHNSON] whether he is going to control the 5 minutes or if he is yielding the control of the 5 minutes to the gentleman from Arizona.

Mr. SAM JOHNSON of Texas. I will maintain control of the time, Mr. Chairman.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I just think that this amendment makes a great deal of sense. Here we are talking about child support enforcement, and I can tell my colleagues that for instance in my State of Maryland $500 million plus is in arrears, and only $300 million has been aid.

I say to my colleagues, Now, if you're going to have this amendment in order, this means that, if somebody from Maryland has a deadbeat parent who may be in Florida in a marvelous palazzo which has been purchased, this will allow her to be able to put a lien, have a lien put on, that property in order to help to support the children that have been parented by both of them.

I think it makes a great deal of sense. Current law allows the imposition of liens by processing orders through the judicial system, but it is really a very difficult, if not impossible, process for an out-of-State parent to utilize. So this bill would eliminate such a system. It would order states to give full faith and credit to any lien imposed by another State in the pursuit of child support collection. When we cannot collect child support by utilizing all the means that we have available, and this is a means that is available, then taxpayers pay, and children, children, suffer.

So, Mr. Chairman, I certainly urge strong support of this amendment.

Mr. SALMON. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I want to commend the authors of this amendment, including my colleague from Massachusetts. Our State has taken the lead on this issue. Governor Weld and his Lieutenant Governor Salucci believe this is absolutely essential to any welfare reform, but, speaking of all the States, I say to my colleagues, If you look around this country, and look at Massachusetts, and Wisconsin, State after State have engaged in stronger welfare reform than we're talking about here. The States are way ahead of this Congress in tightening up and changing this welfare system, and we better get our act together here, and pass this amendment and pass this bill so we can do what we said we're going to do, and reform our welfare system and catch up to all those State governments out there.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 2 minutes to the gentlewoman from Utah [Mrs. WALDHOLTZ].

Mrs. WALDHOLTZ. Mr. Chairman, this is an amendment designed to help make parents meet their moral and legal responsibility to support their children. In our mobile society, many parents evade their child support obligations simply by moving to another State. Thirty percent of delinquent child support cases involve parents who have moved to another State, while the families they left behind suffer.

The bill we are debating today includes strong new measures to enforce child support orders and track down deadbeat parents. But, we can make a good provision even better with this amendment.

The Salmon-Waldholtz-Torkildsen amendment will help ensure that when a State issues a child support order, the debt can be collected regardless of where the noncustodial parent lives or owns property. This amendment streamlines the process of collecting past due child support by allowing liens to attached to property automatically, without registration of the original child support order in the State in which the deadbeat parents' property is located. All 50 States allow some sort of lien to arise automatically, by operation of law. This amendment will not require States to significantly chance their laws, but does require that liens for past due child support be accorded this most simplified kind of enforcement to avoid the expense and time of registering liens in various jurisdictions.

The Salmon-Waldholtz-Torkildsen amendment is not an unfunded mandate and it does not alter State law regarding lien priority. The amendment

does not impose additional costs on the States. What it does do, is simplify the procedure for enforcing valid child support orders and does away with the current incentive for irresponsible parents to move out of State to try to dodge their obligations.

The bill is supported by the National Child Support Enforcement Association, the Association for Children for Enforcement of Support, and by my home State of Utah which is well-known for objecting to Federal mandates.

Nothing in our society is more simple than a parent's duty to support their child. This simple amendment will make it easier to enforce that duty against parents who ignore it.

I urge my colleagues to support the Salmon-Waldholtz-Torkildsen amendment.

Mr. FORD. Mr. Chairman, I yield 20 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I want to congratulate the gentleman on an excellent, excellent amendment. I wish he had had more input into this very bad bill, but I support it strongly. I think it is the one bright spot in this terrible bill.

Mr. FORD. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I think this is a good amendment, but, as Ann Richards, Governor of Texas, said, "Just because you dress up a pig, that doesn't mean it still isn't a pig," and that is what this bill is.

I think we are going to make the same mistake that this Congress made a long time ago under President Nixon. President Nixon worked hard. He got through this House on a bipartisan basis a sweeping welfare reform bill, and then, when it went to the Senate, it got killed because it was crunched between extreme conservatives on one side and extreme liberals on the other side. And so this country went for years without welfare reform.

Now I am afraid we are going to see the same thing. I think we are seeing in this House the chances of this bill becoming law being destroyed by the extremism of those who are supporting the committee Republican bill. I do not think the public wants us to pursue ideology. I do no think they want us to pursue our pet theory of social engineering. I think the public wants us to focus on how to move people on welfare to work; that ought to be the sole question. They want to know what works in the real world.

It seems to me that the crucial difference between the Deal amendment and the base bill which we are debating is that the Deal amendment is more real. It deals with real world situations. It will move more people into the world of work. The committee bill tries to do that on the cheap. It is not going to work. It will fail the basic responsibility that we have to the American people.

So, Mr. Chairman, I would urge us to support the Deal amendment when we get the opportunity.

Mr. SALMON. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

Mr. STUMP. Mr. Chairman, I rise to express my concern over title VII subtitle G section 459(h)(1)(A)(ii)(V) of H.R. 1214, which would permit garnishment of veterans disability compensation. While I support the bill, I oppose the particular provisions regarding garnishment of VA disability compensation.

Mr. Chairman, there is an altemative to garnishment. VA has long had a process known as apportionment, which accomplishes essentially the same result as garnishment. As directed by 38 CFR 3.451, VA can apportion disability benefits by considering the:

Amount of VA benefits payable; other resources and income of the veteran and those dependents in whose behalf apportionment is claimed; and special needs of the veterans, his or her dependents, and the apportionment claimants. The amount apportioned should generally be consistent with the total number of dependents involved. Ordinarily, apportionment of more than 50 percent of the veterans benefit would constitute undo hardship—on the veteran, while apportionment of less than 20 percent of the benefits would not provide a reasonable amount for any apportionee.

I would like to work with my distinguished colleague, Mr. ARCHER, chairman of the Committee on Ways and Means, to ensure the interests of the disabled veterans and their dependents are protected. As chairman of the Veterans' Affairs Committee, I intend to review VA's apportionment authority under chapter 53 of title 38.

There is a good reason to retain the current method of apportioning VA disability pay. That is the presence of a disability which impairs the earning power of the veteran. There is an agency which is best suited to judge the fairness of an application for apportionment; an agency with the most knowledge of the case, and that is the VA.

Children of disabled veterans do not suffer because the authorities are unable to locate the veteran to enforce child support or alimony orders. A disabled veteran who receives a disability benefit must have a mailing address.

There is a long history of special treatment of disability payments to veterans. They are tax-exempt. They have generally been safe from garnishment.

I believe disabled veterans should meet their parental obligations whenever they are financially able to do so.

In 1994, there were approximately 22,729 cases in which VA apportioned compensation or pension benefits.

There is a system in place—the VA and its authority to apportion. I hope my concerns can be addressed as this measure moves through the Senate and into conference.

Mr. SALMON. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Mr. Chairman, from the other side of the aisle we have heard a lot of comments during the debate on this amendment about taking food out of the mouths of children. I would just like to observe that this amendment, colleagues, does exactly the opposite of that. It puts food in the mouths of children because this is an amendment that has to do with parental responsibility, with deadbeat dads and occasionally, perhaps, a deadbeat mom. But this is a bill that does exactly the opposite of what they are accusing it of not doing. This amendment puts food in the mouths of children, and the debate during this time ought to be focused on this amendment. I am very pleased that the last two speakers on that side of the aisle did admit, after all of the diatribe before, that this, in fact, was a good amendment and should be supported, and I support it, too.

Mr. FORD. Mr. Chairman, I yield 10 seconds to the gentlewoman from Colorado [Mr. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I just want to point out that we are glad these amendments are bringing this bill up to the level of the Deal bill, and that is all we are talking about here.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Ms. BROWN].

(Ms. BROWN of Florida asked and was given permission to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Chairman H.R. 4 is a big failure. H.R. 4 does not create a single job. It is reform in name only. It cuts the school lunch program. It cuts resources for child care. It cuts health care. It cuts transportation. It cuts the tools that make a difference in whether someone keeps a stable job or ends up back on welfare.

Haste makes waste. Republicans are in a hurry to pay for the tax breaks for the rich at the expense of hungry children, the elderly and veterans. Once the sound bites are over, the American people will realize that the contract "with" is a contract "on."

Shame, shame, shame, Republican shame.

Mr. Chairman, I rise today in support of the Mink substitute which will transform the AFDC program into a program that will really move people from welfare to work.

The Mink substitute significantly increases the funding for education, job training, employment services, and child care for welfare recipients. These components are essential to any program to help people move into the work force. This amendment helps to make sure that States move people off of welfare and into real jobs.

H.R. 4 is a bad bill. It is a mean-spirited bill because it does not provide the tools needed to help people work and lift themselves out of poverty. Yes, we need real reform that helps people get off welfare for good and helps them to take care of their own families. But H.R. 4 does not create a single job. It repeals the main job training program even though education and job training are the keys off welfare. This bill is a big failure; it is reform in name only:

It cuts resources for child care.

It cuts health care.

It cuts transportation.

It cuts the tools that make the difference in whether someone keeps a stable job or ends up back on welfare.

I urge my colleagues to support the Mink substitute to improve this bad bill that the majority has shamelessly rushed through the House.

Shame, shame, shame on the Republicans.

The Republican bill is just part of a bigger GOP plan to rush bad legislation through so Americans won't see the fine print in the Contract on America.

Haste makes waste. Republicans are in too much of a hurry to pay for tax breaks for the rich at the expense of hungry children, the elderly, and veterans. Once the sound bites are over, the American public will realize that this slash and burn lawmaking will only hurt the most vulnerable in America.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Texas, Mr. SAM JOHNSON, for 1½ minutes.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I would like to point out for starters that Ann Richards is the ex-Governor of Texas. I believe Mr. George Bush is the Governor down there now by acclamation.

I might add that the Deal bill, which my colleagues have been talking about at length all day, is really the Clinton deal, phony deal, bill. Let me just say that it does not talk to any of the issues that we have been discussing. Our bill is totally more substantive than that. It talks to fugitives that are in food stamps. It talks to the food stamps. It talks to the kids.

Mr. Chairman, with the amendments we have we have a far stronger bill than the Deal bill, the Clinton deal, phony deal, bill ever thought of being. As a matter of fact, the Clinton deal is an unfunded mandate on the States. Medicaid transitional assistance is increased from 1 year to 2 years. States must provide additional Medicaid benefits which, according to CBO, the Deal bill, the Clinton deal, phony deal, bill will cost the States an additional $1.5 billion between now and the year 2000.

Mr. Chairman, I yield back the balance of my time.

Mr. FORD. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, as my colleagues know, the gentleman from Arizona [Mr. SALMON] mentioned earlier that the Democrats are talking about the bill in general and not talking about the amendment that is before the Congress today. I would say his amendment was offered in the full committee. We tried, as Democrats, in every way to perfect the bill at the subcommittee level and the full committee level. We debated this particular amendment. We debated the next amendment that will be on this House floor. Democrats voted for this amendment in the full committee. Republicans voted no against both amendments in the Subcommittee and full committee.

□ 1700

Better still, the gentleman from Florida [Mr. SHAW] indicated to us that we would have an opportunity to bring this particular amendment on child support enforcement to the full committee. We thought these provisions would have been in the bill. They were not included in the bill. Plus, the Democrats tried to go before the Committee on Rules with 104 Democratic amendments. We wanted to perfect this bill on the House floor. The Republicans are denying the Democrats an opportunity to perfect the bill. We think the Deal substitute is the right answer to this welfare issue before this House today.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona [Mr. SALMON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. FORD. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Arizona [Mr. SALMON] will be postponed.

The CHAIRMAN. It is now in order to consider amendment No. 31 printed in House Report 104-85.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. ROUKEMA:

Page 387, after line 10, insert the following:

SEC. 768. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715, 717(a), and 723 of this Act, is amended by adding at the end the following:

"(15) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

The CHAIRMAN. Pursuant to the rule, the gentlewoman from New Jersey [Mrs. ROUKEMA] and a Member opposed will each control 10 minutes.

Does the gentleman from Tennessee [Mr. FORD] seek control of the time in opposition?

Mr. FORD. Yes, Mr. Chairman, I do.

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 10 minutes, and the gentleman from Tennessee [Mr. FORD] will be recognized for 10 minutes.

The Chair recognizes the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the provisions of this bill go far. With the last amendment, with the provisions in the bill, we are probably 90 percent close to closing this circle, the circle of loopholes that have existed in law regarding interstate child support enforcement. I hope that we can close that full circle.

I do not know whether or not we can this year, but for my colleagues who do not have the background, I want you to know this has been a 10-year effort with two major reforms, and now I would hope that in the interests of the children, and in the interests of the taxpayers, that we recognize that we have to deal firmly and strongly with this national disgrace of child support enforcement and the deadbeats.

The amendment before us is very straightforward. States must have in place a program of their own design and choosing that provides for the revocation, suspension, or restriction of driver's licenses, professional and occupational licenses, and recreational licenses for deadbeat parents. We are talking, remember, about wilful violation, repeated wilful violation of legal child support orders.

As we debate this amendment today, I want to point out that we as Republicans have referred to the States as the laboratories of democracy, and here we can learn in this amendment exactly how effective States have been in terms of leading the way on effective child support enforcement. These reforms have saved taxpayers millions of dollars in a relatively very short time.

By the way, there are at least 19 States, and some say closer to 25, that already have these kinds of measures on the books. For example, the State of Maine has been a leader in this respect and has come to be known for its effectiveness in terms of using the prospect of losing a license. They have collected multiple millions of dollars in very short time, less than a year, in delinquent child support payments, and they have only had to suspend, believe it or not, 41 licenses. The State of California has had a very similar experience. They have collected $10 million in a short time and have not revoked even one single license. I think what it shows is when the law means business, deadbeat parents miraculously come up with the money which they swore was not available.

Effective child support enforcement reforms are an essential component of true welfare prevention. Research has been conducted by various groups, whether it is Columbia University or the Department of Health and Human Services, that show up to 40 percent of mothers on public assistance would not be on welfare today if they were receiving the legal support orders to which they are legally and morally entitled.

It is a national disgrace, as I have said before. Our child support enforcement system continues to allow the

most obvious things to go on and people are neglecting their children, their moral obligations, and their legal obligations. Make no mistake about it: If we close this circle and close the loopholes, as we are about to do today, the so-called enforcement gap, the difference between how much child support can be collected and how much child support is actually collected, has been estimated conservatively at $34 billion.

Perhaps the most salient fact we must keep in mind as we seek to improve our system is that our interstate system is only as good as its weakest link. States that have been enforcing and collecting child support payments that have given it a priority are penalized by those States who fail to reciprocate. That is precisely why we need comprehensive reform, to ensure that all States come up to the highest level and not sink to the lowest common denominator.

So what this amendment is about is putting into practice what our language has been, family values, needs of children, and, of course, to save the taxpayer.

Mr. Chairman, I reserve the balance of my time.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], the great woman warrior of child support enforcement on the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Chairman, there has been much disagreement on this floor the last 2 days, and honest disagreement, on the way we are going forward in welfare reform. Of course, that is what this process is about and what this democracy is about. But when we come to the amendment of the gentlewoman from New Jersey [Mrs. ROUKEMA], the amendment for child support enforcement, revoking the licenses of delinquent parents. I think it is very nice we can come together on both sides of the aisle and agree on this amendment to revoke licenses of people who do not pay.

When we say licenses, we are talking about a driver's license, we are talking about a professional license. We are talking about saying to somebody if you want to have what society can give you and be according to the law in the area of what you want to do, such as drive a car under the rulings of the State, then you will pay your child support.

When this amendment came up in the Committee on Ways and Means, we had a 17 to 17 tie. The committee discussed it on both sides of the aisle, much talk, and we sat and figured out how this could be acceptable to all of us. I am delighted that the gentlewoman from New Jersey [Mrs. ROUKEMA] has got this amendment on the floor. The Women's Caucus, with all the other members, the gentlemen that are members of the caucus over the years, this is the idea, to be serious about child support enforcement.

This is tough. This says to people we should collect child support enforcement, and if you are going to have to be inconvenienced, it might be quite a real inconvenience. I must say in this situation, you do not necessarily immediately take away the license. If someone comes forth and says "I am willing to make an agreement, I can only give so much," and they are up front about it, this can work. It worked in New Hampshire, it worked in 19 other States, and I think it can work in a Federal way. I think it is nice we can come together on an amendment and agree. I thank the gentlewoman for bringing it forth on the floor and the gentleman from Florida [Mr. SHAW] for bringing it up again after the committee.

Mr. Chairman, I would like to express my strong support for this amendment on revoking the licenses of delinquent parents.

I offered an identical amendment in the Ways and Means Committee, which I regret to say rejected the provision on a 17 to 17 tie vote. I said then, and say again now, we should not be squeamish about being as tough on delinquent parents as the bill is on mothers and children.

Nineteen States are already experimenting with restricting professional and driver's licenses of delinquent parents and the initial indications are very good. For example, Maine has collected $23 million in additional collections just since August 1993. The State only had to revoke 41 licenses to get this money: in other words, the threat was almost always enough.

California increased collections by $10 million without revoking a single license—just by sending out notices to delinquent parents.

The Department of Health and Human Services look at this evidence and estimated that nationwide license revocation could increase child support collections by $2.5 billion over 10 years.

Let us say once and for all that both parents share responsibility for their children. I urge my colleagues to support this amendment.

Mrs. ROUKEMA. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, this license revocation amendment is so very important to child support enforcement. It had its inception in the Women's Caucus child support bill in the last Congress. It was also contained in the Women's Caucus bill this year, too.

The caucus has always felt that license revocation is critical to any effective child support reform. I want to thank the gentlewoman from New Jersey [Mrs. ROUKEMA], the gentlewoman from Connecticut [Mrs. KENNELLY], and others for their strong support, and the strong support of the gentleman from Georgia [Mr. COLLINS] for this amendment.

Why must it be done on a Federal level? Because States have been notoriously lax in implementing strong child support reforms. This says States must have license revocation procedures in place. We now have 19 States that have revocation procedures in place, and in those cases we have found that people immediately get out and write their checks for child support, because they do not want to lose their hunting license, their driver's license, or their professional license.

Using as one of the examples Maine, Maine has collected nearly $13 million in back support and only revoked 15 licenses. Let us support this important amendment.

Mr. SAM JOHNSON of Texas. Mr. Chairman, to extend debate as Mr. ARCHER's designee, I move to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman is entitled to 5 minutes on his pro forma amendment and may control that time or allow that time to be controlled by others.

Mr. FORD. Mr. Chairman, to extend debate as Mr. GIBBON's designee, I move to strike the last word and ask unanimous consent to merge that additional time with time I am currently controlling.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SHAW], our distinguished chairman of the committee that designed such a wonderful welfare bill.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to stand in support of the amendment, and I want to direct my remarks to the gentlewoman from Connecticut [Mrs. KENNELLY] who offered this in the committee, at which time I did vote against it. We concocted a variation of it, a much weaker one which expressed the desire of the Congress to put this, for the States to put this in their own bill. It is effective and it is.

I would like to say to the gentlewoman I have come along to your way of thinking on this and intend to support it, and wanted to be sure that I did come forward and congratulate you for being as persistent as you were, and also to congratulate the gentlewoman from New Jersey [Mr. ROUKEMA] as well as other Members of this Congress, who did work hard to see that this became a part of the bill.

Mrs. KENNELLY. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentlewoman from Connecticut.

Mrs. KENNELLY. Mr. Chairman, we did have some good discussion in committee. I thank the chairman.

Mrs. ROUKEMA. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. MCINNIS].

Mr. MCINNIS. Mr. Chairman, I think this amendment reflects an idea that works. In the United States a very interesting statistic is that 4 percent of

our population, 4 percent of our population, is behind on their car payments. Almost 50 percent of the population that is legally obligated to pay child support is behind on their child support payments. This amendment works. It is a good idea.

Now, some people will say that it is not a good amendment, it is not a good idea, because you are taking away the ability for these people obligated to pay child support from driving to work. But I ask you to take a look at the statistics where it has been tried.

For example, in Maine, they only had to revoke 41 licenses. Just the fear of the revoking of the license brought in $23 million. In California, they collected $10 million without revoking one license.

Mr. Chairman, I commend the sponsors on both sides of the aisle on this amendment. This is an idea that works.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

□ 1715

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from Tennessee for yielding time to me. I thank the gentlewoman from New Jersey for bringing this forward.

The prior speakers have pointed this out. Thank goodness we have had the bipartisan Women's Caucus or we would not have this great alliance, because the Women's Caucus has been working on this year after year after year. And let me tell you how disappointed we were when the committee marked up the welfare reform bill of the majority side, the Republican side, and there were some Members who had a press conference and said how pleased they were it was father friendly.

Well, let me tell you, first of all, it is not just fathers who miss payments. this is really a deadbeat parent issue, unfortunately, anymore. But the women have constantly rallied and the Congresswoman from New Jersey is reminding us all of that to say that children in a divorce should be held economically harmless as long as possible. And that is what this is about. This is welfare prevention.

My colleague from Colorado points out that car payments are made almost automatically and yet child support payments are ignored. They are going to dig this society up and think that we worship cars and did not like our children. There is something wrong with that picture.

I am really glad there has been a change of heart on the other side and that they are now going to put this in their bill and that now all the bills will be as strong as they can be on child support enforcement because it has been much too long in coming.

The children of America deserve this. They deserve not to have to live under the taint of welfare because one parent decided that they had had enough of that and wanted to escape. This is about responsibility. This is about taking responsibility and enforcing it. It is very, very important.

Again, I thank my colleague from New Jersey and all the Congresswomen and the members of the caucus across the aisle who have stood for this for so long.

This is a good day in that no matter what happens, we are going to have the highest standard here, and it is about time.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of this amendment and in support of this legislation.

Mr. Chairman, I rise in strong support of the child support provisions in H.R. 1214, the Personal Responsibility Act, including the amendments to it that we will consider today.

I would like to take this opportunity to commend my colleagues on the Congressional Caucus for Women's Issues who have worked long and hard on child support issues. In particular, Congresswomen MARGE ROUKEMA and BARBARA KENNELLY, who served on the U.S. Commission on Interstate Child Support, have brought years of leadership and experience to our debate. The Child Support Responsibility Act, which we introduced earlier this year along with Congresswomen CONNIE MORELLA, PATRICIA SCHROEDER, and ELEANOR HOLMES NORTON, has been largely adopted into the welfare reform bill before us today.

Consequently, I am extremely pleased that the child support title in this bill will go a long way toward solving some of the most difficult problems in the system. If focuses on locating parents who move from State to State in order to avoid paying support, and puts into effect tough enforcement mechanisms that will force reluctant parents into paying even when we already know their whereabouts. The legislation sets up interacting State databases of child support orders, which will be matched against basic "new hire" data so that State child support officials can locate missing, non-paying parents. It applies the same wage withholding and enforcement rules to Federal employees, including military personnel, as currently apply to the rest of the workforce. It makes enforcement of orders for parents who are self-employed easier through a number of means, such as the newly adopted amendment to administer liens on an interstate level.

Finally, this legislation contains my provision adopted in the Ways and Means Committee that will put work requirements on many noncustodial parents who are behind in paying child support, often due to their not having a job. Just because a person is not employed does not mean his or her obligation to support the child ends. Many children are on welfare because one parent is not paying their court-ordered child support. This provision requires parents to either pay their child support, enter into a repayment plan through the courts, or work in a government-sponsored program. Since the government is paying for the child's support through a welfare check, it is entirely reasonable to expect something in return from the non-paying parent. And we do.

I am confident that the child support legislation we have before us today will result in millions upon millions more dollars being put toward the support of children by their parents. It is with great enthusiasm that I support the child support enforcement title of the bill, as well as the bill as a whole.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. CUNNINGHAM].

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment. I would like to advise the gentlewoman from Colorado, it is the Republican bill that is passing it. The democrats would not bring it up.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman from Tennessee for yielding time to me. I rise to thank the gentlewoman from New Jersey [Mrs. ROUKEMA] for her leadership on this issue and certainly my colleague and friend, the gentlewoman from Connecticut [Mrs. KENNELLY], who has been in the forefront of this fight, as have others on this floor.

Mr. Chairman, every able-bodied American must understand it is wrong to have children you cannot or will not care for and support. The message we are sending with this amendment is. if you are a deadbeat parent, we are going to pursue you and demand you meet your moral and legal obligations to those children you brought into this world.

It is a simple but a very compelling and important message.

We understand during the course of this debate that one problem with children in America today is that too many people believe that having children is a spectator sport. Too many deadbeat dads, unfortunately, believe it is a nonparticipatory event after birth.

This amendment says, you need to care for and support, to the extent of your ability, your child. And if you do not, the rest of us, who will clearly want to support that child, will, however, exact a price from you.

This is a good amendment. This moves in the right direction. The gentleman from Colorado made a very salient point, nobody wants to lose their car so they stay current with their car payments. They ought to be much more responsible when it comes to caring for the dearest thing they may ever have. And that is their child.

I thank the gentlewoman for offering this amendment.

Mr. Chairman, every able-bodied American must understand—it is wrong to have children you cannot or will not care for.

And the message we are sending with this amendment is if you are a deadbeat parent, we are going to pursue you and demand you

meet your moral and legal responsibilities to those children you brought into this world.

This amendment puts real teeth into the child support enforcement system.

It would require States to establish procedures under which they could withhold, suspend, or restrict State issued licenses of persons delinquent in making court ordered child support payments.

It would give my State of Maryland an additional weapon in its fight to collect $771 million in uncollected child support from deadbeat parents.

Last week, the Health and Human Services Department released a study which tracked the revocation of State issued licenses from parents ignoring child support obligations.

It estimates that if similar programs were in place nationwide, child support collections would grow by $2.5 billion over 10 years. Clearly, the mere threat of not receiving or keeping licenses has caused deadbeat parents to pay what they owe in child support.

Moreover, the Congressional Budget Office estimates the Federal Government could save $146 million over the first 5 years as a result of a nationwide license revocation program. This is a direct savings to the American taxpayers.

If there is a way we can cause deadbeat dads and moms to support their children, we must. This amendment provides us with a responsible and just action by helping to instill in parents the values needed in child rearing. I urge my colleagues to support it.

Mrs. ROUKEMA. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. MARTINI].

Mr. MARTINI. Mr. Chairman, I thank the gentlewoman for yielding, time to me and applaud her efforts today.

Mr. Chairman, once again I rise to speak out on the important issue of forcing deadbeat parents to pay their fair share of child support. In threatening to revoke the drivers or professional licenses of parents whose payments are in arrears, Mrs. ROUKEMA has proposed to us an enforcement mechanism that will truly go a long way toward collecting more money for children in need. Similar to Mr. UPTON's amendment offered earlier, Mrs. ROUKEMA is championing a plain old question of right and wrong. The message is simple if you do not want to play by the rules, do not expect privileges from the State. What is more, this measure will work.

Maine instituted the same reform and sent over 22,000 notices in a year and a half to deadbeat parents informing them that they were in danger of losing their licenses.

While over 13 million dollars in back support was recovered, only 41 licenses needed to be revoked.

I cannot think of any better evidence of this measure's effectiveness.

Mr. FORD. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, it is encouraging that at least we have found one subject on which we all agree, and it is a terribly important subject. And whether it is men or women legislators or Republicans and Democrats, we realize something has to be done.

We all know that the single greatest correlative factor to poverty and, thus, welfare dependency is teenage girls becoming pregnant, out of wedlock, without a man to support the family.

One thing we may not be aware of, I was shocked when I found out, is that the vast majority of the men that are causing teenage pregnancies are significantly older adult men. They are men who oftentimes are financially independent, and they skip out on their responsibilities. But this is much more than skipping out on one's responsibilities.

What we are left with is a program that in effect punishes the parent who raises the child, who assumes responsibility for the discipline, the structure, the financial support of that child, worries every day about their health care, about their child care, about their discipline, while the man who is at least equally responsible has no concern for what is happening to the family they created.

There is probably no greater scandal in American society today than to think of the millions of young children of families who are living in poverty because of the lack of responsibility and accountability by the men who caused those families, who are equally responsible for their support. If nothing else happens, we at least will make sure that they have to assume their responsibility when welfare reform legislation is passed.

Mr. FORD. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Tennessee for yielding time to me.

I rise in support of the Roukema amendment. I would like to salute the gentlewoman from New Jersey for her decade-long effort on this as well as the gentlewoman from Connecticut [Mrs. KENNELLY] and the women that have worked long before me in the House of Representatives through the bipartisan Women's Causus.

Mr. Chairman, this bipartisan measure would put real teeth in the enforcement of child support payments by requiring states to establish license revocation programs for deadbeat parents.

According to a recent HHS study, 19 States have already adopted this. Just the threat of revoking licenses has raised $35 million in nine States that collect these statistics. In fact, my own State of California has collected over $10 million of outstanding child support since beginning its program in late 1992.

If similar programs were in place nationwide—as this amendment would require-child support collections would grow by $2.5 billion over 10 years and Federal welfare spending would shrink by $146 million in half that time.

Mr. Chairman, revoking a license is a powerful tool for enforcing child support. The Roukema amendment would put this tool in the hands of officials who need it and put money in the pockets of families who deserve it and where it should be. I urge my colleagues to support this bipartisan proposal.

And again, I would like to pay tribute to the gentlewomen, the great women that have served before us and those that have brought this forward.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Chairman, I rise today in strong support of the Roukema amendment to the child support enforcement provisions contained in this bill. Many members of the congressional caucus for women's issues, particularly Congresswomen BARBARA KENNELLY and LYNN WOOLSEY, have long worked for comprehensive, fundamental reforms of the child support enforcement system. We are pleased that many of the provisions of the caucus bill were incorporated into the current bill by the Ways and Means Committee.

Child support enforcement is essential to the reform of the welfare system. Deadbeat parents in the United States owe over $34 billion to their children—more than the cost of the entire welfare system. To help families stay off welfare in the first place, we must strengthen the child support enforcement system and demand that parents support the child they bring into this world.

This amendment, building on the work of Congresswoman KENNELLY, does just this: It strengthens the enforcement provisions in the bill. We're reforming the system now, because families and children can't enforce the laws on their own. They need our help.

By requiring States to establish procedures under which they would withhold, suspend, or restrict the State-issued licenses of persons who are delinquent in making court-ordered child support payments, the amendment provides the leverage States need to convince deadbeat parents to pay-up. This amendment, by giving children and families the assurance that States will take away privileges this society has granted to parents, should send a strong message that those parents must fulfill their obligations to their own offspring. What is more, we know this works in the States that have already established license revocation procedures.

Let us build on what works and pass this amendment. Let's help children recover the support owed to them.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Chairman, I thank the gentleman for yielding time to me.

I just want a chance to say that I want to commend all who worked on this amendment—the gentlewoman from New Jersey, as well as the gentlewoman from Connecticut who offered it in committee. I thought it was a good amendment in committee.

I voted present, but I have had a chance to look at it since then, and I am prepared to vote for it today and urge my colleagues to support it.

Mrs. ROUKEMA. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, talk about a great idea whose time has come. This certainly is such an idea. I really wanted to express my appreciation to the gentlewoman from New Jersey [Mrs. ROUKEMA] for her leadership on this.

I would like to point out one thing with respect to this bill that I think is particularly important with respect to this amendment.

That is, when you combine the establishment of a paternity requirement along with this revocation of a license requirement, what you are going to do is for the first time you are going to actually create consequences for teenage boys who will have to think twice about the consequences of their actions because they will become accountable. They will become accountable in a way that will have maybe a lot more impact than anything that we have done to date.

That is the car keys. We are going to take away the car keys, and I believe it will have a profound impact on promiscuity. And we will really do what we have not been able to do in other ways.

I rise in strong support, and I thank the gentlewoman for yielding time to me.

Mr. FORD. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN].

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Chairman, I rise in strong support of the Roukema amendment to strengthen the welfare reform bill's child support enforcement provisions.

As a mother of four, I know that child support enforcement is the mother of welfare reform. The best way to reform our welfare system is to prevent mothers from going on welfare in the first place, and that is what these provisions will do. It is time that both parents take responsibility for themselves and for their children.

I applaud the child support provisions in the welfare reform bill before us, which are based on the Child Support Responsibility Act that I, along with many members of the congressional caucus for women's issues, cosponsored. I was distressed to learn, however, that the Ways and Means Committee omitted a critical provision which requires States to enact laws denying professional, occupational, and driver's licenses to deadbeat parents. The Roukema amendment would reinsert this critically important enforcement provision.

The child support provisions are built around a key element of the Child Support Responsibility Act, the creation of centralized registries for child support orders and "new hires" information, and the centralization of child support collections and distribution. Interstate coordination is critical to reach the high percentage of deadbeats who try to escape responsibility by residing in other States.

Although I strongly urge my colleagues to support the Roukema amendment to ensure that both parents take responsibility for their children, this is a good amendment to a bad bill. I also urge my colleagues to support the Deal substitute that would also allow States to suspend the licenses of those in arrears in their child support payments while being tough on work without punishing children.

□ 1730

Mrs. ROUKEMA. Mr. Chairman, I would ask how much time I have remaining.

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. ROUKEMA] has 1 minute remaining.

Mrs. ROUKEMA. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I rise to strongly support this amendment, and all the work the gentlewoman has done on this. Child support enforcement is another issue which has bipartisan support, as we have seen today, and for good reason.

There now exists about $45 billion in back child support owed. About 5 million mothers are on welfare because fathers do not pay. At least $10 billion in child support goes unpaid each year.

A Columbia University study found almost 40 percent of welfare beneficiaries could be self-sufficient if noncustodial parents paid their support. The proposal to deny licenses, along with other measures in our bill to crack down on deadbeat dads, would increase child support collections by $24 billion over 10 years, and help 800,000 mothers and children off welfare.

We need to send parents all across the country a loud signal: if you neglect your responsibility to support your children, we will suspend your license, garnish your pay, track you down, and make you pay. My State discovered this some number of years ago, and has very high rankings in the area of paternity and child support payment.

Mr. Chairman, I encourage us all to support this amendment.

Mr. FORD. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I am pleased and proud to rise in support of the Roukema amendment. We need to penalize parents who do not support their children. I think we will find that there is no disagreement in this House. Democrats and Republicans alike do not like deadbeat dads. I think this is an example of the kind of cooperation we could have had on welfare reform if we had had a little bit of reasoned cooperation.

Mr. Chairman, I would like to say it is a good amendment, again, to a bad bill. I still think the bill is bad because we are taking money, we are taking food out of the mouths of children in order to provide tax cuts for the rich. I think we are punishing teenaged parents unfairly when we should be training them to become independent.

Mr. Chairman, I would like to plead with my colleagues to please do something about that portion of the bill that would deny cash benefits to disabled children. I have discovered that deaf children, I have discovered that crippled children, and mentally retarded children are going to be terribly hurt by this legislation. Their parents will have no way of getting people to help them while they are working, and it is unfair.

If Members want to do better and cooperate in the way that we have been cooperating on the deadbeat dads, I would ask them to eliminate that from their bad bill, and I think we could do something about real reform.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield the remainder of our time to the gentleman from Georgia [Mr. COLLINS], our colleague on the Committee on Ways and Means.

The CHAIRMAN. The gentleman from Georgia [Mr. COLLINS] is recognized for 3½ minutes.

Mr. COLLINS of Georgia. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise as a cosponsor of this amendment and its role in the debate on how and why a change to the welfare system is needed.

Mr. Chairman, why is change needed? Because today's welfare system provides an income-based subsidy for 26 percent of the families in this country.

In 1965, President Johnson launched the war on poverty which was supposed to be a short-term investment. For the next 5 years, the rolls of AFDC grew from 4.3 million to 9.6 million—this was a record growth for welfare during 5 years when unemployment averaged 3.8 percent—the lowest unemployment rate in 40 years. It is evident the lack of jobs was not the reason for the growth.

What was the reason? The 1960's expansion of the welfare system taught a new generation of Americans that it is your right as a citizen to depend on the Government to provide an income. The welfare system of the sixties said it is fine to have children out of wedlock if you cannot afford them—because it is your right to have the Federal Government support them. The welfare system of the sixties said it was fine for

children to have children; and, acceptable for dead-beat parents to evade responsibility because it is your right to transfer the needs of your children to the Federal Government. The welfare expansion of the 1960's changed the attitudes and behavior of millions of people.

That attitude is wrong—but that attitude still exists today and that attitude is the major problem with the current welfare system. Middle-income American workers are tired of working hard to make ends meet, only to have more money taken out of their family budgets, to pay for those who think it is their right to depend on the Government.

This legislation will change welfare assistance so that it is not seen as a citizen's right—but instead a vehicle for temporary, transitional assistance—an alternative of last resort.

This amendment, under very flexible parameters, will require States to establish procedures for the revocation of driver's, professional, occupational, and recreational licenses for noncustodial parents that have failed to be responsible for their children. It will send a strong message to noncustodial parents that they can no longer push the responsibility of supporting their children onto someone else.

The Personal Responsibility Act will continue to provide assistance to families while eliminating the nature of the status quo.

I urge support of this amendment and this welfare change bill.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I yield back the balance of my time.

Mr. FORD. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I was called off the floor. I just wanted to make sure from the chairman, the gentleman from Florida [Mr. CLAY SHAW], whether or not the language in the Roukema amendment is the same language we had in the Committee on Ways and Means, which we referred to as the Kennelly amendment.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, in the Committee on Ways and Means I do not believe we have the statutory language, so it is different, but the intent is the same. I think I made that very clear in my short statement on the floor, in which I addressed the gentlewoman from Connecticut [Mrs. KENNELLY].

Mr. RANGEL. Mr. Chairman, I thank the gentleman.

Mr. FORD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to say that I join with the Women's Caucus, and join with my Democratic colleagues who offered this amendment in the Committee on Ways and Means. I certainly join with all of those here today in giving strong support to this amendment.

Mr. Chairman, we tried to perfect this bill in the full committee. We said to our Republican colleagues who voted this amendment down in the Committee on Ways and Means that this was the right thing to do.

Even though we will vote in a few minutes, and hopefully we will pass this amendment, this does not make up for the cuts and the pain that they will have caused on the children with this passage of the Personal Responsibility Act that is before this committee today. They will take the $69.4 billion in cuts and give it to the privileged few of America. It will be painful on children in this Nation, and it certainly will send the wrong message.

Although we will vote on a very good amendment that will help perfect this bill, by no means will this make up for the pain that it will cause and the cruelty that there will be on the children of the welfare population of this Nation.

Mr. Chairman, I would urge my friends to vote for this amendment, but I want the Republicans to know by no means will they make up for what they are doing to the children of this Nation.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FORD. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA] will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

First, amendment No. 30 offered by the gentleman from Arizona [Mr. SALMON];

Second, amendment No. 31 offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

AMENDMENT OFFERED BY MR. SALMON

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona [Mr. SALMON] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 15-minute vote, followed by a 5-minute vote on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA].

The vote was taken by electronic device, and there were—ayes 433, noes 0, not voting 1, as follows:

[Roll No. 264]

AYES—433

Abercrombie	Cremeans	Hancock
Ackerman	Cubin	Hansen
Allard	Cunningham	Harman
Andrews	Danner	Hastert
Archer	Davis	Hastings (FL)
Armey	de la Garza	Hastings (WA)
Bachus	Deal	Hayes
Baesler	DeFazio	Hayworth
Baker (CA)	DeLauro	Hefner
Baker (LA)	DeLay	Heineman
Baldacci	Dellums	Herger
Ballenger	Deutsch	Hilleary
Barcia	Diaz-Balart	Hilliard
Barr	Dickey	Hinchey
Barrett (NE)	Dicks	Hobson
Barrett (WI)	Dingell	Hockstra
Bartlett	Dixon	Hoke
Barton	Doggett	Holden
Bass	Dooley	Horn
Bateman	Doolittle	Hostettler
Becerra	Dornan	Houghton
Beilenson	Doyle	Hoyer
Bentsen	Dreier	Hunter
Bereuter	Duncan	Hutchinson
Berman	Dunn	Hyde
Bevill	Durbin	Inglis
Bilbray	Edwards	Istook
Bilirakis	Ehlers	Jackson-Lee
Bishop	Ehrlich	Jacobs
Bliley	Emerson	Jefferson
Blute	Engel	Johnson (CT)
Boehlert	English	Johnson (SD)
Boehner	Ensign	Johnson, E. B.
Bonilla	Eshoo	Johnson, Sam
Bonior	Evans	Johnston
Bono	Everett	Jones
Borski	Ewing	Kanjorski
Boucher	Farr	Kaptur
Brewster	Fattah	Kasich
Browder	Fawell	Kelly
Brown (CA)	Fazio	Kennedy (MA)
Brown (FL)	Fields (LA)	Kennedy (RI)
Brown (OH)	Fields (TX)	Kennelly
Brownback	Filner	Kildee
Bryant (TN)	Flake	Kim
Bryant (TX)	Flanagan	King
Bunn	Foglietta	Kingston
Bunning	Foley	Kleczka
Burr	Forbes	Klink
Burton	Ford	Klug
Buyer	Fowler	Knollenberg
Callahan	Fox	Kolbe
Calvert	Frank (MA)	LaFalce
Camp	Franks (CT)	LaHood
Canady	Franks (NJ)	Lantos
Cardin	Frelinghuysen	Largent
Castle	Frisa	Latham
Chabot	Frost	LaTourette
Chambliss	Funderburk	Laughlin
Chapman	Furse	Lazio
Chenoweth	Gallegly	Leach
Christensen	Ganske	Levin
Chrysler	Gejdenson	Lewis (CA)
Clay	Gekas	Lewis (GA)
Clayton	Gephardt	Lewis (KY)
Clement	Geren	Lightfoot
Clinger	Gibbons	Lincoln
Clyburn	Gilchrest	Linder
Coble	Gillmor	Lipinski
Coburn	Gilman	Livingston
Coleman	Gonzalez	LoBiondo
Collins (GA)	Goodlatte	Lofgren
Collins (IL)	Goodling	Longley
Collins (MI)	Gordon	Lowey
Combest	Goss	Lucas
Condit	Graham	Luther
Conyers	Green	Maloney
Cooley	Greenwood	Manton
Costello	Gunderson	Manzullo
Cox	Gutierrez	Markey
Coyne	Gutknecht	Martinez
Cramer	Hall (OH)	Martini
Crane	Hall (TX)	Mascara
Crapo	Hamilton	Matsui

McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—1

Hefley

□ 1759

So the amendment was agreed to.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the rule, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which the following vote will be taken by electronic device.

AMENDMENT OFFERED BY MRS. ROUKEMA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from New Jersey [Mrs. ROUKEMA] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 426, noes 5, not voting 3, as follows:

[Roll No. 265]

AYES—426

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—5

Chenoweth
Cubin
Skaggs
Stupak
Watt (NC)

NOT VOTING—3

Bunn
Meek
Miller (FL)

□ 1808

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DEAL OF GEORGIA

Mr. DEAL of Georgia. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DEAL of Georgia: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Individual Responsibility Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—TIME-LIMITED TRANSITIONAL ASSISTANCE

SEC. 101. LIMITATION ON DURATION OF AFDC BENEFITS.

Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) by striking "and" at the end of paragraph (44);

(2) by striking the period at the end of paragraph (45) and inserting "; and"; and

(3) by inserting after paragraph (45) the following:

"(46) in the case of a State that has exercised the option provided for in paragraph (52), provide that—

"(A) a family shall not be eligible for aid under the State plan if a member of the family is—

"(i) prohibited from participating in the State program established under subpart 1 of part G by reason of section 497(b); or

"(ii) prohibited from participating in the State program established under subpart 2 of part G by reason of section 499(a)(4); and

"(B) each member of the family shall be considered to be receiving such aid for purposes of eligibility for medical assistance under the State plan approved under title XIX for so long as the family would be eligible for such aid but for subparagraph (A).".

SEC. 102. ESTABLISHMENT OF FEDERAL DATA BASE.

Section 402 (42 U.S.C. 602) is amended by inserting after subsection (c) the following:

"(d) The Secretary shall establish and maintain a data base of participants in State programs established under parts F and G which shall be made available to the States for use in administering subsection (a)(46).".

TITLE II—MAKE WORK PAY

Subtitle A—Health Care

SEC. 201. TRANSITIONAL MEDICAID BENEFITS.

(a) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER AFDC RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: ", and that the State shall offer to each such family the option of extending coverage under this subsection for any of the first 2 succeeding 6-month periods, in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—Section 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

(A) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(B) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(C) in paragraph (2)(B)(ii)—

(i) in the heading, by striking "PERIOD" and inserting "PERIODS", and

(ii) by striking "in the period" and inserting "in each of the 6-month periods";

(D) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(E) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(F) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the 1st or 4th month of such extension period.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to calendar quarters beginning on or after October 1, 1997, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

Subtitle B—Earned Income Tax Credit

SEC. 211. NOTICE OF AVAILABILITY REQUIRED TO BE PROVIDED TO APPLICANTS AND FORMER RECIPIENTS OF AFDC, FOOD STAMPS, AND MEDICAID.

(a) AFDC.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101 and 102 of this Act, is amended—

(1) by striking "and" at the end of paragraph (46);

(2) by striking the period at the end of paragraph (47) and inserting "; and"; and

(3) by inserting after paragraph (47) the following:

"(48) provide that the State agency must provide written notice of the existence and availability of the earned income credit under section 32 of the Internal Revenue Code of 1986 to—

"(A) any individual who applies for aid under the State plan, upon receipt of the application; and

"(B) any individual whose aid under the State plan is terminated, in the notice of termination of benefits.".

(b) FOOD STAMPS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking "and" at the end;

(2) in paragraph (25) by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (25) the following:

"(26) that whenever a household applies for food stamp benefits, and whenever such benefits are terminated with respect to a household, the State agency shall provide to each member of such household notice of—

"(A) the existence of the earned income tax credit under section 32 of the Internal Revenue Code of 1986; and

"(B) the fact that such credit may be applicable to such member.".

(c) MEDICAID.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(63) provide that the State shall provide notice of the existence and availability of the earned income tax credit under section 32 of the Internal Revenue Code of 1986 to each individual applying for medical assistance under the State plan and to each individual whose eligibility for medical assistance under the State plan is terminated.".

SEC. 212. NOTICE OF AVAILABILITY OF EARNED INCOME TAX CREDIT AND DEPENDENT CARE TAX CREDIT TO BE INCLUDED ON W-4 FORM.

Section 1114 of the Omnibus Budget Reconciliation Act of 1990 (26 U.S.C. 21 note), relating to program to increase public awareness, is amended by adding at the end the following new sentence: "Such means shall include printing a notice of the availability of such credits on the forms used by employees to determine the proper number of withholding exemptions under chapter 24 of the Internal Revenue Code of 1986.".

SEC. 213. ADVANCE PAYMENT OF EARNED INCOME TAX CREDIT THROUGH STATE DEMONSTRATION PROGRAMS.

(a) IN GENERAL.—Section 3507 of the Internal Revenue Code of 1986 (relating to the advance payment of the earned income tax credit) is amended by adding at the end the following:

"(g) STATE DEMONSTRATIONS.—

"(1) IN GENERAL.—In lieu of receiving earned income advance amounts from an employer under subsection (a), a participating resident shall receive advance earned income payments from a responsible State agency pursuant to a State Advance Payment Program that is designated pursuant to paragraph (2).

"(2) DESIGNATIONS.—

"(A) IN GENERAL.—From among the States submitting proposals satisfying the requirements of subsection (g)(3), the Secretary (in consultation with the Secretary of Health and Human Services) may designate not more than 4 State Advance Payment Demonstrations. States selected for the demonstrations may have, in the aggregate, no more than 5 percent of the total number of household participating in the program under the Food Stamp program in the immediately preceding fiscal year. Administrative costs of a State in conducting a demonstration under this section may be included for matching under section 403(a) of the Social Security Act and section 16(a) of the Food Stamp Act of 1977.

"(B) WHEN DESIGNATION MAY BE MADE.—Any designation under this paragraph shall be made no later than December 31, 1995.

"(C) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(i) IN GENERAL.—Designations made under this paragraph shall be effective for advance earned income payments made after December 31, 1995, and before January 1, 1999.

"(ii) SPECIAL RULES.—

"(I) REVOCATION OF DESIGNATIONS.—The Secretary may revoke the designation under this paragraph if the Secretary determines that the State is not complying substantially with the proposal described in paragraph (3) submitted by the State.

"(II) AUTOMATIC TERMINATION OF DESIGNATIONS.—Any failure by a State to comply with the reporting requirements described in paragraphs (3)(F) and (3)(G) has the effect of immediately terminating the designation under this paragraph (2) and rendering paragraph (5)(A)(ii) inapplicable to subsequent payments.

"(3) PROPOSALS.—No State may be designated under subsection (g)(2) unless the State's proposal for such designation—

"(A) identifies the responsible State agency,

"(B) describes how and when the advance earned income payments will be made by that agency, including a description of any other State or Federal benefits with which such payments will be coordinated,

"(C) describes how the State will obtain the information on which the amount of advance earned income payments made to each participating resident will be determined in accordance with paragraph (4),

"(D) describes how State residents who will be eligible to receive advance earned income payments will be selected, notified of the opportunity to receive advance earned income payments from the responsible State agency, and given the opportunity to elect to participate in the program,

"(E) describes how the State will verify, in addition to receiving the certifications and statement described in paragraph (7)(D)(iv), the eligibility of participating residents for the earned tax credit,

"(F) commits the State to furnishing to each participating resident and to the Secretary by January 31 of each year a written statement showing—

"(i) the name and taxpayer identification number of the participating resident, and

"(ii) the total amount of advance earned income payments made to the participating resident during the prior calendar year,

"(G) commits the State to furnishing to the Secretary by December 1 of each year a written statement showing the name and taxpayer identification number of each participating resident,

"(H) commits the State to treat the advanced earned income payments as described in subsection (g)(5) and any repayments of excessive advance earned income payments as described in subsection (g)(6),

"(I) commits the State to assess the development and implementation of its State Advance Payment Program, including an agreement to share its findings and lessons with other interested States in a manner to be described by the Secretary, and

"(J) is submitted to the Secretary on or before June 30, 1995.

"(4) AMOUNT AND TIMING OF ADVANCE EARNED INCOME PAYMENTS.—

"(A) AMOUNT.—

"(i) IN GENERAL.—The method for determining the amount of advance earned income payments made to each participating resident is to conform to the full extent possible with the provisions of subsection (c).

"(ii) SPECIAL RULE.—A State may, at its election, apply the rules of subsection (c)(2)(B) by substituting 'between 60 percent and 75 percent of the credit percentage in effect under section 32(b)(1) for an individual with the corresponding number of qualifying children' for '60 percent of the credit percentage in effect under section 32(b)(1) for such an eligible individual with 1 qualifying child' in clause (i) and 'the same percentage (as applied in clause (i))' for '60 percent' in clause (ii).

"(B) TIMING.—The frequency of advance earned income payments may be made on the basis of the payroll periods of participating residents, on a single statewide schedule, or on any other reasonable basis prescribed by the State in its proposal; however, in no event may advance earned income payments be made to any participating resident less frequently than on a calendar-quarter basis.

"(5) PAYMENTS TO BE TREATED AS PAYMENTS OF WITHHOLDING AND FICA TAXES.—

"(A) IN GENERAL.—For purposes of this title, advance earned income payments during any calendar quarter—

"(i) shall neither be treated as a payment of compensation nor be included in gross income, and

"(ii) shall be treated as made out of—

"(I) amounts required to be deducted by the State and withheld for the calendar quarter by the State under section 3401 (relating to wage withholding), and

"(II) amounts required to be deducted for the calendar quarter under section 3102 (relating to FICA employee taxes), and

"(III) amounts of the taxes imposed on the State for the calendar quarter under section 3111 (relating to FICA employer taxes),

as if the State had paid to the Secretary, on the day on which payments are made to participating residents, an amount equal to such payments.

"(B) ADVANCE PAYMENTS EXCEED TAXES DUE.—If for any calendar quarter the aggregate amount of advance earned income payments made by the responsible State agency under a State Advance Payment Program exceeds the sum of the amounts referred to in subparagraph (A)(ii) (without regard to paragraph (6)(A)), each such advance earned income payment shall be reduced by an amount which bears the same ratio to such excess as such advance earned income payment bears to the aggregate amount of all such advance earned income payments.

"(6) STATE REPAYMENT OF EXCESSIVE ADVANCE EARNED INCOME PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of an excessive advance earned income payment a State shall be treated as having deducted and withheld under section 3401 (relating to wage withholding), and therefore is required to pay to the United States, the repayment amount during the repayment calendar quarter.

"(B) EXCESSIVE ADVANCE EARNED INCOME PAYMENT.—For purposes of this section, an excessive advance income payment is that portion of any advance earned income payment that, when combined with other advance earned income payments previously made to the same participating resident during the same calendar year, exceeds the amount of earned income tax credit to which that participating resident is entitled under section 32 for that year.

"(C) REPAYMENT AMOUNT.—The repayment amount is equal to 50 percent of the excess of—

"(i) excessive advance earned income payments made by a State during a particular calendar year, over

"(ii) the sum of—

"(I) 4 percent of all advance earned income payments made by the State during that calendar year, and

"(II) the excessive advance earned income payments made by the State during that calendar year that have been collected from participating residents by the Secretary.

"(D) REPAYMENT CALENDAR QUARTER.—The repayment calendar quarter is the second calendar quarter of the third calendar year after the calendar year in which an excessive earned income payment is made.

"(7) DEFINITIONS.—For purposes of this section—

"(A) STATE ADVANCE PAYMENT PROGRAM.—The term 'State Advance Payment Program' means the program described in a proposal submitted for designation under paragraph (1) and designated by the Secretary under paragraph (2).

"(B) RESPONSIBLE STATE AGENCY.—The term 'responsible State agency' means the single State agency that will be making the advance earned income payments to residents of the State who elect to participate in a State Advance Payment Program.

"(C) ADVANCE EARNED INCOME PAYMENTS.—The term 'advance earned income payments'

means an amount paid by a responsible State agency to residents of the State pursuant to a State Advance Payment Program.

"(D) PARTICIPATING RESIDENT.—The term 'participating resident' means an individual who—

"(i) is a resident of a State that has in effect a designated State Advance Payment Program,

"(ii) makes the election described in paragraph (3)(C) pursuant to guidelines prescribed by the State,

"(iii) certifies to the State the number of qualifying children the individual has, and

"(iv) provides to the State the certifications and statement set forth in subsections (b)(1), (b)(2), (b)(3), and (b)(4) (except that for purposes of this clause (iv), the term 'any employer' shall be substituted for 'another employer' in subsection (b)(3)), along with any other information required by the State.".

(b) TECHNICAL ASSISTANCE.—The Secretaries of Treasury and Health and Human Services shall jointly ensure that technical assistance is provided to State Advance Payment Programs and that these programs are rigorously evaluated.

(c) ANNUAL REPORTS.—The Secretary shall issue annual reports detailing the extent to which—

(1) residents participate in the State Advance Payment Programs,

(2) participating residents file Federal and State tax returns,

(3) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year, and

(4) recipients of excessive advance earned income payments repaid those amounts.

The report shall also contain an estimate of the amount of advance earned income payments made by each responsible State agency but not reported on the tax returns of a participating resident and the amount of excessive advance earned income payments.

(d) AUTHORIZATION OF APPROPRIATIONS.—For purposes of providing technical assistance described in subsection (b), preparing the reports described in subsection (c), and providing grants to States in support of designated State Advance Payment Programs, there are authorized to be appropriated in advance to the Secretary of the Treasury and the Secretary of Health and Human Services a total of $1,400,000 for fiscal years 1996 through 1999.

Subtitle C—Child Care

SEC. 221. DEPENDENT CARE CREDIT TO BE REFUNDABLE; HIGH-INCOME TAXPAYERS INELIGIBLE FOR CREDIT.

(a) CREDIT TO BE REFUNDABLE.—

(1) IN GENERAL.—Section 21 of the Internal Revenue Code of 1986 (relating to expenses for household and dependent care services necessary for gainful employment) is hereby moved to subpart C of part IV of subchapter A of chapter 1 of such Code (relating to refundable credits) and inserted after section 34.

(2) TECHNICAL AMENDMENTS.—

(A) Section 35 of such Code is redesignated as section 36.

(B) Section 21 of such Code is redesignated as section 35.

(C) Paragraph (1) of section 35(a) of such Code (as redesignated by subparagraph (B)) is amended by striking "this chapter" and inserting "this subtitle".

(D) Subparagraph (C) of section 129(a)(2) of such Code is amended by striking "section 21(e)" and inserting "section 35(e)".

(E) Paragraph (2) of section 129(b) of such Code is amended by striking "section 21(d)(2)" and inserting "section 35(d)(2)".

(F) Paragraph (1) of section 129(e) of such Code is amended by striking "section 21(b)(2)" and inserting "section 35(b)(2)".

(G) Subsection (e) of section 213 of such Code is amended by striking "section 21" and inserting "section 35".

(H) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(I) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Expenses for household and dependent care services necessary for gainful employment.

"Sec. 36. Overpayments of tax.".

(J) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(b) HIGHER-INCOME TAXPAYERS INELIGIBLE FOR CREDIT.—Subsection (a) of section 35 of such Code, as redesignated by subsection (a), is amended by adding at the end the following new paragraph:

"(3) PHASEOUT OF CREDIT FOR HIGHER-INCOME TAXPAYERS.—The amount of the credit which would (but for this paragraph) be allowed by this section shall be reduced (but not below zero) by an amount which bears the same ratio to such amount of credit as the excess of the taxpayer's adjusted gross income for the taxable year over $60,000 bears to $20,000. Any reduction determined under the preceding sentence which is not a multiple of $10 shall be rounded to the nearest multiple of $10.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 222. FUNDING OF CHILD CARE SERVICES.

(a) ELIMINATION OF CHILD CARE PROGRAMS.—

(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—

(A) REPEALER.—Section 402(g) (42 U.S.C. 602(g)) is hereby repealed.

(B) CONFORMING AMENDMENTS.—

(i) Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended by striking "other than services furnished pursuant to section 402(g)".

(ii) Section 403(e) (42 U.S.C. 603(e)) is amended—

(I) by striking ", 402(a)(43), and 402(g)(1)," and inserting "and 402(a)(43)"; and

(II) by striking the 2nd sentence.

(2) AT-RISK CHILD CARE PROGRAM.—Sections 402(i) and 403(n) (42 U.S.C. 602(i) and 603(n)) are hereby repealed.

(3) CHILD CARE PROGRAMS UNDER THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is hereby repealed.

(b) FUNDING OF CHILD CARE SERVICES THROUGH SOCIAL SERVICES BLOCK GRANT PROGRAM.—Title XX (42 U.S.C. 1397-1397f) is amended by adding at the end the following:

"SEC. 2008. CHILD CARE.

"(a) CONDITIONAL ENTITLEMENT.—In addition to any payment under section 2002 or 2007, each State with a plan approved under this section for a fiscal year shall be entitled to payment of an amount equal to the special allotment of the State for the fiscal year.

"(b) STATE PLANS.—

"(1) CONTENT.—A plan meets the requirements of this paragraph if the plan—

"(A) identifies an appropriate State agency to be the lead agency responsible for administering at the State level, and coordinating with local governments, the activities of the State pursuant to this section;

"(B) describes the activities the State will carry out with funds provided under this section;

"(C) provides assurances that the funds provided under this section will be used to supplement, not supplant, State and local funds as well as Federal funds provided under any Act and applied to child care activities in the State during fiscal year 1989;

"(D) provides assurances that the State will not expend more than 7 percent of the funds provided to the States under this section for the fiscal year for administrative expenses;

"(E) provides assurances that, in providing child care assistance, the State will give priority to families with low income and families living in a low-income geographical area;

"(F) ensures that child care providers reimbursed under this section meet applicable standards of State and local law;

"(G) provides assurances that the lead agency will coordinate the use of funds provided under this section with the use of other Federal resources for child care provided under this Act, and with other Federal, State, or local child care and preschool programs operated in the State;

"(H) provides for the establishment of such fiscal and accounting procedures as may be necessary to—

"(i) ensure a proper accounting of Federal funds received by the State under this section; and

"(ii) ensure the proper verification of the reports submitted by the State under subsection (f)(2);

"(I) provides assurances that the State will not impose more stringent standards and licensing or regulatory requirements on child care providers receiving funds provided under this section than those imposed on other child care providers in the State;

"(J) provides assurances that the State will not implement any policy or practice which has the effect of significantly restricting parental choice by—

"(i) expressly or effectively excluding any category of care or type of provider within a category of care;

"(ii) limiting parental access to or choices from among various categories of care or types of providers; or

"(iii) excluding a significant number of providers in any category of care; and

"(K) provides assurances that parents will be informed regarding their options under this section, including the option of receiving a child care certificate or voucher.

"(2) FORM.—A State may submit a plan that meets the requirements of paragraph (1) in the form of amendments to the State plan submitted pursuant to section 658E of the Child Care and Development Block Grant Act of 1990, as in effect before the effective date of section 222 of the Individual Responsibility Act of 1995.

"(3) APPROVAL.—Not later than 90 days after the date the State submits a plan to the Secretary under this subsection, the Secretary shall either approve or disapprove the plan. If the Secretary disapproves the plan, the Secretary shall provide the State with an explanation and recommendations for changes in the plan to gain approval.

"(c) SPECIAL ALLOTMENTS.—

"(1) IN GENERAL.—The special allotment of a State for a fiscal year equals the amount that bears the same ratio to the amount specified in paragraph (2) for the fiscal year, as the number of children who have not attained 13 years of age and are residing with families in the State bears to the total number of such children in all States with plans approved under this section for the fiscal year, determined on the basis of the most recent data available from the Department of

Commerce at the time the special allotment is determined.

"(2) AMOUNT SPECIFIED.—The amount specified in this paragraph is—

"(A) $1,400,000,000 for fiscal year 1997; and

"(B) $1,450,000,000 for each of fiscal years 1998, 1999, and 2000.

"(d) PAYMENTS TO STATES.—

"(1) PAYMENTS.—The Secretary shall provide funds to each State with a plan approved under this section for a fiscal year from the special allotment of the State for the fiscal year, in accordance with section 6503 of title 31, United States Code.

"(2) EXPENDITURE OF FUNDS BY STATES.—Except as provided in paragraph (3)(A), each State to which funds are paid under this section for a fiscal year shall expend such funds in the fiscal year or in the immediately succeeding fiscal year.

"(3) REDISTRIBUTION OF UNEXPENDED SPECIAL ALLOTMENTS.—

"(A) REMITTANCE TO THE SECRETARY.—Each State to which funds are paid under this section for a fiscal year shall remit to the Secretary that part of such funds which the State intends not to, or does not, expend in the fiscal year or in the immediately succeeding fiscal year.

"(B) REDISTRIBUTION.—The Secretary shall increase the special allotment of each State with a plan approved under this part for a fiscal year that does not remit any amount to the Secretary for the fiscal year by an amount equal to—

"(i) the aggregate of the amounts remitted pursuant to subparagraph (A) for the fiscal year; multiplied by

"(ii) the adjusted State share for the fiscal year.

"(C) ADJUSTED STATE SHARE.—As used in subparagraph (B)(ii), the term 'adjusted State share' means, with respect to a fiscal year—

"(i) the special allotment of the State for the fiscal year (before any increase under subparagraph (B)); divided by

"(ii)(I) the sum of the special allotments of all States with plans approved under this part for the fiscal year; minus

"(II) the aggregate of the amounts remitted to the Secretary pursuant to subparagraph (A) for the fiscal year.

"(e) USE OF FUNDS.—

"(1) IN GENERAL.—Funds provided under this section shall be used to expand parent choices in selecting child care, to address deficiencies in the supply of child care, and to expand and improve child care services, with an emphasis on providing such services to low-income families and geographical areas. Subject to the approval of the Secretary, States to which funds are paid under this section shall use such funds to carry out child care programs and activities through cash grants, certificates, or contracts with families, or public or private entities as the State determines appropriate. States shall take parental preference into account to the maximum extent possible in carrying out child care programs.

"(2) SPECIFIC USES.—Each State to which funds are paid under this section may expend such funds for—

"(A) child care services for infants, sick children, children with special needs, and children of adolescent parents;

"(B) after-school and before-school programs and programs during nontraditional hours for the children of working parents;

"(C) programs for the recruitment and training of day care workers, including older Americans;

"(D) grant and loan programs to enable child care workers and providers to meet State and local standards and requirements;

"(E) child care programs developed by public and private sector partnerships;

"(F) State efforts to provide technical assistance designed to help providers improve the services offered to parents and children; and

"(G) other child care-related programs consistent with the purpose of this section and approved by the Secretary.

"(3) LIMITATIONS ON USE OF FUNDS.—A State to which funds are paid under this section for a fiscal year shall use not less than 80 percent of such funds to provide direct child care assistance to low-income parents through child care certificates or vouchers, contracts, or grants.

"(4) METHODS OF FUNDING.—Funds for child care services under this title shall be for the benefit of parents and shall be provided through child care vouchers or certificates provided directly to parents or through contracts or grants with public or private providers.

"(5) PARENTAL RIGHTS OF CHOICE.—Any parent who receives a child care certificate under this title may use such certificate with any child care provider, including those providers which have religious activities, if such provider is freely chosen by the parent from among the available alternatives.

"(6) CHILD CARE CERTIFICATES.—

"(A) IN GENERAL.—For purposes of this title, a child care certificate is a certificate issued by a State directly to a parent or legal guardian for use only as payment for child care services in any child care facility eligible to receive funds under this Act.

"(B) REDEMPTION.—If the demand for child care services of families qualified to receive such services from a State under this Act exceeds the available supply of such services, the State shall ration assistance to obtain such services using procedures that do not disadvantage parents using child care certificates, relative to other methods of financing, in either the waiting period or the pecuniary value of such services.

"(C) COMMENCEMENT OF CERTIFICATE PROGRAM.—Beginning not later than 1 year after the date of the enactment of this section, each State that receives funds under this title shall offer a child care certificate program in accordance with this section.

"(D) AUTHORITY TO USE CHILD CARE FUNDS FOR CERTIFICATE PROGRAM.—Each State to which funds are paid under this title may use the funds provided to the State under this title which are required to be used for child care activities to plan and establish the State's child care certificate program.

"(7) OPTION OF RECEIVING A CHILD CARE CERTIFICATE.—Each parent or legal guardian who receives assistance pursuant to this title shall be provided with the option of enrolling their child with an eligible child care provider that receives funds through grants, contracts, or child care certificates provided under this title. Such parent shall have the right to use such certificates to purchase child care services from an eligible provider of their choice. The State shall ensure that parental preference is considered to the maximum extent possible in awarding grants or contracts.

"(8) RIGHTS OF RELIGIOUS CHILD CARE PROVIDERS.—Notwithstanding any other provision of law, a religious child care provider who receives funds under this Act may require adherence by employees to the religious tenets or teachings of the provider.

"(9) ELIGIBLE CHILD CARE PROVIDERS.—Any child care provider who meets applicable standards of State and local law shall be eligible to receive funds under this section. As used in this paragraph, the term 'child care provider' includes—

"(A) proprietary for-profit entities, relatives, informal day care homes, religious child care providers, day care centers, and any other entities that the State determines appropriate subject to approval of the Secretary;

"(B) nonprofit organizations under subsections (c) and (d) of section 501 of the Internal Revenue Code of 1986;

"(C) professional or employee associations;

"(D) consortia of small businesses; and

"(E) units of State and local governments, and elementary, secondary, and post-secondary educational institutions.

"(10) PROHIBITED USES.—Any State to which funds are paid under this section may not use such funds—

"(A) to satisfy any State matching requirement imposed under any Federal grant;

"(B) for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility; or

"(C) to provide any service which the State makes generally available to the residents of the State without cost to such residents and without regard to the income of such residents.

"(f) REPORTING REQUIREMENTS.—

"(1) NOTICE TO SECRETARY OF UNEXPENDED FUNDS.—Each State which has not completely expended the funds paid to the State under this section for a fiscal year in the fiscal year or the immediately succeeding fiscal year shall notify the Secretary of any amount not so expended.

"(2) STATE REPORTS ON USE OF FUNDS.—Not later than 18 months after the date of the enactment of this section, and each year thereafter, the State shall prepare and submit to the Secretary, in such form as the Secretary shall prescribe, a report describing the State's use of funds paid to the State under this section, including—

"(A) the number, type, and distribution of services and programs under this section;

"(B) the average cost of child care, by type of provider;

"(C) the number of children serviced under this section;

"(D) the average income and distribution of incomes of the families being served;

"(E) efforts undertaken by the State pursuant to this section to promote and ensure health and safety and improve quality; and

"(F) such other information as the Secretary considers appropriate.

"(3) GUIDELINES FOR STATE REPORTS; COORDINATION WITH REPORTS UNDER SECTION 2006.—Within 6 months after the date of the enactment of this section, the Secretary shall establish guidelines for State reports under paragraph (2). To the extent feasible, the Secretary shall coordinate such reporting requirement with the reports required under section 2006 and, as the Secretary deems appropriate, with other reporting requirements placed on States as a condition of receipt of other Federal funds which support child care.

"(4) REPORTS BY THE SECRETARY.—

"(A) REPORTS TO THE CONGRESS OF SUMMARY OF STATE REPORTS.—The Secretary shall annually summarize the information reported to the Secretary pursuant to paragraph (2) and provide such summary to the Congress.

"(B) REPORTS TO THE STATES ON EFFECTIVE PRACTICES.—The Secretary shall annually provide the States with a report on particularly effective practices and programs supported by funds paid to the State under this section, which ensure the health and safety of children in care, promote quality child care, and provide training to all types of providers.

"(g) ADMINISTRATION AND ENFORCEMENT.—

"(1) ADMINISTRATION.—The Secretary shall—

"(A) coordinate all activities of the Department of Health and Human Services relating to child care, and, to the maximum extent practicable, coordinate such activities with similar activities of other Federal entities;

"(B) collect, publish, and make available to the public a listing of State child care standards at least once every 3 years; and

"(C) provide technical assistance to assist States to carry out this section, including assistance on a reimbursable basis.

"(2) ENFORCEMENT.—

"(A) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the plans approved under this section for the State, and shall have the power to terminate payments to the State in accordance with subparagraph (B).

"(B) NONCOMPLIANCE.—

"(i) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

"(I) there has been a failure by the State to comply substantially with any provision or requirement set forth in the plan approved under this section for the State; or

"(II) in the operation of any program for which assistance is provided under this section there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the findings and that no further payments may be made to such State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to such program or activity) until the Secretary is satisfied that there is no longer any such failure to comply or that the noncompliance will be promptly corrected.

"(ii) ADDITIONAL SANCTIONS.—In the case of a finding of noncompliance made pursuant to clause (i), the Secretary may, in addition to imposing the sanctions described in such subparagraph, impose the other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section, and disqualification from the receipt of financial assistance under this section.

"(iii) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under clause (ii).

"(C) ISSUANCE OF RULES.—The Secretary shall establish by rule procedures for—

"(i) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(ii) imposing sanctions under this subsection.

"SEC. 2009. CHILD CARE DURING PARTICIPATION IN EMPLOYMENT, EDUCATION, AND TRAINING; EXTENDED ELIGIBILITY.

"(a) CHILD CARE GUARANTEE.—

"(1) IN GENERAL.—Each State agency referred to in section 2008(b)(1)(A) shall guarantee child care in accordance with section 2008—

"(A) for any individual who is participating in an education or training activity (including participation in a program established under part G of title IV) if the State agency approves the activity and determines that the individual is participating satisfactorily in the activity;

"(B) for each family with a dependent child requiring such care to the extent that such care is determined by the State agency to be necessary for an individual in the family to accept employment or remain employed, including in a community service job under part H of title IV; and

"(C) to the extent that the State agency determines that such care is necessary for the employment of an individual, if the family of which the individual is a member has ceased to receive aid under the State plan approved under part A of title IV by reason of increased hours of, or income from, such employment or by reason of section 402(a)(8)(B)(ii)(II), subject to paragraph (2) of this subsection.

"(2) LIMITATIONS ON ELIGIBILITY FOR TRANSITIONAL CHILD CARE.—A family shall not be eligible for child care under paragraph (1)(C)—

"(A) for more than 12 months after the last month for which the family received aid described in such paragraph;

"(B) if the family did not receive such aid in at least 3 of the most recent 6 months in which the family received such aid;

"(C) if the family does not include a child who is (or, if needy, would be) a dependent child (within the meaning of part A of title IV);

"(D) for any month beginning after the caretaker relative (within the meaning of such part) in the family has terminated his or her employment without good cause; or

"(E) with respect to a child, for any month beginning after the caretaker relative in the family has refused to cooperate with the State in establishing or enforcing the obligation of any parent of the child to provide support for the child, without good cause as determined by the State agency in accordance with standards prescribed by the Secretary which shall take into consideration the best interests of the child.

"(b) STATE ENTITLEMENT TO PAYMENTS.—Each State with a plan approved under section 2008 shall be entitled to receive from the Secretary for any fiscal year an amount equal to—

"(1) the total amount expended by the State to carry out subsection (a) during the fiscal year; multiplied by

"(2) the greater of—

"(A) 70 percent; or

"(B) the Federal medical assistance percentage (as defined in the last sentence of section 1118, increased by 10 percentage points.".

(c) EFFECTIVE DATE.—The amendments and repeals made by this section shall take effect on October 1, 1996.

Subtitle D—AFDC Work Disregards

SEC. 231. OPTION TO INCREASE DISREGARD OF EARNED INCOME.

Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)) is amended—

(1) by striking "and" at the end of clause (vii); and

(2) by adding at the end the following:

"(ix) if electing to disregard clauses (ii) and (iv), shall disregard from the earned income of any child, relative, or other individual specified in clause (ii) an amount equal to not less than the first $120 and not more than the first $225 of the total of such earned income not disregarded under any other clause of this subparagraph, plus not more than one third of the remainder of such earned income; and".

SEC. 232. STATE OPTION TO ESTABLISH VOLUNTARY DIVERSION PROGRAM.

Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, and 211(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (47);

(2) by striking the period at the end of paragraph (48) and inserting "; and"; and

(3) by inserting after paragraph (48) the following:

"(49) at the option of the State, and in such part or parts of the State as the State may select, provide that—

"(A) upon the recommendation of the caseworker who is handling the case of a family eligible for aid under the State plan, the State shall, in lieu of any other payment under the State plan to a family during a time period of not more than 3 months, make a lump-sum payment to the family for the time period in an amount not to exceed—

"(i) the amount of the monthly benefit to which the family is entitled under the State plan; multiplied by

"(ii) the number of months in the time period;

"(B) a lump-sum payment pursuant to subparagraph (A) shall not be made more than once to any family; and

"(C) if, during a time period for which the State has made a lump-sum payment to a family pursuant to subparagraph (A), the family applies for and (but for the lump-sum payment) would be eligible for aid under the State plan for a greater monthly benefit than the monthly benefit to which the family was entitled under the State plan at the time of the calculation of the lump sum payment, then, notwithstanding subparagraph (A), the State shall, for that part of the time period that remains after the family becomes eligible for the greater monthly benefit, provide monthly benefits to the family in an amount not to exceed—

"(i) the amount by which the greater monthly benefit exceeds the former monthly benefit, multiplied by the number of months in the time period; divided by

"(ii) the whole number of months remaining in the time period.".

SEC. 233. ELIMINATION OF QUARTERS OF COVERAGE REQUIREMENT FOR MARRIED TEENS UNDER AFDC-UP PROGRAM.

(a) IN GENERAL.—Section 407(b)(1)(A)(iii)(I) (42 U.S.C. 607(b)(1)(A)(iii)(I)) is amended by inserting "except in the case of a family in which the parents are married and neither parent has attained 20 years of age," after "(I)".

(b) EXTENSION OF AFDC-UP PROGRAM.—Section 401(h) of the Family Support Act of 1988 (42 U.S.C. 602 and note, 607) is amended by striking "1998" and inserting "2000".

Subtitle E—AFDC Asset Limitations

SEC. 241. INCREASE IN RESOURCE THRESHOLDS; SEPARATE THRESHOLD FOR VEHICLES.

Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)) is amended—

(1) by striking "$1,000 or such lower amount as the State may determine" and inserting "$2,000"; and

(2) in clause (i), by striking "such amount as the Secretary may prescribe" and inserting "the dollar amount prescribed by the Secretary of Agriculture under section 5(g) of the Food Stamp Act of 1977".

SEC. 242. LIMITED DISREGARD OF AMOUNTS SAVED FOR POST-SECONDARY EDUCATION, THE PURCHASE OF A FIRST HOME, OR THE ESTABLISHMENT OR OPERATION OF A MICROENTERPRISE.

(a) DISREGARD FROM RESOURCES.—Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)) is amended—

(1) by striking "or" before "(iv)"; and

(2) by inserting ", or (v) any amount not exceeding $8,000 in 1 qualified asset account (as defined in section 406(i)) of 1 member of such family" before "; and".

(b) DISREGARD FROM INCOME.—

(1) IN GENERAL.—Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by section 231 of this Act, is amended—

(A) by striking "and" at the end of clause (viii); and

(B) by inserting after clause (ix) the following new clause:

"(x) shall disregard any interest or income earned on a qualified asset account (as defined in section 406(i)) and paid into the account, to the extent that the total amount in the account, after such payment, does not exceed $8,000; and".

(2) NONRECURRING LUMP SUM EXEMPT FROM LUMP SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: ": and that this paragraph shall not apply to earned or unearned income received in a month on a nonrecurring basis to the extent that such income is placed in a qualified asset account (as defined in section 406(i)) the total amount in which, after such placement, does not exceed $8,000;".

(3) TREATMENT AS INCOME.—Section 402(a)(7) (42 U.S.C. 602(a)(7)) is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the semicolon at the end of subparagraph (C) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(D) shall treat as income any distribution from a qualified asset account (as defined in section 406(i)(1)) that is not a qualified distribution (as defined in section 406(i)(2));".

(c) DEFINITIONS.—Section 406 (42 U.S.C. 606) is amended by adding at the end the following:

"(i)(1) The term 'qualified asset account' means a mechanism approved by the State (such as individual retirement accounts, escrow accounts, or savings bonds) that allows savings of an individual receiving aid to families with dependent children to be used for a purpose described in paragraph (2).

"(2) The term 'qualified distribution' means a distribution for expenses directly related to 1 or more of the following purposes:

"(A) The attendance of a member of the family at any postsecondary education program.

"(B) The purchase of residential real property for the family that the family intends to occupy, if no member of the family has an ownership interest in such a property.

"(C) The establishment or operation of a microenterprise owned by a member of the family.

"(j) The term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.".

TITLE III—THE WORK FIRST PROGRAM

SEC. 301. WORK FIRST PROGRAM.

(a) STATE PLAN REQUIREMENT.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), and 232 of this Act, is amended—

(1) by striking "and" at the end of paragraph (48);

(2) by striking the period at the end of paragraph (49) and inserting "; and"; and

(3) by inserting after paragraph (49) the following:

"(50) provide that the State—

"(A) shall develop an individual responsibility plan in accordance with part F for each applicant for, or recipient of, aid under the State plan who—

"(i) has attained 18 years of age; or

"(ii) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school;

"(B) has in effect and operation—

"(i) a work first program that meets the requirements of subpart 1 of part G (or, for any fiscal year for which the Secretary has approved a State plan under subpart 2 of part G, such subpart 2); and

"(ii) a community service program that meets the requirements of part H, or a job placement voucher program that meets the requirements of part I, but not both;

"(C) shall provide a position in the workfare program established by the State under part H, or a job placement voucher under the job placement voucher program established by the State under part I to any individual who, by reason of section 497(b), is prohibited from participating in the work first program operated by the State, and shall not provide such a position or such a voucher to any other individual; and

"(D) shall provide to participants in such programs such case management services as are necessary to ensure the integrated provision of benefits and services under such programs.".

(b) ESTABLISHMENT AND OPERATION OF PROGRAM.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part F and inserting the following:

"Part F—Individual Responsibility Plan

"SEC. 481. ASSESSMENT.

"The State agency referred to in section 402(a)(3) shall make an initial assessment of the skills, prior work experience, and employability of each individual for whom section 402(a)(50)(A) requires the State to develop an individual responsibility plan.

"SEC. 482. INDIVIDUAL RESPONSIBILITY PLANS.

"(a) IN GENERAL.—On the basis of the assessment made under section 481 with respect to an individual, the State agency, in consultation with the individual, shall develop an individual responsibility plan for the individual, which—

"(1) shall provide that participation by the individual in job search activities shall be a condition of eligibility for aid under the State plan approved under part A, except during any period for which the individual is employed full-time in an unsubsidized job in the private sector;

"(2) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

"(3) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector; and

"(4) may require that the individual enter the State program established under part G, if the caseworker determines that the individual will need education, training, job placement assistance, wage enhancement, or other services to become employed in the private sector.

"(b) TIMING.—The State agency shall comply with subsection (a) with respect to an individual—

"(1) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A; or

"(2) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such aid, in the case of any other individual.

"SEC. 483. PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.

"The State shall inform all applicants for and recipients of aid under the State plan approved under part A of all available services under the State plan for which they are eligible.

"SEC. 484. REQUIREMENT THAT RECIPIENTS ENTER THE WORK FIRST PROGRAM.

"(a) IN GENERAL.—Beginning with fiscal year 2004, the State shall place recipients of aid under the State plan approved under part A, who have not become employed in the private sector within 1 year after signing an individual responsibility plan, in the first available slot in the State program established under part G, except as provided in subsection (b).

"(b) EXCEPTIONS.—A State may not be required to place a recipient of such aid in the State program established under part G if the recipient—

"(1) is ill, incapacitated, or of advanced age;

"(2) has not attained 18 years of age;

"(3) is caring for a child or parent who is ill or incapacitated; or

"(4) is enrolled in school or in educational or training programs that will lead to private sector employment.

"SEC. 485. PENALTIES.

"(a) STATE NOT OPERATING A WORK FIRST PROGRAM UNDER A STATE MODEL OR A WORKFARE PROGRAM.—In the case of a State that is not operating a program under subpart 2 of part G or under part H:

"(1) FAILURE TO COMPLY WITH INDIVIDUAL RESPONSIBILITY PLAN OR AGREEMENT OF MUTUAL RESPONSIBILITY.—

"(A) PROGRESSIVE REDUCTIONS IN AID FOR 1ST AND 2ND FAILURES.—The amount of aid otherwise payable under the State plan approved under part A to a family that includes an individual who fails without good cause to comply with an individual responsibility plan (or, if the State has established a program under subpart 1 of part G and the individual is required to participate in the program, an agreement of mutual responsibility) signed by the individual (other than by reason of conduct described in paragraph (2)) shall be reduced by—

"(i) 33 percent for the 1st such act of noncompliance; or

"(ii) 66 percent for the 2nd such act of noncompliance.

"(B) DENIAL OF AID FOR 3RD FAILURE.—In the case of the 3rd such act of noncompliance, the family of which the individual is a member shall not thereafter be eligible for aid under the State plan approved under part A.

"(C) ACTS OF NONCOMPLIANCE.—For purposes of this paragraph, a 1st act of noncompliance by an individual continues for more than 1 calendar month shall be considered a 2nd act of noncompliance, and a 2nd act of noncompliance that continues for more than 3 calendar months shall be considered a 3rd act of noncompliance.

"(2) DENIAL OF AFDC TO ADULTS REFUSING TO WORK, LOOK FOR WORK, OR ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—

"(A) REFUSAL TO WORK OR LOOK FOR WORK.—If an unemployed individual who has attained 18 years of age refuses to work or look for work—

"(i) in the case of the 1st such refusal, aid under the State plan approved under part A shall not be payable with respect to the individual until the later of—

"(I) a period of not less than 6 months after the date of the first such refusal; or

"(II) the first date the individual agrees to work or look for work.

"(ii) in the case of the 2nd such refusal, the family of which the individual is a member shall not thereafter be eligible for aid under the State plan approved under part A.

"(B) REFUSAL TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—If an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment, the family of which the individual is a member shall not thereafter be eligible for aid under the State plan approved under part A.

"(b) OTHER STATES.—In the case of any other State, the State shall reduce, by such amount as the State considers appropriate,

the amount of aid otherwise payable under the State plan approved under part A to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

"Part G—Work First Program

"Subpart 1—Federal Model

"SEC. 491. ESTABLISHMENT AND OPERATION OF STATE PROGRAMS.

"A work first program meets the requirements of this subpart if the program meets the following requirements:

"(1) OBJECTIVE.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

"(2) METHOD.—The method of the program is to connect recipients of aid to families with dependent children with the private sector labor market as soon as possible and offer them the support and skills necessary to remain in the labor market. Each component of the program should be permeated with an emphasis on employment and with an understanding that minimum wage jobs are a stepping stone to more highly paid employment.

"(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office with responsibilities under the program.

"(4) USE OF INCENTIVES.—The State shall use incentives to change the culture of each State office with responsibilities under the State plan approved under part A, improve the performance of employees, and ensure that the objective of each employee of each such State office is to find an unsubsidized paid job for each program participant.

"(5) CASEWORKER TRAINING.—The State may provide such training to caseworkers and related personnel (including through the use of incentives) as may be necessary to ensure successful job placements that result in full-time public or private employment (outside the State agencies with responsibilities under part A) for program participants. The State shall reward any caseworker who enters an agreement of mutual responsibility with a program participant that provides for education or training activities as well as work.

"(6) REPORTS.—Each office with responsibility for operating the program shall make monthly statistical reports to the governing body of the State, county, and city in which located, of job placements and the number of program participants who are no longer receiving aid under the State plan approved under part A as a result of participation in the program.

"(7) CASE MANAGEMENT TEAMS.—

"(A) DUTIES.—The program requires the State to assign to each individual required or allowed to participate in the program a case management team that shall meet with the program participant and develop an agreement of mutual responsibility for the individual.

"(B) DEADLINE.—

"(i) IN GENERAL.—The case management team shall comply with subparagraph (A) with respect to a program participant within 30 days (or, at the option of the State, within a period not exceeding 90 days) after the later of—

"(I) the date the application of the program participant for aid under the State plan approved under part A was approved; or

"(II) the date this subpart first applies to the State.

"(ii) REPEAT PARTICIPANTS.—Within 30 days after the State makes a determination under section 497(b)(2) to allow an individual to participate in the program, the case management team shall meet with the individual and develop an agreement of mutual responsibility for the individual.

"(8) AGREEMENTS OF MUTUAL RESPONSIBILITY.—The agreement of mutual responsibility for a participant shall—

"(A) contain an individualized comprehensive plan, developed by the team and the participant, to move the participant into a full-time unsubsidized job, through activities under section 492, 493, 494, 495, or 496;

"(B) to the greatest extent possible, be designed to move the participant as quickly as possible into whatever type and amount of work as the participant is capable of handling, and increases the responsibility and amount of work over time until the participant is able to work full-time;

"(C) where necessary, provide for education or training of the participant;

"(D) provide that aid under the State plan is to be paid to the participant based on the number of hours that the participant spends in activities provided for in the agreement;

"(E) provide that the participant shall spend at least 30 hours per week (or, at State option, at least 20 hours per week during fiscal years 1997 and 1998, and at least 25 hours per week during fiscal year 1999) in activities provided for in the agreement;

"(F) provide that the participant shall accept any bona fide offer of unsubsidized full-time employment, unless the participant has good cause for not doing so;

"(G) at the option of the State, require the participant to undergo appropriate substance abuse treatment; and

"(H) at the option of the State, require the participant to have his or her children receive appropriate immunizations against disease.

"(9) OPTIONS FOR PARTICIPANTS.—The case manager for a program participant shall present the participant with each option offered under the State program through which the participant will, over time, be moved into full-time unsubsidized employment.

"(10) ONE-STOP EMPLOYMENT SHOPS.—

"(A) IN GENERAL.—In carrying out the program, the State shall utilize and make available to each program participant, through the establishment and operation or utilization of appropriate Federal or State one-stop employment shops, services under programs carried out under the following provisions of law:

"(i) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) (relating to the adult training program).

"(ii) Part B of title II of such Act (29 U.S.C. 1630 et seq.) (relating to the summer youth employment and training programs).

"(iii) Part C of title II of such Act (29 U.S.C. 1641 et seq.) (relating to the youth training program).

"(iv) Title III of such Act (29 U.S.C. 1651 et seq.) (relating to employment and training assistance for dislocated workers).

"(v) Part B of title IV of such Act (29 U.S.C. 1691 et seq.) (relating to the Job Corps).

"(vi) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

"(vii) The Adult Education Act (20 U.S.C. 1201 et seq.).

"(viii) Part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) (relating to Even Start family literacy programs).

"(ix) Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421) (relating to adult education for the homeless).

"(x) Subtitle B of title VII of such Act (42 U.S.C. 11431 et seq.) (relating to education for homeless children and youth).

"(xi) Subtitle C of title VII of such Act (42 U.S.C. 11441) (relating to job training for the homeless).

"(xii) The School-to-Work Opportunities Act of 1994.

"(xiii) The National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

"(xiv) The National Skill Standards Act of 1994.

"(B) COORDINATION.—In utilizing appropriate Federal or State one-stop employment shops described in subparagraph (A), the State shall ensure coordination between the caseworker of each program participant and the administrators of the programs carried out under the provisions of law described in such subparagraph.

"(11) NONDISPLACEMENT.—The program may not be operated in a manner that results in—

"(A) the displacement of a currently employed worker or position by a program participant;

"(B) the replacement of an employee who has been terminated with a program participant; or

"(C) the replacement of an individual who is on layoff from the same position given to a program participant or any equivalent position.

"SEC. 492. REVAMPED JOBS PROGRAM.

"A State that establishes a program under this subpart may operate a program similar to the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law in effect immediately before the date this subpart first applies to the State of California.

"SEC. 493. USE OF PLACEMENT COMPANIES.

"(a) IN GENERAL.—A State that establishes a program under this subpart may enter into contracts with private companies (whether operated for profit or not for profit) for the placement of participants in the program in positions of full-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance.

"(b) REQUIRED CONTRACT TERMS.—Each contract entered into under this section with a company shall meet the following requirements:

"(1) PROVISION OF JOB READINESS AND SUPPORT SERVICES.—The contract shall require the company to provide, to any program participant who presents to the company a voucher issued under subsection (d) intensive personalized support and job readiness services designed to prepare the individual for employment and ensure the continued success of the individual in employment.

"(2) PAYMENTS.—

"(A) IN GENERAL.—The contract shall provide for payments to be made to the company with respect to each program participant who presents to the company a voucher issued under subsection (d).

"(B) STRUCTURE.—The contract shall provide for the majority of the amounts to be paid under the contract with respect to a program participant, to be paid after the company has placed the participant in a position of full-time employment and the participant has been employed in the position for such period of not less than 5 months as the State deems appropriate.

"(c) COMPETITIVE BIDDING REQUIRED.—Contracts under this section shall be awarded only after competitive bidding.

"(d) VOUCHERS.—The State shall issue a voucher to each program participant whose agreement of mutual responsibility provides for the use of placement companies under this section, indicating that the participant is eligible for the services of such a company.

"SEC. 494. TEMPORARY SUBSIDIZED JOB CREATION.

"A State that establishes a program under this subpart may establish a program similar to the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law in effect immediately before the date this subpart first applies to the State of Oregon.

"SEC. 495. MICROENTERPRISE.

"(a) GRANTS AND LOANS TO NONPROFIT ORGANIZATIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE, TRAINING, AND CREDIT TO LOW INCOME ENTREPRENEURS.—A State that establishes a program under this subpart may make grants and loans to nonprofit organizations to provide technical assistance, training, and credit to low income entrepreneurs for the purpose of establishing microenterprises.

"(b) MICROENTERPRISE DEFINED.—For purposes of this subsection, the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.

"SEC. 496. WORK SUPPLEMENTATION PROGRAM.

"(a) IN GENERAL.—A State that establishes a program under this subpart may institute a work supplementation program under which the State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to participants in the program as aid to families with dependent children and use the sums instead for the purpose of providing and subsidizing jobs for the participants (as described in subsection (c)(3)(A) and (B)), as an alternative to the aid to families with dependent children that would otherwise be so payable to the participants.

"(b) STATE FLEXIBILITY.—

"(1) Nothing in this subpart, or in any State plan approved under part A, shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate) a work supplementation program in accordance with this section and section 494 (as in effect immediately before the date this subpart first applies to the State).

"(2) Notwithstanding section 402(a)(23) or any other provision of law, a State may adjust the levels of the standards of need under the State plan as the State determines to be necessary and appropriate for carrying out a work supplementation program under this section.

"(3) Notwithstanding section 402(a)(1) or any other provision of law, a State operating a work supplementation program under this section may provide that the need standards in effect in those areas of the State in which the program is in operation may be different from the need standards in effect in the areas in which the program is not in operation, and the State may provide that the need standards for categories of recipients may vary among such categories to the extent the State determines to be appropriate on the basis of ability to participate in the work supplementation program.

"(4) Notwithstanding any other provision of law, a State may make such further adjustments in the amounts of the aid to families with dependent children paid under the plan to different categories of recipients (as determined under paragraph (3)) in order to offset increases in benefits from needs-related programs (other than the State plan approved under part A) as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

"(5) In determining the amounts to be reserved and used for providing and subsidizing jobs under this section as described in subsection (a), the State may use a sampling methodology.

"(6) Notwithstanding section 402(a)(8) or any other provision of law, a State operating a work supplementation program under this section—

"(A) may reduce or eliminate the amount of earned income to be disregarded under the State plan as the State determines to be necessary and appropriate to further the purposes of the work supplementation program; and

"(B) during 1 or more of the first 9 months of an individual's employment pursuant to a program under this subpart, may apply to the wages of the individual the provisions of subparagraph (A)(iv) of section 402(a)(8) without regard to the provisions of subparagraph (B)(ii)(II) of such section.

"(c) RULES RELATING TO SUPPLEMENTED JOBS.—

"(1) A work supplementation program operated by a State under this section may provide that any individual who is an eligible individual (as determined under paragraph (2)) shall take a supplemented job (as defined in paragraph (3)) to the extent that supplemented jobs are available under the program. Payments by the State to individuals or to employers under the work supplementation program shall be treated as expenditures incurred by the State for aid to families with dependent children except as limited by subsection (d).

"(2) For purposes of this section, an eligible individual is an individual who is in a category which the State determines should be eligible to participate in the work supplementation program, and who would, at the time of placement in the job involved, be eligible for aid to families with dependent children under an approved State plan if the State did not have a work supplementation program in effect.

"(3) For purposes of this subsection, a supplemented job is—

"(A) a job provided to an eligible individual by the State or local agency administering the State plan under part A; or

"(B) a job provided to an eligible individual by any other employer for which all or part of the wages are paid by the State or local agency.

A State may provide or subsidize under the program any job which the State determines to be appropriate.

"(4) At the option of the State, individuals who hold supplemented jobs under a State's work supplementation program shall be exempt from the retrospective budgeting requirements imposed pursuant to section 402(a)(13)(A)(ii) (and the amount of the aid which is payable to the family of any such individual for any month, or which would be so payable but for the individual's participation in the work supplementation program, shall be determined on the basis of the income and other relevant circumstances in that month).

"(d) COST LIMITATION.—The amount of the Federal payment to a State under section 403 for expenditures incurred in making payments to individuals and employers under a work supplementation program under this subsection shall not exceed an amount equal to the amount which would otherwise be payable under such section if the family of each individual employed in the program established in the State under this section had received the maximum amount of aid to families with dependent children payable under the State plan to such a family with no income (without regard to adjustments under subsection (b)) for the lesser of—

"(1) 9 months; or

"(2) the number of months in which the individual was employed in the program.

"(e) RULES OF INTERPRETATION.—

"(1) This section shall not be construed as requiring the State or local agency administering the State plan to provide employee status to an eligible individual to whom the State or local agency provides a job under the work supplementation program (or with respect to whom the State or local agency provides all or part of the wages paid to the individual by another entity under the program), or as requiring any State or local agency to provide that an eligible individual filling a job position provided by another entity under the program be provided employee status by the entity during the first 13 weeks the individual fills the position.

"(2) Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

"(f) PRESERVATION OF MEDICAID ELIGIBILITY.—Any State that chooses to operate a work supplementation program under this section shall provide that any individual who participates in the program, and any child or relative of the individual (or other individual living in the same household as the individual) who would be eligible for aid to families with dependent children under the State plan approved under part A if the State did not have a work supplementation program, shall be considered individuals receiving aid to families with dependent children under the State plan approved under part A for purposes of eligibility for medical assistance under the State plan approved under title XIX.

"SEC. 497. PARTICIPATION RULES.

"(a) IN GENERAL.—Except as provided in subsection (b), a State that establishes a program under this part may require any individual receiving aid under the State plan approved under part A to participate in the program.

"(b) 2-YEAR LIMITATION ON PARTICIPATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual may not participate in a State program established under this part if the individual has participated in the State program established under this part for 24 months after the date the individual first signed an agreement of mutual responsibility under this part, excluding any month during which the individual worked for an average of at least 25 hours per week in a private sector job.

"(2) AUTHORITY TO ALLOW REPEAT PARTICIPATION.—

"(A) IN GENERAL.—Subject to subparagraph (B) of this paragraph, a State may allow an individual who, by reason of paragraph (1), would be prohibited from participating in the State program established under this part to participate in the program for such additional period or periods as the State determines appropriate.

"(B) LIMITATION ON PERCENTAGE OF REPEAT PARTICIPANTS.—

"(i) IN GENERAL.—Except as provided in clause (ii) of this subparagraph, the number of individuals allowed under subparagraph (A) to participate during a program year in a State program established under this part shall not exceed—

"(I) 10 percent of the total number of individuals who participated in the State program established under this part or the State program established under part H during the immediately preceding program year; or

"(II) in the case of fiscal year 2004 or any succeeding fiscal year, 15 percent of such total number of individuals.'

"(ii) AUTHORITY TO INCREASE LIMITATION.—

"(I) PETITION.—A State may request the Secretary to increase to not more than 15

percent the percentage limitation imposed by clause (i)(I) for a fiscal year before fiscal year 2004.

"(II) AUTHORITY TO GRANT REQUEST.—The Secretary may approve a request made pursuant to subclause (I) if the Secretary deems it appropriate. The Secretary shall develop recommendations on the criteria that should be applied in evaluating requests under subclause (I).

"SEC. 498. CASELOAD PARTICIPATION RATES; PERFORMANCE MEASURES.

"(a) PARTICIPATION RATES.—

"(1) REQUIREMENT.—A State that operates a program under this part shall achieve a participation rate for the following fiscal years of not less than the following percentage:

"Fiscal year:	Percentage:
1997	16
1998	20
1999	24
2000	28
2001	32
2002	40
2003 or later	52.

"(2) PARTICIPATION RATE DEFINED.—

"(A) IN GENERAL.—As used in this subsection, the term 'participation rate' means, with respect to a State and a fiscal year, an amount equal to—

"(i) the average monthly number of individuals who, during the fiscal year, participate in the State program established under this part or the State program (if any) established under part H; divided by

"(ii) the average monthly number of individuals for whom an individual responsibility plan is in effect under section 482 during the fiscal year.

"(B) SPECIAL RULE.—For each of the 1st 12 months after an individual ceases to receive aid under a State plan approved under part A by reason of having become employed for more than 25 hours per week in an unsubsidized job in the private sector, the individual shall be considered to be participating in the State program established under this part, and to be an adult recipient of such aid, for purposes of subparagraph (A).

"(3) STATE COMPLIANCE REPORTS.—Each State that operates a program under this part for a fiscal year shall submit to the Secretary a report on the participation rate of the State for the fiscal year.

"(4) EFFECT OF FAILURE TO MEET PARTICIPATION RATES.—

"(A) IN GENERAL.—If a State reports that the State has failed to achieve the participation rate required by paragraph (1) for the fiscal year, the Secretary may make recommendations for changes in the State program established under this part and (if the State has established a program under part H) the State program established under part H. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

"(B) SECOND CONSECUTIVE FAILURE.—Notwithstanding subparagraph (A), if a State fails to achieve the participation rate required by paragraph (1) for 2 consecutive fiscal years, the Secretary may—

"(i) require the State to make changes in the State program established under this part and (if the State has established a program under part H) the State program established under part H; and

"(ii) reduce by 5 percent the amount otherwise payable to the State under paragraph (1) or (2) (whichever applies to the State) of section 403(a).

"(b) PERFORMANCE STANDARDS.—The Secretary shall develop standards to be used to measure the effectiveness of the programs established under this part and part H in moving recipients of aid under the State plan approved under part A into full-time unsubsidized employment.

"(c) PERFORMANCE-BASED MEASURES.—

"(1) ESTABLISHMENT.—The Secretary shall, by regulation, establish measures of the effectiveness of the State programs established under this part and under part H in moving recipients of aid under the State plan approved under part A into full-time unsubsidized employment, based on the performance of such programs.

"(2) ANNUAL COMPLIANCE REPORTS.—Each State that operates a program under this part shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under paragraph (1).

"Subpart 2—Optional State Plans

"SEC. 499. STATE ROLE.

"(a) PROGRAM REQUIREMENTS.—Any State may establish and operate a work first program that meets the following requirements, unless the State is operating a work first program under subpart 1:

"(1) OBJECTIVE.—The objective of the program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

"(2) METHOD.—The method of the program is to connect recipients of aid to families with dependent children with the private sector labor market as soon as possible and offer them the support and skills necessary to remain in the labor market. Each component of the program should be permeated with an emphasis on employment and with an understanding that minimum wage jobs are a stepping stone to more highly paid employment. The program shall provide recipients with education, training, job search and placement, wage supplementation, temporary subsidized jobs, or such other services that the State deems necessary to help a recipient obtain private sector employment.

"(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, shall be a component of the program and shall be a priority for each State office with responsibilities under the program.

"(4) FORMS OF ASSISTANCE.—The State shall provide assistance to participants in the program in the form of education, training, job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, job counseling, assistance in establishing microenterprises, or other services to provide individuals with the support and skills necessary to obtain and keep employment in the private sector.

"(5) 2-YEAR LIMITATION ON PARTICIPATION.—The program shall comply with section 497(b).

"(6) AGREEMENTS OF MUTUAL RESPONSIBILITY.—

"(A) IN GENERAL.—The State agency shall develop an agreement of mutual responsibility for each program participant, which will be an individualized comprehensive plan, developed by the team and the participant, to move the participant into a full-time unsubsidized job. The agreement should detail the education, training, or skills that the individual will be receiving to obtain a full-time unsubsidized job, and the obligations of the individual.

"(B) HOURS OF PARTICIPATION REQUIREMENT.—The agreement shall provide that the individual shall participate in activities in accordance with the agreement for—

"(i) not fewer than 20 hours per week during fiscal years 1997 and 1998;

"(ii) not fewer than 25 hours per week during fiscal year 1999; and

"(iii) not fewer than 30 hours per week thereafter.

"(7) CASELOAD PARTICIPATION RATES.—The program shall comply with section 498.

"(8) NONDISPLACEMENT.—The program shall comply with section 491(11).

"(b) ANNUAL REPORTS.—

"(1) COMPLIANCE WITH PERFORMANCE MEASURES.—Each State that operates a program under this subpart shall submit to the Secretary annual reports that compare the achievements of the program with the performance-based measures established under section 490(b).

"(2) COMPLIANCE WITH PARTICIPATION RATES.—Each State that operates a program under this subpart for a fiscal year shall submit to the Secretary a report on the participation rate of the State for the fiscal year.

"SEC. 500. FEDERAL ROLE.

"(a) APPROVAL OF STATE PLANS.—

"(1) IN GENERAL.—Within 60 days after the date a State submits to the Secretary a plan that provides for the establishment and operation of a work first program that meets the requirements of section 499, the Secretary shall approve the plan.

"(2) AUTHORITY TO EXTEND APPROVAL DEADLINE.—The 60-day deadline established in paragraph (1) with respect to a State may be extended in accordance with an agreement between the Secretary and the State.

"(b) PERFORMANCE-BASED MEASURES.—The Secretary shall, by regulation, establish measures of the effectiveness of the State program established under this subpart and (if the State has established a program under part H) the State program established under part H in moving recipients of aid under the State plan approved under part A into full-time unsubsidized employment, based on the performance of such programs.

"(c) EFFECT OF FAILURE TO MEET PARTICIPATION RATES.—

"(1) IN GENERAL.—If a State reports that the State has failed to achieve the participation rate required by section 499(a)(7) for the fiscal year, the Secretary may make recommendations for changes in the State program established under this subpart and (if the State has established a program under part H) the State program established under part H. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

"(2) SECOND CONSECUTIVE FAILURE.—Notwithstanding paragraph (1), if the State has failed to achieve the participation rates required by section 499(a)(7) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under this subpart and (if the State has established a program under part H) the State program established under part H.

"Part H—Workfare Program

"SEC. 500A. ESTABLISHMENT AND OPERATION OF PROGRAM.

"(a) IN GENERAL.—A State that establishes a work first program under a subpart of part G may establish and carry out a workfare program that meets the requirements of this part, unless the State has established a job placement voucher program under part I.

"(b) OBJECTIVE.—The objective of the workfare program is for each program participant to find and hold a full-time unsubsidized paid job, and for this goal to be achieved in a cost-effective fashion.

"(c) CASE MANAGEMENT TEAMS.—The State shall assign to each program participant a case management team that shall meet with the participant and assist the participant to choose the most suitable workfare job under subsection (e), (f), or (g) and to eventually obtain a full-time unsubsidized paid job.

"(d) PROVISION OF JOBS.—The State shall provide each participant in the program with a community service job that meets the requirements of subsection (e) or a subsidized job that meets the requirements of subsection (f) or (g).

"(e) COMMUNITY SERVICE JOBS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each participant shall work for not fewer than 30 hours per week (or, at the option of the State, 20 hours per week during fiscal years 1997 and 1998, not fewer than 25 hours per week during fiscal year 1999, not fewer than 30 hours per week during fiscal years 2000 and 2001, and not fewer than 35 hours per week thereafter) in a community service job, and be paid at a rate which is not greater than 75 percent (or, at the option of the State, 100 percent) of the maximum amount of aid payable under the State plan approved under part A to a family of the same size and composition with no income.

"(2) EXCEPTION.—(A) If the participant has obtained unsubsidized part-time employment in the private sector, the State shall provide the participant with a part-time community service job.

"(B) If the State provides a participant a part-time community service job under subparagraph (A), the State shall ensure that the participant works for not fewer than 30 hours per week.

"(3) WAGES NOT CONSIDERED EARNED INCOME.—Wages paid under a workfare program shall not be considered to be earned income for purposes of any provision of law.

"(4) COMMUNITY SERVICE JOB DEFINED.—For purposes of this section, the term 'community service job' means—

"(A) a job provided to a participant by the State administering the State plan under part A; or

"(B) a job provided to a participant by any other employer for which all or part of the wages are paid by the State.

A State may provide or subsidize under the program any job which the State determines to be appropriate.

"(f) TEMPORARY SUBSIDIZED JOB CREATION.—A State that establishes a workfare program under this part may establish a program similar to the program operated by the State of Oregon, which is known as 'JOBS Plus'.

"(g) WORK SUPPLEMENTATION PROGRAM.—

"(1) IN GENERAL.—A State that establishes a workfare program under this part may institute a work supplementation program under which the State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to participants in the program as a community service minimum wage and use the sums instead for the purpose of providing and subsidizing private sector jobs for the participants.

"(2) EMPLOYER AGREEMENT.—An employer who provides a private sector job to a participant under paragraph (1) shall agree to provide to the participant an amount in wages equal to the poverty threshold for a family of three.

"(h) JOB SEARCH REQUIREMENT.—The State shall require each participant to spend a minimum of 5 hours per week on activities related to securing unsubsidized full-time employment in the private sector.

"(i) DURATION OF PARTICIPATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual may not participate for more than 2 years in a workfare program under this part.

"(2) AUTHORITY TO ALLOW REPEATED PARTICIPATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), a State may allow an individual who, by reason of paragraph (1), would be prohibited from participating in the State program established under this part to participate in the program for such additional period or periods as the State determines appropriate.

"(B) LIMITATION ON PERCENTAGE OF REPEAT PARTICIPANTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the number of individuals allowed under subparagraph (A) to participate during a program year in a State program established under this part shall not exceed 10 percent of the total number of individuals who participated in the program during the immediately preceding program year.

"(ii) AUTHORITY TO INCREASE LIMITATION.—

"(I) PETITION.—A State may request the Secretary to increase the percentage limitation imposed by clause (i) to not more than 15 percent.

"(II) AUTHORITY TO GRANT REQUEST.—The Secretary may approve a request made pursuant to subclause (I) if the Secretary deems it appropriate. The Secretary shall develop recommendations on the criteria that should be applied in evaluating requests under subclause (I).

"(j) USE OF PLACEMENT COMPANIES.—A State that establishes a workfare program under this part may enter into contracts with private companies (whether operated for profit or not for profit) for the placement of participants in the program in positions of full-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such participants for cash assistance in accordance with section 493.

"(k) MAXIMUM OF 3 COMMUNITY SERVICE JOBS.—A program participant may not receive more than 3 community service jobs under the program.

"Part I—Job Placement Voucher Program

"SEC. 500B. JOB PLACEMENT VOUCHER PROGRAM.

"A State that is not operating a workfare program under part H may establish a job placement voucher program that meets the following requirements:

"(1) The program shall offer each program participant a voucher which the participant may use to obtain employment in the private sector.

"(2) An employer who receives a voucher issued under the program from an individual may redeem the voucher at any time after the individual has been employed by the employer for 6 months, unless another employee of the employer was displaced by the employment of the individual.

"(3) Upon presentation of a voucher by an employer to the State agency responsible for the administration of the program, the State agency shall pay to the employer an amount equal to 50 percent of the total amount of aid paid under the State plan approved under part A to the family of which the individual is a member for the most recent 12 months for which the family was eligible for such aid.".

(c) FUNDING.—Section 403 (42 U.S.C. 603) is amended by inserting after subsection (b) the following:

"(c)(1) Each State that is operating a program in accordance with subpart 1 of part G (or in accordance with a plan approved under subpart 2 of part G), and a program in accordance with part H or I shall be entitled to payments under subsection (d) for any fiscal year in an amount equal to the sum of the applicable percentages (specified in such subsection) of its expenditures to carry out such programs (subject to limitations prescribed by or pursuant to such parts or this section on expenditures that may be included for purposes of determining payment under subsection (d)), but such payments for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (2) with respect to the State.

"(2) The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (3) for such fiscal year as the average monthly number of adult recipients (as defined in paragraph (4)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

"(3)(A) The amount specified in this paragraph is—

"(i) $1,500,000,000 for fiscal year 1997;

"(iii) $2,000,000,000 for fiscal year 1998;

"(iv) $2,600,000,000 for fiscal year 1999;

"(v) $3,100,000,000 for fiscal year 2000; and

"(vi) the amount determined under subparagraph (B) for fiscal year 2001 and each succeeding fiscal year.

"(B) The amount determined under this subparagraph for a fiscal year is the product of the following:

"(i) The amount specified in this paragraph for the immediately preceding fiscal year.

"(ii) 1.00 plus the percentage (if any) by which—

"(I) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the most recent 12-month period for which such information is available; exceeds

"(II) the average of the Consumer Price Index (as so defined) for the 12-month period ending on June 30 of the 2nd preceding fiscal year.

"(iii) The amount that bears the same ratio to the amount specified in this paragraph for the immediately preceding fiscal year as the number of individuals whom the Secretary estimates will participate in programs operated under part G, H, or I during the fiscal year bears to the total number of individuals who participated in such programs during such preceding fiscal year.

"(4) For purposes of this subsection, the term 'adult recipient' in the case of any State means an individual other than a dependent child (unless such child is the custodial parent of another dependent child) whose needs are met (in whole or in part) with payments of aid to families with dependent children.

"(d)(1) In lieu of any payment under subsection (a), the Secretary shall pay to each State that is operating a program in accordance with subpart 1 of part G (or in accordance with a plan approved under subpart 2 of part G), and a program in accordance with part H or I, and to which section 1108 does not apply, with respect to expenditures by the State to carry out such programs, an amount equal to 70 percent, or the Federal medical assistance percentage (as defined in section 1905(b)) increased by 10 percentage points, whichever is the greater, of the total amount expended during the quarter for the operation and administration of such programs.

"(2) In lieu of any payment under subsection (a), the Secretary shall pay to each State that is operating a program in accordance with subpart 1 of part G (or in accordance with a plan approved under subpart 2 of part G), and a program in accordance with part H or I, and to which section 1108 applies, with respect to expenditures by the State to carry out such programs (including expenditures for child care under section 402(g)(1)(A)), an amount equal to—

"(A) with respect to so much of such expenditures in a fiscal year as do not exceed the State's expenditures in the fiscal year 1987 with respect to which payments were made to such State from its allotment for such fiscal year pursuant to part C of this title as then in effect, 90 percent; and

"(B) with respect to so much of such expenditures in a fiscal year as exceed the amount described in subparagraph (A)—

"(i) 50 percent, in the case of expenditures for administrative costs made by a State in operating such programs for such fiscal year (other than the personnel costs for staff employed full-time in the operation of such program) and the costs of transportation and other work-related supportive services under section 402(g)(2); and

"(ii) 70 percent or the Federal medical assistance percentage (as defined in the last sentence of section 1118) increased by 10 percentage points, whichever is the greater, in the case of expenditures made by a State in operating such programs for such fiscal year (other than for costs described in clause (i)).

"(3) With respect to the amount for which payment is made to a State under paragraph (2)(A), the State's expenditures for the costs of operating such programs may be in cash or in kind, fairly evaluated.

"(4) Not more than 10 percent of the amount payable to a State under this subsection for a quarter may be for expenditures made during the quarter with respect to program participants who are not eligible for aid under the State plan approved under part A.".

(d) SECRETARY'S SPECIAL ADJUSTMENT FUND.—Section 403 (42 U.S.C. 603) is amended by adding at the end the following:

"(p)(1) There shall be available to the Secretary from the amount appropriated for payments under subsection (c) for States' programs under parts G and H for fiscal year 1996, $300,000,000 for special adjustments to States' limitations on Federal payments for such programs.

"(2) A State may, not later than March 1 and September 1 of each fiscal year, submit to the Secretary a request to adjust the limitation on payments under this section with respect to its program under part G (and, in fiscal years after 1997) its program under part H for the following fiscal year. The Secretary shall only consider such a request from a State which has, or which demonstrates convincingly on the basis of estimates that it will, submit allowable claims for Federal payment in the full amount available to it under subsection (c) in the current fiscal year and obligated 95 percent of its full amount in the prior fiscal year. The Secretary shall by regulation prescribe criteria for the equitable allocation among the States of Federal payments pursuant to adjustments of the limitations referred to in the preceding sentence in the case where the requests of all States that the Secretary finds reasonable exceed the amount available, and, within 30 days following the dates specified in this paragraph, will notify each State whether one or more of its limitations will be adjusted in accordance with the State's request and the amount of the adjustment (which may be some or all of the amount requested).

"(3) The Secretary may adjust the limitation on Federal payments to a State for a fiscal year under subsection (c), and upon a determination by the Secretary that (and the amount by which) a State's limitation should be raised, the amount specified in either such subsection, or both, shall be considered to be so increased for the following fiscal year.

"(4) The amount made available under paragraph (1) for special adjustments shall remain available to the Secretary until expended. That amount shall be reduced by the sum of the adjustments approved by the Secretary in any fiscal year, and the amount shall be increased in a fiscal year by the amount by which all States' limitations under subsection (c) of this section and section 2008 for a fiscal year exceeded the sum of the Federal payments under such provisions of law for such fiscal year, but for fiscal years after 1997, such amount at the end of such fiscal year shall not exceed $400,000,000.".

(e) CONFORMING AMENDMENTS.—

(1) Section 402(a) (42 U.S.C. 602(a)) is amended by striking paragraph (19).

(2) Section 403 (42 U.S.C. 603) is amended by striking subsections (k) and (l).

(3) Section 407(b)(1)(B) (42 U.S.C. 607(b)(1)(B)) is amended—

(A) by adding "and" at the end of clause (iii);

(B) by striking "; and" at the end of clause (iv) and inserting a period; and

(C) by striking clause (v).

(4) Section 407(b)(2)(B)(ii)(I) (42 U.S.C. 607(b)(2)(B)(ii)(I)) is amended by striking "under section 402(a)(19) or".

(5) Section 407(b)(2)(C) (42 U.S.C. 607(b)(2)(C)) is amended by striking "section 402(a)(19) and".

(6) Section 1115(b)(2)(A) (42 U.S.C. 1315(b)(2)(A)) is amended by striking ", and 402(a)(19) (relating to the work incentive program)".

(7) Section 1108 (42 U.S.C. 1308) is amended—

(A) in subsection (a), by striking "or, in the case of part A of title IV, section 403(k)"; and

(B) in subsection (d), by striking "(exclusive of any amounts on account of services and items to which, in the case of part A of such title, section 403(k) applies)".

(8) Section 1902(a)(19)(A)(i)(I) (42 U.S.C. 1396a(a)(19)(A)(i)(I)) is amended by striking "482(e)(6)" and inserting "486(f)".

(9) Section 1928(a)(1) (42 U.S.C. 1396s(a)(1)) is amended by striking "482(e)(6)" and inserting "486(f)".

(f) INTENT OF THE CONGRESS.—The Congress intends for State activities under section 494 of the Social Security Act (as added by the amendment made by section 301(b) of this Act) to emphasize the use of the funds that would otherwise be used to provide individuals with aid to families with dependent children under part A of title IV of the Social Security Act and with food stamp benefits under the Food Stamp Act of 1977, to subsidize the wages of such individuals in temporary jobs.

(g) SENSE OF THE CONGRESS.—It is the sense of the Congress that States should target individuals who have not attained 25 years of age for participation in the program established by the State under part G of title IV of the Social Security Act (as added by the amendment made by section 301(b) of this section) in order to break the cycle of welfare dependency.

SEC. 302. REGULATIONS.

The Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement the amendments made by this title.

SEC. 303. APPLICABILITY TO STATES.

(a) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after such earlier date as the State may select.

(b) STATE OPTION TO DELAY APPLICABILITY UNTIL WAIVERS EXPIRE.—The amendments made by this title shall not apply to a State with respect to which there is in effect a waiver issued under section 1115 of the Social Security Act for the State program established under part G of title IV of such Act, until the waiver expires, if the State formally notifies the Secretary of Health and Human Services that the State desires to so delay such effective date.

(c) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—If a State formally notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendments made by this title, the amendments shall apply to the State on and after any later date agreed upon by the Secretary and the State.

SEC. 304. SENSE OF THE CONGRESS RELATING TO AVAILABILITY OF WORK FIRST PROGRAM IN RURAL AREAS.

It is the sense of the Congress that the Secretary of Health and Human Services and the States should consider the needs of rural areas in designing State plans under part G of title IV of the Social Security Act.

SEC. 305. GRANTS TO COMMUNITY-BASED ORGANIZATIONS.

(a) IN GENERAL.—The Secretary of Health and Human Services may make grants in accordance with this section to community-based organizations that move recipients of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act or under other public assistance programs into private sector work.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1996 and $50,000,000 for fiscal years 1997, 1998, 1999, and 2000.

(c) ELIGIBLE ORGANIZATIONS.—The Secretary of Health and Human Services shall award grants to community-based organizations that—

(1) receive at least 5 percent of their funding from local government sources; and

(2) move recipients referred to in subsection (a) in the direction of unsubsidized private employment by integrating and colocating at least 5 of the following services—

(A) case management;

(B) job training;

(C) child care;

(D) housing;

(E) health care services;

(F) nutrition programs;

(G) life skills training; and

(H) parenting skills.

(d) AWARDING OF GRANTS.—

(1) IN GENERAL.—The Secretary shall award grants based on the quality of applications, subject to paragraphs (2) and (3).

(2) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give preference to organizations which receive more than 50 percent of their funding from State government, local government or private sources.

(3) DISTRIBUTION OF GRANT.—The Secretary shall award at least 1 grant to each State from which the Secretary received an application.

(4) LIMITATION ON SIZE OF GRANT.—The Secretary shall not award any grants under this section of more than $1,000,000.

(e) ISSUANCE OF REGULATIONS.—Not less than 6 months after the date of the enactment of this section, the Secretary shall prescribe such regulations as may be necessary to implement this section.

TITLE IV—FAMILY RESPONSIBILITY AND IMPROVED CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility and Other Matters Concerning Title IV-D Program Clients

SEC. 401. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by inserting after paragraph (11) the following:

"(12) USE OF CENTRAL CASE REGISTRY AND CENTRALIZED COLLECTIONS UNIT.—Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e), except as provided in subparagraph (C); and

"(C)(i) parties subject to a child support order described in subparagraph (B)(ii) may opt out of the procedure for payment of support through the centralized collections unit (but not the procedure for inclusion in the central case registry) by filing with the State agency a written agreement, signed by both parties, to an alternative payment procedure; and

"(ii) an agreement described in clause (i) becomes void whenever either party advises the State agency of an intent to vacate the agreement.".

(b) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) provide that such State will undertake—

"(A) to provide appropriate services under this part to—

"(i) each child with respect to whom an assignment is effective under section 402(a)(26), 471(a)(17), or 1912 (except in cases where the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(ii) each child not described in clause (i)—

"(I) with respect to whom an individual applies for such services; and

"(II) (on and after October 1, 1998) each child with respect to whom a support order is recorded in the central State case registry established under section 454A, regardless of whether application is made for services under this part; and

"(B) to enforce the support obligation established with respect to the custodial parent of a child described in subparagraph (A) unless the parties to the order which establishes the support obligation have opted, in accordance with section 466(a)(12)(C), for an alternative payment procedure."; and

(2) in paragraph (6)—

(A) by striking subparagraph (A) and inserting the following:

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)"; and

(C) in each of subparagraphs (B), (C), and (D)—

(i) by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(ii) by striking the final comma and inserting a semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 402. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) IN THE CASE OF A FAMILY RECEIVING AFDC.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) amounts received in a month which represent payments for that month; and

"(B) amounts received in a month which represent payments for a prior month which were made by the absent parent in the month when due;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family."; and

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AFDC.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) amounts received in a month which represent payments for that month; and

"(B) amounts received in a month which represent payments for a prior month which were made by the absent parent in the month when due;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) DISTRIBUTION TO A FAMILY NOT RECEIVING AFDC.—

(1) IN GENERAL.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1999.

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER PART E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER PART E.—Amounts".

(e) SUSPENSION OR CANCELLATION OF DEBTS UPON MARRIAGE OF PARENTS.—Section 457 (42 U.S.C. 657) is amended by adding at the end the following:

"(e) SUSPENSION OR CANCELLATION OF DEBTS TO STATE UPON MARRIAGE OF PARENTS.—

"(1) CIRCUMSTANCES REQUIRING SUSPENSION OR CANCELLATION.—In any case in which a State has been assigned rights to support owed with respect to a child who is receiving or has received assistance under part A and—

"(A) the parent owing such support marries (or remarries) the parent with whom

such child is living and to whom such support is owed and applies to the State for relief under this subsection;

"(B) the State determines (in accordance with procedures and criteria established by the Secretary) that the marriage is not a sham marriage entered into solely to satisfy this subsection; and

"(C) the combined income of such parents is less than twice the Federal poverty line.

the State shall afford relief to the parent owing such support in accordance with paragraph (2).

"(2) SUSPENSION OR CANCELLATION.—In the case of a marriage or remarriage described in paragraph (1), the State shall either—

"(A) cancel all debts owed to the State pursuant to such assignment; or

"(B) suspend collection of such debts for the duration of such marriage, and cancel such debts if such duration extends beyond the end of the period with respect to which support is owed.

"(3) NOTICE REQUIRED.—The State shall notify custodial parents of children who are receiving aid under part A of the relief available under this subsection to individuals who marry (or remarry).".

(f) STATE OPTIONS TO PASS THROUGH AND TO DISREGARD CHILD SUPPORT AMOUNTS.—

(1) STATE OPTION TO PASS THROUGH CHILD SUPPORT.—Section 457(b)(1) (42 U.S.C. 657(b)(1)) is amended to read as follows:

"(1) at State option, an amount determined by the State, equal to all or a portion of the monthly support obligation, may be paid to the family from each of—

"(A) amounts received in a month which represent payments for that month; and

"(B) amounts received in a month which represent payments for a prior month which were made by the absent parent in the month when due;".

(2) STATE OPTION TO DISREGARD CHILD SUPPORT.—Section 402(a)(8)(A)(vi) (42 U.S.C 602(a)(8)(A)(vi)) is amended—

(A) by striking "shall disregard the first $50" and inserting "may disregard all or any portion";

(B) by striking "the first $50" and inserting "and all or any portion"; and

(C) by striking "section 457(b)" and inserting "section 457(a)".

(g) PASS THROUGH AND DISREGARD OF SUPPORT COLLECTED ON BEHALF OF A FAMILY SUBJECT TO THE FAMILY CAP.—

(1) PASS THROUGH.—Section 457 (42 U.S.C. 657), as amended by subsection (e) of this section, is amended by adding at the end the following:

"(f) PASS THROUGH OF SUPPORT COLLECTED ON BEHALF OF A FAMILY SUBJECT TO THE FAMILY CAP.—Amounts collected by a State agency under this part during any month as support of a child who is a member of a 1-parent family subject to section 402(a)(51) shall be distributed to the family.".

(2) DISREGARD.—Section 402(a)(8)(A)(vi) (42 U.S.C. 602(a)(8)(A)(vi)) is amended by inserting ", except that, in the case of a 1-parent family subject to paragraph (51), all support payments collected and paid to the family under section 457(f) shall be disregarded" before the semicolon.

(h) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations—

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than one family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving Aid to Families with Dependent Children, designed to minimize irregular monthly payments to such families.

(i) CLERICAL AMENDMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11), by striking "(11)" and inserting "(11)(A)"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

SEC. 403. DUE PROCESS RIGHTS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(f) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for procedures to ensure that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C) individuals adversely affected by the establishment or modification of (or, in the case of a petition for modification, the determination that there should be no change in) a child support order shall be afforded not less than 30 days after the receipt of the order or determination to initiate proceedings to challenge such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 404. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 454) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Program Administration and Funding

SEC. 411. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal year 1997, 69 percent,

"(B) for fiscal year 1998, 72 percent, and

"(C) for fiscal year 1999 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) MAINTENANCE OF EFFORT.—Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified for such fiscal year under subsection (a)(2)(A), (B), or (C)(i), shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 412. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal

year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—For purposes of this section—

"(1) the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(A) the total number of out-of-wedlock children in the State under one year of age for whom paternity is established or acknowledged during the fiscal year, to

"(B) the total number of children born out of wedlock in the State during such fiscal year; and

"(2) the term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 411(a) of this Act, is amended—

(1) by striking the period at the end of subparagraph (C)(ii) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the subsection, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A), in the matter preceding clause (i)—

(i) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(ii) by striking "(or all States, as the case may be)";

(B) in subparagraph (A)(i), by striking "during the fiscal year";

(C) in subparagraph (A)(ii)(I), by striking "as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(D) in subparagraph (A)(ii)(II), by striking "or (E) as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(E) in subparagraph (A)(iii)—

(i) by striking "during the fiscal year"; and

(ii) by striking "and" at the end; and

(F) in the matter following subparagraph (A)—

(i) by striking "who were born out of wedlock during the immediately preceding fiscal year" and inserting "born out of wedlock";

(ii) by striking "such preceding fiscal year" both places it appears and inserting "the preceding fiscal year"; and

(iii) by striking "or (E)" the second place it appears.

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended by inserting after subsection (b) the following:

"(c)(1) If the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV-D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of this paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 6 nor more than 8 percent, or

"(B) not less than 8 nor more than 12 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 12 nor more than 15 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(27), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—

(A) Section 403 (42 U.S.C. 603) is amended by striking subsection (h).

(B) Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended by striking "403(h)" each place such term appears and inserting "455(c)".

(C) Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(c)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—(A) The amendments made by subsections (a), (b), and (c) shall become effective October 1, 1997, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—(A) The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of enactment of this Act.

(B) The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date one year after the date of enactment of this Act.

SEC. 413. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV-D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(c) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State

program conformity with Federal requirements: evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary:".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date one year after enactment of this section.

SEC. 414. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 404(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 415. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of the enactment of this subsection.".

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 414(b)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1995, meeting all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of enactment of the Individual Responsibility Act of 1995 (but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

(A) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(B) by striking "so much of"; and

(C) by striking "which the Secretary" and all that follows and inserting ", and"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of State expenditures described in subparagraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), or meeting such requirements without regard to clause (D) thereof.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in subparagraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A, subject to clause (iii).

"(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

"(I) 80 percent, or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

(d) ADDITIONAL PROVISIONS.—For additional provisions of section 454A, as added by subsection (a) of this section, see the amendments made by sections 421, 422(c), and 433(d) of this Act.

SEC. 416. DIRECTOR OF CSE PROGRAM: STAFFING STUDY.

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall include a review of the staffing needs created by requirements for automated data processing, maintenance

of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements. Such studies shall examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) FREQUENCY OF STUDIES.—The Secretary shall complete the first staffing study required under paragraph (1) by October 1, 1997, and may conduct additional studies subsequently at appropriate intervals.

(3) REPORT TO THE CONGRESS.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 417. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 415(a)(3) of this Act, is amended by adding at the end the following new subsection:

"(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING STATE PROGRAMS.—(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in this paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to—

"(A) 1 percent, for the activities specified in subparagraphs (A) and (B) of paragraph (1); and

"(B) 2 percent, for the activities specified in subparagraph (C) of paragraph (1).".

SEC. 418. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) DATA COLLECTION AND REPORTING.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle C—Locate and Case Tracking

SEC. 421. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 415(a)(2) of this Act, is amended by adding at the end the following:

"(e) CENTRAL CASE REGISTRY.—(1) IN GENERAL.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) PAYMENT RECORDS.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrears, interest or late payment penalties, and fees);

"(B) the date on which or circumstances under which the support obligation will terminate under such order;

"(C) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(D) the distribution of such amounts collected; and

"(E) the birth date of the child for whom the child support order is entered.

"(3) UPDATING AND MONITORING.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) DATA MATCHES AND OTHER DISCLOSURES OF INFORMATION.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) DATA BANK OF CHILD SUPPORT ORDERS.—Furnish to the Data Bank of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) minimal information (to be specified by the Secretary) on each child support case in the central case registry.

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchange data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) AFDC AND MEDICAID AGENCIES.—Exchange data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) INTRA- AND INTERSTATE DATA MATCHES.—Exchange data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 422. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 414(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) ESTABLISHMENT OF CENTRALIZED COLLECTION UNIT.—Part D of title IV (42 U.S.C. 651-669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(27), the State agency must operate a single centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by two or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 415(a)(2) of this Act and as amended by section 421 of this Act, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within two working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 423. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—(1) Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking all that follows "administered by" and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D)—

(i) by striking "employer who discharges" and inserting "employer who—(A) discharges";

(ii) by relocating subparagraph (A), as designated, as an indented subparagraph after and below the introductory matter;

(iii) by striking the period at the end; and

(iv) by adding after and below subparagraph (A) the following new subparagraph:

"(B) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) DEFINITION OF TERMS.—The Secretary shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 424. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 423(a)(2) of this Act, is amended by inserting after paragraph (7) the following:

"(8) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 425. EXPANDED FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting the following:

", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed, including such individual's social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information specified in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))";

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) REIMBURSEMENT FOR DATA FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the fourth sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data)".

(c) ACCESS TO CONSUMER REPORTS UNDER FAIR CREDIT REPORTING ACT.—(1) Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(A) by striking ", limited to" and inserting "to a governmental agency (including the entire consumer report, in the case of a Federal, State, or local agency administering a program under part D of title IV of the Social Security Act, and limited to"; and

(B) by striking "employment, to a governmental agency" and inserting "employment, in the case of any other governmental agency)".

(2) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES AND CREDIT BUREAUS.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary is authorized to reimburse costs to State agencies and consumer credit reporting agencies the costs incurred by such entities in furnishing information requested by the Secretary pursuant to this section in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data).".

(d) DISCLOSURE OF TAX RETURN INFORMATION.—(1) Section 6103(l)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking ", but only if" and all that follows and inserting a period.

(2) Section 6103(l)(8)(A) of the Internal Revenue Code of 1986 is amended by inserting "Federal," before "State or local".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), and 663(e)) are each amended by inserting "Federal" before "Parent" each place it appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c)(2) of this section, is amended by adding at the end the following:

"(h) DATA BANK OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry to be known as the Data Bank of Child Support Orders, which shall contain abstracts of child support orders and other information described in paragraph (2) on each case in each State central case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1), as specified by the Secretary, shall include sufficient information (including names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order.

"(i) DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—Not later than October 1, 1998, In order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated directory to be known as the directory of New Hires, containing—

"(A) information supplied by employers on each newly hired individual, in accordance with paragraph (2); and

"(B) information supplied by State agencies administering State unemployment compensation laws, in accordance with paragraph (3).

"(2) EMPLOYER INFORMATION.—

"(A) INFORMATION REQUIRED.—Subject to subparagraph (D), each employer shall furnish to the Secretary, for inclusion in the directory established under this subsection, not later than 10 days after the date (on or after October 1, 1998) on which the employer hires a new employee (as defined in subparagraph (C)), a report containing the name, date of birth, and social security number of such employee, and the employer identification number of the employer.

"(B) REPORTING METHOD AND FORMAT.—The Secretary shall provide for transmission of the reports required under subparagraph (A) using formats and methods which minimize the burden on employers, which shall include—

"(i) automated or electronic transmission of such reports;

"(ii) transmission by regular mail; and

"(iii) transmission of a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986.

"(C) EMPLOYEE DEFINED.—For purposes of this paragraph, the term 'employee' means any individual subject to the requirement of section 3402(f)(2) of the Internal Revenue Code of 1986.

"(D) PAPERWORK REDUCTION REQUIREMENT.—As required by the information resources management policies published by the Director of the Office of Management and Budget pursuant to section 3504(b)(1) of title 44, United States Code, the Secretary, in order to minimize the cost and reporting burden on employers, shall not require reporting pursuant to this paragraph if an alternative reporting mechanism can be developed that either relies on existing Federal or State reporting or enables the Secretary to collect the needed information in a more cost-effective and equally expeditious manner, taking into account the reporting costs on employers.

"(E) CIVIL MONEY PENALTY ON NONCOMPLYING EMPLOYERS.—(i) Any employer that fails to make a timely report in accordance with this paragraph with respect to an individual shall be subject to a civil money penalty, for each calendar year in which the failure occurs, of the lesser of $500 or 1 percent of the wages or other compensation paid by such employer to such individual during such calendar year.

"(ii) Subject to clause (iii), the provisions of section 1128A (other than subsections (a) and (b) thereof) shall apply to a civil money penalty under clause (i) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).

"(iii) Any employer with respect to whom a penalty under this subparagraph is upheld after an administrative hearing shall be liable to pay all costs of the Secretary with respect to such hearing.

"(3) EMPLOYMENT SECURITY INFORMATION.—

"(A) REPORTING REQUIREMENT.—Each State agency administering a State unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act shall furnish to the Secretary of Health and Human Services extracts of the reports to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals required under section 303(a)(6), in accordance with subparagraph (B).

"(B) MANNER OF COMPLIANCE.—The extracts required under subparagraph (A) shall be furnished to the Secretary of Health and Human Services on a quarterly basis, with respect to calendar quarters beginning on and after October 1, 1996, by such dates, in such format, and containing such information as required by that Secretary in regulations.

"(j) DATA MATCHES AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—(A) The Secretary shall transmit data on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct or supply to the extent necessary and feasible, and report to the Secretary, the following information in data supplied by the Secretary pursuant to subparagraph (A):

"(i) the name, social security number, and birth date of each individual; and

"(ii) the employer identification number of each employer.

"(2) CHILD SUPPORT LOCATOR MATCHES.—For the purpose of locating individuals for purposes of paternity establishment and establishment and enforcement of child support, the Secretary shall—

"(A) match data in the directory of New Hires against the child support order abstracts in the Data Bank of Child Support Orders not less often than every 2 working days; and

"(B) report information obtained from such a match to concerned State agencies operating programs under this part not later than 2 working days after such match.

"(3) DATA MATCHES AND DISCLOSURES OF DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—The Secretary shall—

"(A) perform matches of data in each component of the Federal Parent Locator Service maintained under this section against data in each other such component (other than the matches required pursuant to paragraph (1)), and report information resulting from such matches to State agencies operating programs under this part and parts A, F, and G; and

"(B) disclose data in such registries to such State agencies,

to the extent, and with the frequency, that the Secretary determines to be effective in assisting such States to carry out their responsibilities under such programs.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, the costs incurred by the Commissioner in performing the verification services specified in subsection (j).

"(2) FOR INFORMATION FROM SESAS.—The Secretary shall reimburse costs incurred by State employment security agencies in furnishing data as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such data).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—State and Federal agencies receiving data or information from the Secretary pursuant to this section shall reimburse the costs incurred by the Secretary in furnishing such data or information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and matching such data or information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Data in the Federal Parent Locator Service, and information resulting from matches using such data, shall not be used or disclosed except as specifically provided in this section.

"(m) RETENTION OF DATA.—Data in the Federal Parent Locator Service, and data resulting from matches performed pursuant to this section, shall be retained for such period (determined by the Secretary) as appropriate for the data uses specified in this section.

"(n) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(o) LIMIT ON LIABILITY.—The Secretary shall not be liable to either a State or an individual for inaccurate information provided to a component of the Federal Parent Locator Service section and disclosed by the Secretary in accordance with this section.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting "; and"; and

(C) by adding after paragraph (9) the following new paragraph:

"(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 426. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 401(a) of this Act, is amended by inserting after paragraph (12) the following:

"(13) SOCIAL SECURITY NUMBERS REQUIRED.—Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees; and

"(B) of both parents, on birth records and child support and paternity orders.".

(b) CLARIFICATION OF FEDERAL POLICY.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended by striking the third sentence and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.".

Subtitle D—Streamlining and Uniformity of Procedures

SEC. 431. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a) and 426(a) of this Act, is amended inserting after paragraph (13) the following:

"(14) INTERSTATE ENFORCEMENT.—(A) ADOPTION OF UIFSA.—Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August, 1992.

"(B) EXPANDED APPLICATION OF UIFSA.—The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) JURISDICTION TO MODIFY ORDERS.—The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(D) SERVICE OF PROCESS.—The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.

"(E) COOPERATION BY EMPLOYERS.—The State law adopted pursuant to subparagraph (A) shall provide for the use of procedures (including sanctions for noncompliance) under which all entities in the State (including for-profit, nonprofit, and governmental employers) are required to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor.".

SEC. 432. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only one court has issued a child support order, the order of that court must be recognized.

"(2) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 433. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666) is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing,

modifying, and enforcing support obligations.''; and

(2) by adding after subsection (b) the following new subsection:

''(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

''(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

''(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

''(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

''(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

''(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

''(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

''(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

''(i) records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records; and

''(ii) certain records held by private entities, including—

''(I) customer records of public utilities and cable television companies; and

''(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

''(E) INCOME WITHHOLDING.—To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

''(F) CHANGE IN PAYEE.—(In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

''(G) SECURE ASSETS TO SATISFY ARREARAGES.—For the purpose of securing overdue support—

''(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

''(I) unemployment compensation, workers' compensation, and other benefits;

''(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

''(III) lottery winnings;

''(ii) to attach and seize assets of the obligor held by financial institutions;

''(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

''(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

''(I) SUSPENSION OF DRIVERS' LICENSES.—To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

''(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

''(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including Social Security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

''(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

''(ii) (in the case of a State in which orders in such cases are issued by local jurisdictions) a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.''.

(c) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking ''(d) If'' and inserting the following:

''(d) EXEMPTIONS FROM REQUIREMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), if''; and

(2) by adding at the end the following new paragraph:

''(2) NONEXEMPT REQUIREMENTS.—The Secretary shall not grant an exemption from the requirements of—

''(A) subsection (a)(5) (concerning procedures for paternity establishment);

''(B) subsection (a)(10) (concerning modification of orders);

''(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

''(D) subsection (a)(13) (concerning recording of Social Security numbers);

''(E) subsection (a)(14) (concerning interstate enforcement); or

''(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).''.

(d) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 415(a)(2) of this Act and as amended by sections 421 and 422(c) of this Act, is amended by adding at the end the following new subsection:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).''.

Subtitle E—Paternity Establishment

SEC. 441. SENSE OF THE CONGRESS.

It is the sense of the Congress that social services should be provided in hospitals to women who have become pregnant as a result of rape or incest.

SEC. 442. AVAILABILITY OF PARENTING SOCIAL SERVICES FOR NEW FATHERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), and 431 of this Act, is amended by inserting after paragraph (14) the following:

''(15) Procedures for providing new fathers with positive parenting counseling that stresses the importance of paying child support in a timely manner, in accordance with regulations prescribed by the Secretary.''.

SEC. 443. COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.

(a) CHILD SUPPORT ENFORCEMENT REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by inserting after paragraph (24) the following:

''(25) provide that the State agency administering the plan under this part—

''(A) will make the determination specified under paragraph (4), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of sections 402(a)(26) and 1912;

''(B) will advise individuals, both orally and in writing, of the grounds for good cause exceptions to the requirement to cooperate with such efforts;

''(C) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

''(D)(i) will make the initial determination as to whether an individual is cooperating (or has good cause not to cooperate) with efforts to establish paternity within 10 days after such individual is referred to such State agency by the State agency administering the program under part A of title XIX;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination:

"(E) with respect to any child born on or after the date 10 months after enactment of this provision, will not determine (or redetermine) the mother (or other custodial relative) of such child to be cooperating with efforts to establish paternity unless such individual furnishes—

"(i) the name of the putative father (or fathers); and

"(ii) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process on such person), and

"(F)(i) (where a custodial parent who was initially determined not to be cooperating (or to have good cause not to cooperate) is later determined to be cooperating or to have good cause not to cooperate) will immediately notify the State agencies administering the programs under part A of title XIX that this eligibility condition has been met; and

"(ii) (where a custodial parent was initially determined to be cooperating (or to have good cause not to cooperate)) will not later determine such individual not to be cooperating (or not to have good cause not to cooperate) until such individual has been afforded an opportunity for a hearing.".

(b) AFDC AMENDMENTS.—

(1) Section 402(a)(11) (42 U.S.C. 602(a)(11)) is amended by striking "furnishing of" and inserting "application for".

(2) Section 402(a)(26) (42 U.S.C. 602(a)(26)) is amended—

(A) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as subclauses (I) and (II);

(B) by indenting and redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iv), respectively;

(C) in clause (ii), as redesignated—

(i) by striking "is claimed, or in obtaining any other payments or property due such applicant or such child," and inserting "is claimed;"; and

(ii) by striking "unless" and all that follows through "aid is claimed; and";

(D) by adding after clause (ii) the following new clause:

"(iii) to cooperate with the State in obtaining any other payments or property due such applicant or such child; and";

(E) in the matter preceding clause (i) (as so redesignated) to read as follows:

"(26) provide—

"(A) that, as a condition of eligibility for aid, each applicant or recipient will be required (subject to subparagraph (C))—";

(F) in subparagraph (A)(iv), as redesignated, by striking ", unless such individual" and all that follows through "individuals involved";

(G) by adding at the end the following new subparagraphs:

"(B) that the State agency will immediately refer each applicant requiring paternity establishment services to the State agency administering the program under part D;

"(C) that an individual will not be required to cooperate with the State, as provided under subparagraph (A), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf aid is claimed—

"(i) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25), with respect to the requirements under clauses (i) and (ii) of subparagraph (A); and

"(ii) to the satisfaction of the State agency administering the program under this part, with respect to the requirements under clauses (iii) and (iv) of subparagraph (A);

"(D) that (except as provided in subparagraph (E)) an applicant requiring paternity establishment services (other than an individual eligible for emergency assistance as defined in section 406(e)) shall not be eligible for any aid under a State plan approved under this part until such applicant—

"(i) has furnished to the agency administering the State plan under part D the information specified in section 454(25)(E); or

"(ii) has been determined by such agency to have good cause not to cooperate;

"(E) that the provisions of subparagraph (D) shall not apply—

"(i) if the State agency specified in such subparagraph has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(25)(D)(iii), until such notification is received; and

"(ii) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing; and"; and

(H)(i) by relocating and redesignating as subparagraph (F) the text at the end of subparagraph (A)(ii) beginning with "that, if the relative" and all that follows through the semicolon;

(ii) in subparagraph (F), as so redesignated and relocated, by striking "subparagraphs (A) and (B) of this paragraph" and inserting "subparagraph (A)"; and

(iii) by striking "and" at the end of subparagraph (a)(ii).

(c) MEDICAID AMENDMENTS.—Section 1912(a) (42 U.S.C. 1396k(a)) is amended—

(1) in paragraph (1)(B), by inserting "(except as provided in paragraph (2))" after "to cooperate with the State";

(2) in subparagraphs (B) and (C) of paragraph (1) by striking ", unless" and all that follows and inserting a semicolon; and

(3) by redesignating paragraph (2) as paragraph (5), and inserting after paragraph (1) the following new paragraphs:

"(2) provide that the State agency will immediately refer each applicant or recipient requiring paternity establishment services to the State agency administering the program under part D of title IV;

"(3) provide that an individual will not be required to cooperate with the State, as provided under paragraph (1), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved—

"(A) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25), with respect to the requirements to cooperate with efforts to establish paternity and to obtain support (including medical support) from a parent; and

"(B) to the satisfaction of the State agency administering the program under this title, with respect to other requirements to cooperate under paragraph (1);

"(4) provide that (except as provided in paragraph (5)) an applicant requiring paternity establishment services (other than an individual eligible for emergency assistance as defined in section 406(e), or presumptively eligible pursuant to section 1920) shall not be eligible for medical assistance under this title until such applicant—

"(i) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(25)(E); or

"(ii) has been determined by such agency to have good cause not to cooperate; and

"(5) provide that the provisions of paragraph (4) shall not apply with respect to an applicant—

"(i) if such agency has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(25)(D)(iii), until such notification is received); and

"(ii) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing.".

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications filed in or after the first calendar quarter beginning 10 months or more after the date of the enactment of this Act (or such earlier quarter as the State may select) for aid under a State plan approved under part A of title IV or for medical assistance under a State plan approved under title XIX.

SEC. 444. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal year 1996, 69 percent;

"(B) for fiscal year 1997, 72 percent; and

"(C) for fiscal year 1998 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following:

"(c) MAINTENANCE OF EFFORT.—Notwithstanding subsection (a), total expenditures for the State program under this part for fiscal year 1996 and each succeeding fiscal year, reduced by the percentage specified for such fiscal year under subparagraph (A), (B), or (C)(i) of paragraph (2), shall not be less than such total expenditures for fiscal year 1995, reduced by 66 percent.".

SEC. 445. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1997, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and the overall performance of the State in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—

"(A) USE OF PERFORMANCE INDICATORS.—The Secretary shall, for fiscal year 1998 and each succeeding fiscal year, determine the amount (if any) of incentive adjustment for each State on the basis of the data submitted by the State pursuant to section 454(15)(B) with respect to performance indicators established by the Secretary.

"(B) MINIMUM PERFORMANCE REQUIRED.—

"(i) IN GENERAL.—The Secretary shall not determine an incentive adjustment for a State for a fiscal year if the level of performance of the State for the fiscal year with respect to such performance indicators is below the performance threshold established by the Secretary for the State for the fiscal year.

"(ii) ESTABLISHMENT OF STATE PERFORMANCE THRESHOLD.—The performance threshold with respect to such performance indicators for a State and a fiscal year shall be at or above the greater of—

"(I) the national average level of performance with respect to such indicators, as of the date of the enactment of this section; or

"(II) the level of performance of the State with respect to such indicators for the immediately preceding fiscal year.

"(C) DEADLINE FOR ISSUANCE OF REGULATIONS.—Within 90 days after the date of the enactment of this section, the Secretary shall issue regulations setting forth the criteria for awarding incentive adjustments.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the percent applicable under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(b) DEFINITIONS.—As used in subsection (a):

"(1) STATEWIDE PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(A) the total number of out-of-wedlock children in the State under one year of age for whom paternity is established or acknowledged during the fiscal year, to

"(B) the total number of children born out of wedlock in the State during such fiscal year.

"(2) OVERALL PERFORMANCE OF THE STATE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance of the State in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) TITLE IV-D PAYMENT ADJUSTMENT.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 415(a) of this Act, is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a semicolon; and

(2) by adding after and below subparagraph (C), flush with the left margin of the subsection, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the 1st place such term appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) TITLE IV-A PAYMENT REDUCTION.—Section 403 (42 U.S.C. 603) is amended—

(1) in subsection (a), by striking "1958—" and inserting "1958—" (subject to subsection (h))—":

(2) in subsection (h), by striking all that precedes paragraph (3) and inserting the following:

"(h)(1) If the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1996—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV-D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i), or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 1 nor more than 2 percent, or

"(B) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive finding made pursuant to paragraph (1), or

"(C) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding.": and

(3) in subsection (h)(3), by striking "not in full compliance" and all that follows and inserting "determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—(A) The amendments made by subsections (a), (b), and (c) shall become effective October 1, 1996, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect immediately before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1998.

(2) PENALTY REDUCTIONS.—(A) The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of enactment of this Act.

(B) The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date that is 1 year after the date of enactment of this Act.

SEC. 446. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) by striking "(5)" and inserting the following:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—":

(2) in subparagraph (A)—

(A) by striking "(A)(i)" and inserting the following:

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE EIGHTEEN.—(i)": and

(B) by indenting clauses (i) and (ii) so that the left margin of such clauses is 2 ems to the right of the left margin of paragraph (4):

(3) in subparagraph (B)—

(A) by striking "(B)" and inserting the following:

"(B) PROCEDURES CONCERNING GENETIC TESTING.—(i)":

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement (I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties, or (II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties:";

(C) by inserting after and below clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(4) by striking subparagraphs (C) and (D) and inserting the following:

"(C) PATERNITY ACKNOWLEDGMENT.—(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(v) Such procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.";

(5) by striking subparagraph (E) and inserting the following:

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.";

(6) by striking subparagraph (F) and inserting the following:

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(7) by adding after subparagraph (H) the following new subparagraphs:

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to jury trial.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) WAIVER OF STATE DEBTS FOR COOPERATION.—At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security account number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 447. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)) is amended by adding at the end the following new subparagraph:

"(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts (including at least one contact of each parent whose whereabouts are known, except where there is reason to believe such follow-up efforts would put mother or child at risk), providing—

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall become effective October 1, 1997.

(2) The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

Subtitle F—Establishment and Modification of Support Orders

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—The Commission shall develop a national child support guideline for consideration by the Congress that is based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(c) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(e) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) PROCEDURES FOR MODIFICATION OF SUPPORT ORDERS.—

"(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be established by the Secretary and provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

Subtitle G—Enforcement of Support Orders

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—Section 6402(c) of the Internal Revenue Code of 1986 is amended by striking the 3rd sentence.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457 (a)(4) or (d)(3), in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(D) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

(c) TREATMENT OF LUMP-SUM TAX REFUND UNDER AFDC.—

(1) EXEMPTION FROM LUMP-SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: "but this paragraph shall not apply to income received by a family that is attributable to a child support obligation owed with respect to a member of the family and that is paid to the family from amounts withheld from a Federal income tax refund otherwise payable to the person owing such obligation, to the extent that such income is placed in a qualified asset account (as defined in section 406(j)) the total amounts in which, after such placement, does not exceed $10,000;".

(2) QUALIFIED ASSET ACCOUNT DEFINED.—Section 406 (42 U.S.C. 606), as amended by section 402(g)(2) of this Act, is amended by adding at the end the following:

"(j)(1) The term 'qualified asset account' means a mechanism approved by the State (such as individual retirement accounts, escrow accounts, or savings bonds) that allows savings of a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distribution' means a distribution from a qualified asset account for expenses directly related to 1 or more of the following purposes:

"(A) The attendance of a member of the family at any education or training program.

"(B) The improvement of the employability (including self-employment) of a member of the family (such as through the purchase of an automobile).

"(C) The purchase of a home for the family.

"(D) A change of the family residence.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARS.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting a comma;

(4) by adding after paragraph (4) the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—

(1) Section 459 (42 U.S.C. 659) is amended in the caption by inserting "INCOME WITHHOLDING," before "GARNISHMENT".

(2) Section 459(a) (42 U.S.C. 659(a)) is amended—

(A) by striking "(a)" and inserting "(a) CONSENT TO SUPPORT ENFORCEMENT.—

(B) by striking "section 207" and inserting "section 207 of this Act and 38 U.S.C. 5301"; and

(C) by striking all that follows "a private person," and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.".

(3) Section 459(b) (42 U.S.C. 659(b)) is amended to read as follows:

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.— Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.".

(4) Section 459(c) (42 U.S.C. 659(c)) is redesignated and relocated as paragraph (2) of subsection (f), and is amended—

(A) by striking "responding to interrogatories pursuant to requirements imposed by section 461(b)(3)" and inserting "taking actions necessary to comply with the requirements of subsection (A) with regard to any individual"; and

(B) by striking "any of his duties" and all that follows and inserting "such duties.".

(5) Section 461 (42 U.S.C. 661) is amended by striking subsection (b), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (b) (as added by paragraph (3) of this subsection) the following:

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS.—(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish (i) in the appendix of such regulations, (ii) in each subsequent republication of such regulations, and (iii) annually in the Federal Register, the designation of such agent or agents, identified by title of position, mailing address, and telephone number.".

(6) Section 459 (42 U.S.C. 659) is amended by striking subsection (d) and by inserting after subsection (c)(1) (as added by paragraph (5) of this subsection) the following:

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than fifteen days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.".

(7) Section 461 (42 U.S.C. 661) is amended by striking subsection (c), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (c) (as added by paragraph (5) and amended by paragraph (6) of this subsection) the following:

"(d) PRIORITY OF CLAIMS.—In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than one person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.".

(8) Section 459(e) (42 U.S.C. 659(e)) is amended by striking "(e)" and inserting the following:

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—".

(9) Section 459(f) (42 U.S.C. 659(f)) is amended by striking "(f)" and inserting the following:

"(f) RELIEF FROM LIABILITY.—(1)".

(10) Section 461(a) (42 U.S.C. 661(a)) is redesignated and relocated as section 459(g), and is amended—

(A) by striking "(g)" and inserting the following:

"(g) REGULATIONS.—"; and

(B) by striking "section 459" and inserting "this section".

(11) Section 462 (42 U.S.C. 662) is amended by striking subsection (f), and section 459 (42 U.S.C. 659) is amended by inserting the following after subsection (g) (as added by paragraph (10) of this subsection):

"(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(iii) worker's compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.".

(12) Section 462(g) (42 U.S.C. 662(g)) is redesignated and relocated as section 459(i) (42 U.S.C. 659(i)).

(13)(A) Section 462 (42 U.S.C. 662) is amended—

(i) in subsection (e)(1), by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii); and

(ii) in subsection (e), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B).

(B) Section 459 (42 U.S.C. 659) is amended by adding at the end the following:

"(j) DEFINITIONS.—For purposes of this section—".

(C) Subsections (a) through (e) of section 462 (42 U.S.C. 662), as amended by subparagraph (A) of this paragraph, are relocated and redesignated as paragraphs (1) through (4), respectively of section 459(j) (as added by subparagraph (B) of this paragraph, (42 U.S.C. 659(j)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (i) (as added by paragraph (12) of this subsection).

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661), as amended by subsection (a) of this section, are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new paragraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by striking "to spouse" and inserting "to (or for benefit of)"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be

disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(a)(26) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 465. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking "(4) Procedures" and inserting the following:

"(4) LIENS.—

"(A) IN GENERAL.—Procedures"; and

(2) by adding at the end the following new subparagraph:

"(B) MOTOR VEHICLE LIENS.—Procedures for placing liens for arrears of child support on motor vehicle titles of individuals owing such arrears equal to or exceeding two months of support, under which—

"(i) any person owed such arrears may place such a lien;

"(ii) the State agency administering the program under this part shall systematically place such liens;

"(iii) expedited methods are provided for—

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

"(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.".

SEC. 466. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), 431, and 442 of this Act, is amended by inserting after paragraph (15) the following:

"(16) FRAUDULENT TRANSFERS.—Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 467. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), 431, 442, and 466 of this Act, is amended by inserting after paragraph (16) the following:

"(17) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, and professional and occupational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent by 90 days or more in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 469. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by striking "(9) Procedures" and inserting the following:

"(9) LEGAL TREATMENT OF ARREARS.—

"(A) FINALITY.—Procedures";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by indenting each of such clauses 2 additional ems to the right; and

(3) by adding after and below subparagraph (A), as redesignated, the following new subparagraph:

"(B) STATUTE OF LIMITATIONS.—Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be read to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 470. CHARGES FOR ARREARAGES.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), 431, 442, 466, and 467 of this Act, is amended by inserting after paragraph (17) the following:

"(18) CHARGES FOR ARREARAGES.—Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections

415(a)(3) and 417 of this Act, is amended by adding at the end the following new subsection:

"(l) CERTIFICATIONS FOR PURPOSES OF PASSPORT RESTRICTIONS.—

"(1) IN GENERAL.—Where the Secretary receives a certification by a State agency in accordance with the requirements of section 454(28) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Individual Responsibility Act of 1995.

"(2) LIMIT ON LIABILITY.—The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 414(b), and 422(a) of this Act, is amended—

(A) by striking "and" at the end of paragraph (26);

(B) by striking the period at the end of paragraph (27) and inserting "; and"; and

(C) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 472. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 414(b), 422(a), and 471(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following:

"(29) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases.".

SEC. 473. SEIZURE OF LOTTERY WINNINGS, SETTLEMENTS, PAYOUTS, AWARDS, AND BEQUESTS, AND SALE OF FORFEITED PROPERTY, TO PAY CHILD SUPPORT ARREARAGES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), 431, 442, 466, 467, and 470(a) of this Act, is amended by inserting after paragraph (18) the following:

"(19) Procedures, in addition to other income withholding procedures, under which a lien is imposed against property with the following effect:

"(A) The distributor of the winnings from a State lottery or State-sanctioned or tribal-sanctioned gambling house or casino shall—

"(i) suspend payment of the winnings from the person otherwise entitled to the payment until an inquiry is made to and a response is received from the State child support enforcement agency as to whether the person owes a child support arrearage; and

"(ii) if there is such an arrearage, withhold from the payment the lesser of the amount of the payment or the amount of the arrearage, and pay the amount withheld to the agency for distribution.

"(B) The person required to make a payment under a policy of insurance or a settlement of a claim made with respect to the policy shall—

"(i) suspend the payment until an inquiry is made to and a response received from the agency as to whether the person otherwise entitled to the payment owes a child support arrearage; and

"(ii) if there is such an arrearage, withhold from the payment the lesser of the amount of the payment or the amount of the arrearage, and pay the amount withheld to the agency for distribution.

"(C) The payor of any amount pursuant to an award, judgment, or settlement in any action brought in Federal or State court shall—

"(i) suspend the payment of the amount until an inquiry is made to and a response is received from the agency as to whether the person otherwise entitled to the payment owes a child support arrearage; and

"(ii) if there is such an arrearage, withhold from the payment the lesser of the amount of the payment or the amount of the arrearage, and pay the amount withheld to the agency for distribution.

"(D) If the State seizes property forfeited to the State by an individual by reason of a criminal conviction, the State shall—

"(i) hold the property until an inquiry is made to and a response is received from the agency as to whether the individual owes a child support arrearage; and

"(ii) if there is such an arrearage, sell the property and, after satisfying the claims of all other private or public claimants to the property and deducting from the proceeds of the sale the attendant costs (such as for towing, storage, and the sale), pay the lesser of the remaining proceeds or the amount of the arrearage directly to the agency for distribution.

"(E) Any person required to make a payment in respect of a decedent shall—

"(i) suspend the payment until an inquiry is made to and a response received from the agency as to whether the person otherwise entitled to the payment owes a child support arrearage; and

"(ii) if there is such an arrearage, withhold from the payment the lesser of the amount of the payment or the amount of the arrearage, and pay the amount withheld to the agency for distribution.".

SEC. 474. LIABILITY OF GRANDPARENTS FOR FINANCIAL SUPPORT OF CHILDREN OF THEIR MINOR CHILDREN.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 401(a), 426(a), 431, 442, 466, 467, 470(a), and 473 of this Act, is amended by inserting after paragraph (19) the following:

"(20) Procedures under which each parent of an individual who has not attained 18 years of age is liable for the financial support of any child of the individual to the extent that the individual is unable to provide such support. The preceding sentence shall not apply to the State if the State plan explicitly provides for such inapplicability.".

SEC. 475. SENSE OF THE CONGRESS REGARDING PROGRAMS FOR NONCUSTODIAL PARENTS UNABLE TO MEET CHILD SUPPORT OBLIGATIONS.

It is the sense of the Congress that the States should develop programs, such as the program of the State of Wisconsin known as the "Children's First Program", that are designed to work with noncustodial parents who are unable to meet their child support obligations.

Subtitle H—Medical Support

SEC. 481. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section, and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 482. EXTENSION OF MEDICAID ELIGIBILITY FOR FAMILIES LOSING AFDC DUE TO INCREASED CHILD SUPPORT COLLECTIONS.

Section 402(a) (42 U.S.C. 602(a)), as amended by the other provisions of this Act, is amended—

(1) by striking "and" at the end of paragraph (55);

(2) by striking the period at the end of paragraph (56) and inserting "; and"; and

(3) by inserting after paragraph (56) the following:

"(57) provide that each member of a family which would be eligible for aid under the State plan but for the receipt of child support payments shall be considered to be receiving such aid for purposes of eligibility for medical assistance under the State plan approved under title XIX for so long as the

family would (but for such receipt) be eligible for such aid.".

Subtitle I—Effect of Enactment

SEC. 491. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) provisions of this title requiring enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if it is unable to comply without amending the State constitution until the earlier of—

(1) the date one year after the effective date of the necessary State constitutional amendment, or

(2) the date five years after enactment of this title.

SEC. 492. SEVERABILITY.

If any provision of this title or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without regard to the invalid provision or application, and to this end the provisions of this title shall be severable.

TITLE V—TEEN PREGNANCY AND FAMILY STABILITY

Subtitle A—Federal Role

SEC. 501. STATE OPTION TO DENY AFDC FOR ADDITIONAL CHILDREN.

(a) IN GENERAL.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, and 301(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (49);

(2) by striking the period at the end of paragraph (50) and inserting "; and"; and

(3) by inserting after paragraph (50) the following:

"(51) at the option of the State, provide that—

"(A)(i) notwithstanding paragraph (7)(A), the needs of a child will not be taken into account in making the determination under paragraph (7) with respect to the family of the child if the child was born (other than as a result of rape or incest) to a member of the family—

"(I) while the family was a recipient of aid under the State plan; or

"(II) during the 6-month period ending with the date the family applied for such aid; and

"(ii) if the amount of aid payable to a family under the State plan is reduced by reason of subparagraph (A), each member of the family shall be considered to be receiving such aid for purposes of eligibility for medical assistance under the State plan approved under title XIX for so long as such aid would otherwise not be so reduced; and

"(B) if the State exercises the option, the State may provide the family with vouchers, in amounts not exceeding the amount of any such reduction in aid, that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child of the parent (such as diapers, clothing, or school supplies).".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to payments under a State plan approved under part A of title IV of the Social Security Act for months beginning after the date of the enactment of this Act, and to payments to States under such part for quarters beginning after such date.

SEC. 502. MINORS RECEIVING AFDC REQUIRED TO LIVE UNDER RESPONSIBLE ADULT SUPERVISION.

Section 402(a)(43) (42 U.S.C. 602(a)(43)) is amended by striking "at the option of the State.".

SEC. 503. NATIONAL CLEARINGHOUSE ON ADOLESCENT PREGNANCY.

(a) IN GENERAL.—Title XX (42 U.S.C. 1397–1397f), as amended by section 222(b) of this Act, is amended by adding at the end the following:

"SEC. 2010. NATIONAL CLEARINGHOUSE ON ADOLESCENT PREGNANCY.

"(a) NATIONAL CLEARINGHOUSE ON ADOLESCENT PREGNANCY.—

"(1) ESTABLISHMENT.—The responsible Federal officials shall establish, through grant or contract, a national center for the collection and provision of programmatic information and technical assistance that relates to adolescent pregnancy prevention programs, to be known as the 'National Clearinghouse on Adolescent Pregnancy Prevention Programs'.

"(2) FUNCTIONS.—The national center established under paragraph (1) shall serve as a national information and data clearinghouse, and as a training, technical assistance, and material development source for adolescent pregnancy prevention programs. Such center shall—

"(A) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention program and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

"(B) develop and sponsor a variety of training institutes and curricula for adolescent pregnancy prevention program staff;

"(C) identify model programs representing the various types of adolescent pregnancy prevention programs;

"(D) develop technical assistance materials and activities to assist other entities in establishing and improving adolescent pregnancy prevention programs;

"(E) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information; and

"(F) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

"(b) FUNDING.—The responsible Federal officials shall make grants to eligible entities for the establishment and operation of a National Clearinghouse on Adolescent Pregnancy Prevention Programs under subsection (a) so that in the aggregate the expenditures for such grants do not exceed $2,000,000 for fiscal year 1996, $4,000,000 for fiscal year 1997, $8,000,000 for fiscal year 1998, and $10,000,000 for fiscal year 1999 and each subsequent fiscal year.

"(c) DEFINITIONS.—As used in this section:

"(1) ADOLESCENTS.—The term 'adolescents' means youth who are ages 10 through 19.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a partnership that includes—

"(A) a local education agency, acting on behalf of one or more schools, together with

"(B) one or more community-based organizations, institutions of higher education, or public or private agencies or organizations.

"(3) ELIGIBLE AREA.—The term 'eligible area' means a school attendance area in which—

"(A) at least 75 percent of the children are from low-income families as that term is used in part A of title I of the Elementary and Secondary Education Act of 1965; or

"(B) the number of children receiving Aid to Families with Dependent Children under part A of title IV is substantial as determined by the responsible Federal officials; or

"(C) the unmarried adolescent birth rate is high, as determined by the responsible Federal officials.

"(4) SCHOOL.—The term 'school' means a public elementary, middle, or secondary school.

"(5) RESPONSIBLE FEDERAL OFFICIALS.—The term 'responsible Federal officials' means the Secretary of Education, the Secretary of Health and Human Services, and the Chief Executive Officer of the Corporation for National and Community Service.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective October 1, 1994.

SEC. 504. INCENTIVE FOR TEEN PARENTS TO ATTEND SCHOOL.

Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, 301(a), and 501(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (50);

(2) by striking the period at the end of paragraph (51) and inserting "; and"; and

(3) by inserting after paragraph (51) the following:

"(52) provide that the amount of aid otherwise payable under the plan for a month to a family that includes a parent who has not attained 20 years of age and has not completed secondary school (or received a certificate of high school equivalency) may be reduced by 25 percent if, during the immediately preceding month, the parent has failed without good cause (as defined by the State in consultation with the Secretary) to maintain minimum attendance (as defined by the State in consultation with the Secretary) at an educational institution.".

SEC. 505. STATE OPTION TO DISREGARD 100-HOUR RULE UNDER AFDC-UP PROGRAM.

Section 407(a) (42 U.S.C. 607(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) A standard prescribed pursuant to paragraph (1) that imposes a limit on the amount of time during which a parent who is the principal earner in a family in which both parents are married may be employed during a month shall not apply to a State if the State plan under this part explicitly provides for such inapplicability.".

SEC. 506. STATE OPTION TO DISREGARD 6-MONTH LIMITATION ON AFDC-UP BENEFITS.

Section 407(b)(2)(B) (42 U.S.C. 607(b)(2)(B)) is amended by adding at the end the following:

"(iv) A regulation prescribed by the Secretary that limits the length of time with respect to which a family of a dependent child in which both parents are married may receive aid to families with dependent children by reason of this section shall not apply to a

State if the State plan under this part explicitly provides for such inapplicability.".

SEC. 507. ELIMINATION OF QUARTERS OF COVERAGE REQUIREMENT UNDER AFDC-UP PROGRAM FOR FAMILIES IN WHICH BOTH PARENTS ARE TEENS.

Section 407(b)(1)(A)(iii) (42 U.S.C. 607(b)(1)(A)(iii)) is amended by striking "(iii)(I)" and inserting "(iii) neither of the child's parents have attained 20 years of age, and (I)".

SEC. 508. DENIAL OF FEDERAL HOUSING BENEFITS TO MINORS WHO BEAR CHILDREN OUT-OF-WEDLOCK.

(a) PROHIBITION OF ASSISTANCE.—Notwithstanding any other provision of law, a household whose head of household is an individual who has borne a child out-of-wedlock before attaining 18 years of age may not be provided Federal housing assistance for a dwelling unit until attaining such age, unless—

(1) after the birth of the child—

(A) the individual marries an individual who has been determined by the relevant State to be the biological father of the child; or

(B) the biological parent of the child has legal custody of the child and marries an individual who legally adopts the child;

(2) the individual is a biological and custodial parent of another child who was not born out-of-wedlock; or

(3) eligibility for such Federal housing assistance is based in whole or in part on any disability or handicap of a member of the household.

(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COVERED PROGRAM.—The term "covered program" means—

(A) the program of rental assistance on behalf of low-income families provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) the public housing program under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(C) the program of rent supplement payments on behalf of qualified tenants pursuant to contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(D) the program of interest reduction payments pursuant to contracts entered into by the Secretary of Housing and Urban Development under section 236 of the National Housing Act (12 U.S.C. 1715z-1);

(E) the program for mortgage insurance provided pursuant to sections 221(d) (3) or (4) of the National Housing Act (12 U.S.C. 17151(d)) for multifamily housing for low- and moderate-income families;

(F) the rural housing loan program under section 502 of the Housing Act of 1949 (42 U.S.C. 1472);

(G) the rural housing loan guarantee program under section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h));

(H) the loan and grant programs under section 504 of the Housing Act of 1949 (42 U.S.C. 1474) for repairs and improvements to rural dwellings;

(I) the program of loans for rental and cooperative rural housing under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

(J) the program of rental assistance payments pursuant to contracts entered into under section 521(a)(2)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(2)(A));

(K) the loan and assistance programs under sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486) for housing for farm labor;

(L) the program of grants and loans for mutual and self-help housing and technical assistance under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

(M) the program of grants for preservation and rehabilitation of housing under section 533 of the Housing Act of 1949 (42 U.S.C. 1490m); and

(N) the program of site loans under section 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

(2) COVERED PROJECT.—The term "covered project" means any housing for which Federal housing assistance is provided that is attached to the project or specific dwelling units in the project.

(3) FEDERAL HOUSING ASSISTANCE.—The term "Federal housing assistance" means—

(A) assistance provided under a covered program in the form of any contract, grant, loan, subsidy, cooperative agreement, loan or mortgage guarantee or insurance, or other financial assistance; or

(B) occupancy in a dwelling unit that is—

(i) provided assistance under a covered program; or

(ii) located in a covered project and subject to occupancy limitations under a covered program that are based on income.

(4) STATE.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(c) LIMITATIONS ON APPLICABILITY.—Subsection (a) shall not apply to Federal housing assistance provided for a household pursuant to an application or request for such assistance made by such household before the effective date of this Act if the household was receiving such assistance on the effective date of this Act.

SEC. 509. STATE OPTION TO DENY AFDC TO MINOR PARENTS.

(a) IN GENERAL.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, 301(a), 501(a), and 504 of this Act, is amended—

(1) by striking "and" at the end of paragraph (51);

(2) by striking the period at the end of paragraph (52) and inserting "; and"; and

(3) by inserting after paragraph (52) the following:

"(53)(A) at the option of the State, provide that—

"(i) in making the determination under paragraph (7) with respect to a family, the State may disregard the needs of any family member who is a parent and has not attained 18 years of age or such lesser age as the State may prescribe; and

"(ii) if the amount of aid payable to a family under the State plan is reduced by reason of subparagraph (A), each member of the family shall be considered to be receiving such aid for purposes of eligibility for medical assistance under the State plan approved under title XIX for so long as such aid would otherwise not be so reduced; and

"(B) if the State exercises the option, the State may provide the family with vouchers, in amounts not exceeding the amount of any such reduction in aid, that may be used only to pay for—

"(i) particular goods and services specified by the State as suitable for the care of the child of the parent (such as diapers, clothing, or cribs); and

"(ii) the costs associated with a maternity home, foster home, or other adult-supervised supportive living arrangement in which the parent and the child live.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to payments under a State plan approved under part A of title IV of the Social Security Act for months beginning on or after January 1, 1998, and to payments to States under such part for quarters beginning after such date.

Subtitle B—State Role

SEC. 511. TEENAGE PREGNANCY PREVENTION AND FAMILY STABILITY.

(a) FINDINGS.—The Congress finds that—

(1) long-term welfare dependency is increasing driven by illegitimate births;

(2) too many teens are becoming parents and too few are able to responsibly care for and nurture their children;

(3) new research has shown that spending time in a single-parent family puts children at substantially increased risk of dropping out of high school, having a child out-of-wedlock, or being neither in school nor at work; and

(4) between 1986 and 1991, the rate of births to teens aged 15 to 19 rose 24 percent, from 50.2 to 62.1 births per 1,000 females.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) children should be educated about the risks involved in choosing parenthood at an early age;

(2) reproductive family planning and education should be made available to every potential parent so as to give such parents the opportunity to avoid unintended births;

(3) States should use funds provided under title XX of the Social Security Act to provide comprehensive services to youth in high risk neighborhoods, through community organizations, churches, and schools; and

(4) States should work with schools for the early identification and referral of children at risk for parenthood at an early age.

SEC. 512. AVAILABILITY OF FAMILY PLANNING SERVICES.

Section 402(a)(15)(A) (42 U.S.C. 602(a)(15)(A)) is amended by striking "out of wedlock".

TITLE VI—PROGRAM SIMPLIFICATION

Subtitle A—Increased State Flexibility

SEC. 601. STATE OPTION TO PROVIDE AFDC THROUGH ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, 301(a), 501(a), 504, and 509(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (52);

(2) by striking the period at the end of paragraph (53) and inserting "; and"; and

(3) by inserting after paragraph (53) the following:

"(54) at the option of the State, provide for the payment of aid under the State plan through the use of electronic benefit transfer systems.".

SEC. 602. DEADLINE FOR ACTION ON APPLICATION FOR WAIVER OF REQUIREMENT APPLICABLE TO PROGRAM OF AID TO FAMILIES WITH DEPENDENT CHILDREN.

Section 1115 (42 U.S.C. 1315) is amended by adding at the end the following:

"(e) The Secretary shall approve or deny an application for a waiver under this section with respect to a requirement of section 402, not later than 90 days after the Secretary receives the application, unless otherwise agreed upon by the Secretary and the applicant.".

Subtitle B—Coordination of AFDC and Food Stamp Programs

SEC. 611. AMENDMENTS TO PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.

(a) STATE OPTION TO USE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—Section 1137(b) (42 U.S.C. 1320b-7(b)) is amended—

(1) by striking paragraphs (1) and (4), and redesignating paragraphs (2), (3), and (5) as paragraphs (1), (2), and (3), respectively; and

(2) in paragraph (2) (as so redesignated), by adding "or" at the end.

(b) STATE OPTION TO USE RETROSPECTIVE BUDGETING WITHOUT MONTHLY REPORTING.—Section 402(a)(13) (42 U.S.C. 602(a)(13)) is amended—

(1) by striking all that precedes subparagraph (A) and inserting the following:

"(13) provide, at the option of the State and with respect to such category or categories as the State may select and identify in the State plan, that—"; and

(2) in each of subparagraphs (A) and (B), by striking ", in the case of families who are required to report monthly to the State agency pursuant to paragraph (14)".

(c) EXCLUSION FROM INCOME OF ALL INCOME OF DEPENDENT CHILD WHO IS A STUDENT.—Section 402(a)(8)(A)(i) (42 U.S.C. 602(a)(8)(A)(i)) is amended—

(1) by striking "earned"; and

(2) by inserting "applying for or" before "receiving".

(d) EXCLUSION FROM INCOME OF CERTAIN ENERGY ASSISTANCE PAYMENTS BASED ON NEED.—

(1) IN GENERAL.—Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by sections 231 and 242(b)(1) of this Act, is amended—

(A) by striking "and" at the end of clause (ix); and

(B) by adding at the end the following:

"(xi) shall disregard any energy or utility-cost assistance payment based on need, that is paid to any member of the family under—

"(I) a State or local general assistance program; or

"(II) another basic assistance program comparable to general assistance (as determined by the Secretary); and".

(2) INCLUSION OF ENERGY ASSISTANCE PROVIDED UNDER THE LIHEAP PROGRAM.—Section 402(a)(8)(B) (42 U.S.C. 602(a)(8)(B)) is amended—

(A) by striking "and" at the end of clause (i); and

(B) by adding at the end the following:

"(iii) shall not disregard any assistance provided directly to, or indirectly for the benefit of, any person described in subparagraph (A)(ii) under the Low-Income Home Energy Assistance Act of 1981, notwithstanding section 2605(f)(1) of such Act; and".

(e) APPLICABILITY TO AFDC OF FUTURE INCOME EXCLUSIONS UNDER FOOD STAMP PROGRAM.—Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by sections 231, 242(b)(1) of this Act and by subsection (d)(1) of this section, is amended—

(1) by striking "and" at the end of clause (x); and

(2) by adding at the end the following:

"(xii) shall disregard from the income of any child, relative, or other individual described in clause (ii) applying for aid under the State plan, any child, relative, or other individual so described receiving such aid, or both, any funds that a Federal statute (enacted after the date of the enactment of this clause) excludes from income for purposes of determining eligibility for benefits under the food stamp program under the Food Stamp Act of 1977, the level of benefits under the program, or both, respectively.".

(f) PERIODIC REVIEWS.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, 301(a), 501(a), 504, 509(a), and 601 of this Act, is amended—

(1) by striking "and" at the end of paragraph (53);

(2) by striking the period at the end of paragraph (54) and inserting "; and"; and

(3) by inserting after paragraph (54) the following:

"(55) provide that the State shall, not less frequently than annually review each determination made under the State plan with respect to the eligibility of each recipient of aid under the State plan;".

(g) EXCLUSION FROM RESOURCES OF ESSENTIAL EMPLOYMENT-RELATED PROPERTY.—Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)), as amended by section 242(a) of this Act, is amended—

(1) by striking "or" at the end of clause (iv); and

(2) by inserting ", or (vi) the value of real and tangible personal property (other than currency, commercial paper, and similar property) of a family member that is essential to the employment or self-employment of the member, until the expiration of the 1-year period beginning on the date the member ceases to be so employed or so self-employed" before the semicolon.

(h) EXCLUSION FROM RESOURCES OF EQUITY IN CERTAIN INCOME-PRODUCING REAL PROPERTY.—Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)), as amended by section 242(a) of this Act and by subsection (g) of this section, is amended—

(1) by striking "or" at the end of clause (v); and

(2) by inserting ", or (vii) the equity of any member of the family in real property to which 1 or more members of the family have sole and clear title, that the State agency determines is producing income consistent with the fair market value of the property" before the semicolon.

(i) EXCLUSION FROM RESOURCES OF LIFE INSURANCE POLICIES.—Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)), as amended by section 242(a) of this Act and by subsections (g) and (h) of this section, is amended—

(1) by striking "or" at the end of clause (vi); and

(2) by inserting ", or (viii) any life insurance policy" before the semicolon.

(j) EXCLUSION FROM RESOURCES OF REAL PROPERTY THAT THE FAMILY IS MAKING A GOOD FAITH EFFORT TO SELL.—Section 402(a)(7)(B)(iii) (42 U.S.C. 602(a)(7)(B)(iii)) is amended—

(1) by striking "for such period or periods of time as the Secretary may prescribe"; and

(2) by striking "any such period" and inserting "any period during which the family is making such an effort".

(k) PROMPT RESTORATION OF BENEFITS WRONGFULLY DENIED.—Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 211(a), 232, 301(a), 501(a), 504, 509(a), and 601 of this Act and by subsection (f) of this section, is amended—

(1) by striking "and" at the end of paragraph (54);

(2) by striking the period at the end of paragraph (55) and inserting "; and"; and

(3) by inserting after paragraph (55) the following:

"(56) provide that, upon receipt of a request from a family for the payment of any amount of aid under the State plan the payment of which to the family has been wrongfully denied or terminated, the State shall promptly pay the amount to the family if the wrongful denial or termination occurred not more than 1 year before the date of the request or the date the State agency is notified or otherwise discovers the wrongful denial or termination.".

SEC. 612. AMENDMENTS TO THE FOOD STAMP ACT OF 1977.

(a) CERTIFICATION PERIOD.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended to read as follows:

"(c) 'Certification period' means the period specified by the State agency for which households shall be eligible to receive authorization cards, except that such period shall be—

"(1) 24 months for households in which all adult members are elderly or disabled; and

"(2) not more than 12 months for all other households.".

(2) Section 6(c)(1)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)(C)) is amended—

(A) in clause (ii) by adding "and" at the end;

(B) in clause (iii) by striking "; and" at the end and inserting a period; and

(C) by striking clause (iv).

(b) INCLUSION OF ENERGY ASSISTANCE IN INCOME.—

(1) AMENDMENTS TO THE FOOD STAMP ACT OF 1977.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)—

(i) by striking paragraph (11); and

(ii) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively; and

(B) in subsection (k)—

(i) in paragraph (1)(B) by striking ", not including energy or utility-cost assistance."; and

(ii) in paragraph (2)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (J), respectively.

(2) AMENDMENTS TO THE LOW-INCOME HOME ENERGY ASSISTANCE ACT OF 1981.—Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) in paragraph (1) by striking "food stamps."; and

(B) by amending paragraph (2) to read as follows:

"(2) Paragraph (1) shall not apply for any purpose under the Food Stamp Act of 1977.".

(c) EXCLUSION OF CERTAIN JTPA INCOME.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by subsection (b), is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period the following:

", and (16) income received under the Job Training Partnership Act by a household member who is less than 19 years of age".

(d) EXCLUSION OF EDUCATIONAL ASSISTANCE FROM INCOME.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by amending paragraph (3) to read as follows: "(3) all educational loans on which payment is deferred (including any loan origination fees or insurance premiums associated with such loans), grants, scholarships, fellowships, veterans' educational benefits, and the like awarded to a household member enrolled at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof."; and

(2) in paragraph (5) by striking "and no portion" and all that follows through "reimbursement".

(e) LIMITATION ON ADDITIONAL EARNED INCOME DEDUCTION.—The 3rd sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking "earned income that" and all that follows through "report", and inserting "determining an overissuance due to the failure of a household to report earned income".

(f) EXCLUSION OF ESSENTIAL EMPLOYMENT-RELATED PROPERTY.—Section 5(g)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(3)) is amended to read as follows:

"(3) The value of real and tangible personal property (other than currency, commercial paper, and similar property) of a household member that is essential to the employment or self-employment of such member shall be

excluded by the Secretary from financial resources until the expiration of the 1-year period beginning on the date such member ceases to be so employed or so self-employed.".

(g) EXCLUSION OF LIFE INSURANCE POLICIES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

(h) IN-TANDEM EXCLUSIONS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

"(n) Whenever a Federal statute enacted after the date of the enactment of this Act excludes funds from income for purposes of determining eligibility, benefit levels, or both under State plans approved under part A of title IV of the Social Security Act, then such funds shall be excluded from income for purposes of determining eligibility, benefit levels, or both, respectively, under the food stamp program of households all of whose members receive benefits under a State plan approved under part A of title IV of the Social Security Act.".

(i) APPLICATION OF AMENDMENTS.—The amendments made by this section shall not apply with respect to certification periods beginning before the effective date of this section.

Subtitle C—Fraud Reduction

SEC. 631. SENSE OF THE CONGRESS IN SUPPORT OF THE EFFORTS OF THE ADMINISTRATION TO ADDRESS THE PROBLEMS OF FRAUD AND ABUSE IN THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

The Congress hereby expresses support for the efforts of the Social Security Administration to reduce fraud and abuse in the supplemental security income program under title XVI of the Social Security Act by implementing a structured approach to disability decisionmaking that takes into consideration the large number of disability claims received while providing a basis for consistent, equitable decisionmaking by claims adjudicators at each level, that provides for the following:

(1) A simplification of the monetary guidelines for determining whether an individual (except those filing for benefits based on blindness) is engaging in substantial gainful activity.

(2) The replacement of a threshold severity requirement for determining whether a claimant has a medically determinable impairment with a threshold inquiry as to whether the claimant has a medically determinable physical or mental impairment that can be demonstrated by acceptable clinical and laboratory diagnostic techniques.

(3) The comparison of an impairment referred to in paragraph (2) with an index of disabling impairments that contains fewer impairments, has less detail and complexity, and does not rely on the concept of "medical equivalence".

(4)(A) The consideration of whether an individual has the ability to perform substantial gainful activity despite any functional loss caused by a medically determinable physical or mental impairment.

(B) The definition of the physical and mental requirements of substantial gainful activity.

(C) The objective measurement, to the extent possible, of whether an individual meets such requirements.

(D) The development, with the assistance of the medical community and other outside experts from disability programs, of standardized criteria which can be used to measure an individual's functional ability.

(E) The assumption by the Social Security Administration of primary responsibility for documenting functional ability using the standardized measurement criteria, with the goal of developing functional assessment instruments that are standardized, accurately measure an individual's functional abilities, and are universally accepted by the public, the advocacy community, and health care professionals.

(F) The use of the results of the standardized functional measurement with a new standard to describe basic physical and mental demands of a baseline of work that represents substantial gainful activity and that exists in significant numbers in the national economy.

(5)(A) An evaluation of whether a child is engaging in substantial gainful activity, whether a child has a medically determinable physical or mental impairment that will meet the duration requirement, and whether a child has an impairment that meets the criteria in the index of disabling impairments.

(B) The development, with the assistance of the medical community and educational experts, of standardized criteria which can be used to measure a child's functional ability to perform a baseline of functions that are comparable to the baseline of occupational demands for an adult.

(C) The conduct of research to specifically identify a skill acquisition threshold to measure broad areas required to develop the ability to perform substantial gainful activity.

SEC. 632. STUDY ON FEASIBILITY OF SINGLE TAMPER-PROOF IDENTIFICATION CARD TO SERVE PROGRAMS UNDER BOTH THE SOCIAL SECURITY ACT AND HEALTH REFORM LEGISLATION.

(a) STUDY.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security shall conduct a study of the feasibility of issuing, in counterfeit-resistant form, a single identification card which would combine the features of the social security card now issued pursuant to section 205 of the Social Security Act and any health security card which may be provided for in health reform legislation enacted in the 104th Congress. In such study, the Commissioner shall devote particular consideration to—

(1) employment in such card of finger-print identification, bar code validation, a photograph, a hologram, or any other identifiable feature,

(2) the efficiencies and economies which may be achieved by combining the features of the social security card as currently issued and the features of any health security card which might be issued under health reform legislation, and

(3) any costs and risks which might result from combining such features in a single identification card and possible means of alleviating any such costs and risks.

(b) REPORT.—The Commissioner of Social Security shall, not later than 1 year after the date of the enactment of this Act, transmit a report to each House of the Congress setting forth the Commissioner's findings from the study conducted pursuant to subsection (a). Such report may include such recommendations for administrative or legislative changes as the Commissioner considers appropriate.

Subtitle D—Additional Provisions

SEC. 641. STATE OPTIONS REGARDING UNEMPLOYED PARENT PROGRAM.

(a) DURATION OF UNEMPLOYMENT AND RECENCY-OF-WORK TESTS.—Section 407(b)(1)(A) (42 U.S.C. 607(b)(1)(A)), as amended by section 507 of this Act, is amended—

(1) by striking the matter preceding clause (i) and inserting the following:

"(A) subject to paragraph (2), shall provide for the payment of aid to families with dependent children with respect to a dependent child within the meaning of subsection (a)—",

(2) in clause (i), by striking "whichever" and inserting "when, if the State chooses to so require (and specifies in its State plan), whichever":

(3) in clause (ii), by inserting "when" before such parent; and

(4) in clause (iii), by inserting "when, if the State chooses to so require (and so specifies in its State plan)" after "(iii)".

(b) STATE OPTION TO EXPAND PROGRAM.—Section 407(a) (42 U.S.C. 607(a)) is amended by inserting "or the unemployment (as defined (if at all) by the State in the State plan approved under section 402)" before "of the parent".

(c) EFFECTIVE DATE.—Subsection (b) and the amendments made by subsection (a) shall become effective October 1, 1996.

SEC. 642. DEFINITION OF ESSENTIAL PERSON.

(a) GENERAL REQUIREMENT.—Section 402 (42 U.S.C. 602), as amended by section 222(a)(1)(A) of this Act, is amended by inserting after subsection (f) the following:

"(g) In order that the State may include the needs of an individual in determining the needs of the dependent child and relative with whom the child is living, such individual must be living in the same home as such child and relative, and—

"(1) furnishing personal services required because of the relative's physical or mental inability to provide care necessary for herself or himself or for the dependent child (which, for purposes of this subsection only, includes a child receiving supplemental security income benefits under title XVI); or

"(2) furnishing child care services, or care for an incapacitated member of the family, that is necessary to permit the caretaker relative—

"(A) to engage in full or part-time employment outside the home, or

"(B) to attend a course of education designed to lead to a high school diploma (or its equivalent) or a course of training on a full or part-time basis, or to participate in the program under part G on a full or part-time basis.".

SEC. 643. "FILL-THE-GAP" BUDGETING.

(a) IN GENERAL.—Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by sections 231, 242(b)(1), and 611(d)(1) of this Act, is amended—

(1) by striking "and" at the end of clause (xi); and

(2) by adding at the end the following:

"(xiii) in addition to any other amounts required or permitted by this paragraph to be disregarded in a month, may exempt countable income identified in the State plan by type or source and by amount, but in an amount not exceeding the difference between the State's standard of need applicable to the family and the amount from which all remaining nonexempt income is subtracted to determine the amount of aid payable under the State plan to a family of the same size with no other income:".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1997.

SEC. 644. REPEAL OF REQUIREMENT TO MAKE CERTAIN SUPPLEMENTAL PAYMENTS IN STATES PAYING LESS THAN THEIR NEEDS STANDARDS.

Section 402(a)(28) (42 U.S.C. 602(a)(28)) is hereby repealed.

SEC. 645. COLLECTION OF AFDC OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) AUTHORITY TO INTERCEPT TAX REFUND.—(1) Part A of title IV (42 U.S.C. 601-617) is amended by adding at the end the following:

"COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS

"SEC. 418. (a) Upon receiving notice from a State agency administering a plan approved under this part that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, he shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) The Secretary of the Treasury shall issue regulations, approved by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals (A) who are no longer receiving aid under the State plan approved under this part, (B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved as required under section 402(a)(22) (B), and (C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from their income tax refunds;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(2) Section 6402 of the Internal Revenue Code of 1986 (as amended by section 443(a) of this Act) is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(g) COLLECTION OF OVERPAYMENTS UNDER TITLE IV-A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 418 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(b) CONFORMING AMENDMENT.—Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 419, 464, or 1137 of the Social Security Act."

SEC. 646. TERRITORIES.

(a) IN GENERAL.—Section 1108(a) (42 U.S.C. 1308(a)) is amended by striking paragraphs (1), (2), and (3) and inserting the following:

"(1) for payment to Puerto Rico shall not exceed—

"(A) $82,000,000 with respect to fiscal years 1994, 1995, and 1996, and

"(B) $102,500,000 or, if greater, such amount adjusted by the CPI (as prescribed in subsection (f)) for fiscal year 1997 and each fiscal year thereafter;

"(2) for payment to the Virgin Islands shall not exceed—

"(A) $2,800,000 with respect to fiscal years 1994, 1995, and 1996, and

"(B) $3,500,000 or, if greater, such amount adjusted by the CPI (as prescribed in subsection (f)) for fiscal year 1997 and each fiscal year thereafter; and

"(3) for payment to Guam shall not exceed—

"(A) $3,800,000 with respect to fiscal year 1994, 1995, and 1996, and

"(B) $4,750,000 or, if greater, such amount adjusted by the CPI (as prescribed in subsection (f)), for fiscal year 1997 and each fiscal year thereafter.".

(b) CPI ADJUSTMENT.—Section 1108 (42 U.S.C. 1308) is amended by adding at the end the following:

"(f) For purposes of subsection (a), an amount is 'adjusted by the CPI' for months in calendar year by multiplying that amount by the ratio of the Consumer Price Index as prepared by the Department of Labor for—

"(1) the third quarter of the preceding calendar year, to

"(2) the third quarter of calendar year 1996, and rounding the product, if not a multiple of $10,000, to the nearer multiple of $10,000.".

SEC. 647. DISREGARD OF STUDENT INCOME.

(a) IN GENERAL.—Section 402(a)(8)(A)(i) (42 U.S.C. 602(a)(8)(A)(i)) is amended by striking "dependent child" and all that follows and inserting "individual who has not attained 19 years of age and is an elementary or secondary school student".

(b) CONFORMING AMENDMENTS.—Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) in paragraph (8)(A)(vii)—

(A) by striking "a dependent child who is a full-time student" and inserting "an individual who has not attained 19 years of age and is an elementary or secondary school student"; and

(B) by striking "such child" and inserting "such individual"; and

(2) in paragraph (18), by striking "of a dependent child" and inserting "of an individual under age 19".

SEC. 648. LUMP-SUM INCOME.

Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by sections 231, 242(b)(1), 611(d)(1), and 643(a) of this Act, is amended—

(1) by striking "and" at the end of clause (xii); and

(2) by adding at the end the following:

"(xiv) shall disregard from the income of any family member any amounts of income received in the form of nonrecurring lump-sum payments other than payments made pursuant to an order for child or spousal support being enforced by the agency administering the State plan approved under part D;".

TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAM

SEC. 701. ESTABLISHMENT OF PROGRAMS.

Part B of title IV (42 U.S.C. 620-635) is amended to read as follows:

PART B—CHILD PROTECTION BLOCK GRANT PROGRAM

"SEC. 420. PURPOSES; AUTHORIZATIONS OF APPROPRIATIONS.

"The purpose of this part is to enable States to carry out a program of child welfare and child protection services which includes—

"(1) child protection services for children who are, or are suspected of being or at risk of becoming, victims of abuse or neglect;

"(2) preventive services and activities, including community-based family support services, designed to strengthen and preserve families and to prevent child abuse and neglect; and

"(3) permanency planning services and activities to achieve planned, permanent living arrangements (including family reunification, adoption, and independent living) for children who have been removed from their families.

"SEC. 421. STATE PLANS.

"(a) IN GENERAL.—In order to be eligible for payment under this part, a State must have an approved plan (developed jointly by the Secretary and the State agency, after consultation with persons and entities specified in subsection (b)) for the provision of services to children and families which meet the requirements of subsection (c).

"(b) CONSULTATION WITH APPROPRIATE ENTITIES.—A State, in developing its plan for approval under this part, shall consult with concerned persons and entities, including—

"(1) public and nonprofit private agencies and community-based organizations with experience in administering programs of child welfare services for children and families; and

"(2) representatives of and advocates for children and families.

"(c) STATE PLAN REQUIREMENTS.—A State plan under this part shall—

"(1) describe the services and activities to be performed, and the service delivery mechanisms (including service providers and statewide distribution of services) to be used, to provide—

"(A) child protection services described in section 420(1) (including such services provided under this part and part E);

"(B) preventive services described in section 420(2) (and shall provide for delivery of such services through a statewide network of local nonprofit community-based family support programs, in collaboration with existing health, mental health, education, employment, training, child welfare, and other social services agencies); and

"(C) permanency planning services described in section 420(3) (including family reunification, adoption, and independent living);

"(2)(A)(i) declare the State's goals for accomplishments under the plan is in operation in the State, and (ii) be updated periodically to declare the State's goals for accomplishments under the plan by the end of each fifth fiscal year thereafter;

"(B) describe the methods to be used in measuring progress toward accomplishment of the goals; and

"(C) contain a commitment that the State—

"(i) will perform an interim review of its progress toward accomplishment of the goals after the end of each of the first 4 fiscal years covered by the goals, and on the basis of such interim review will revise the statement of goals in the plan, if necessary, to reflect changed circumstances or other relevant factors; and

"(ii) will perform, after the end of the last fiscal year covered by the goals, a final review of its progress toward accomplishment of the goals and prepare a report to the Secretary on the basis of such final review;

"(3) provide assurances that reasonable amounts will be expended under this part to carry out each of the purposes specified in paragraphs (1) through (3) of section 420; and

"(4) provide assurances that the State has in effect a program of foster care safeguards meeting the requirements of section 425.

"(d) SECRETARIAL APPROVAL.—The Secretary shall approve a State plan that meets the requirements of this section.

"SEC. 422. RESERVATIONS; ALLOTMENTS TO STATES.

"(a) IN GENERAL.—The Secretary shall allot the amount specified in subsection (b) for each fiscal year in accordance with subsections (c) through (f).

"(b) FEDERAL FUNDING.—The amount specified for purposes of this section shall be—

"(1) $653,000,000 for fiscal year 1996;

"(1) $682,000,000 for fiscal year 1997;

"(1) $713,000,000 for fiscal year 1998;

"(1) $737,000,000 for fiscal year 1999; and

"(1) $763,000,000 for fiscal year 2000.

"(c) PROJECTS OF NATIONAL SIGNIFICANCE.—Two percent of the amount specified under subsection (b) for each fiscal year shall be reserved for expenditure by the Secretary for projects of national significance related to the purposes of this part.

"(d) TRAINING AND TECHNICAL ASSISTANCE.—Two percent of the amount specified under subsection (b) for each fiscal year shall be reserved for expenditure by the Secretary for training and technical assistance to State and local public and nonprofit private entities related to the program under this part.

"(e) INDIAN TRIBES.—One percent of the amount specified under subsection (b) for each fiscal year shall be reserved for allotment to Indian tribes in accordance with section 424.

"(f) STATES.—From the balance of the amount specified for each fiscal year under subsection (b) remaining after the application of subsections (c), (d), and (e), the Secretary shall allot to each State an amount which bears the same ratio to the amount specified as the total amount that would have been allotted to the State for such fiscal year under this part, as in effect on September 30, 1995, bears to the total amount that would have been so allotted to all States for such fiscal year.

"SEC. 423. PAYMENTS TO STATES.

"(a) ENTITLEMENT TO PAYMENT; FEDERAL SHARE OF COSTS.—Each State which has a plan approved under this part shall be entitled to payment, equal to its allotment under section 422 for a fiscal year, for use in payment by the State of 75 percent of the costs of activities under the State plan during such fiscal year. The remaining 25 percent of such costs shall be paid by the State with funds from non-Federal sources.

"(b) PAYMENT INSTALLMENTS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this part.

"SEC. 424. PAYMENTS TO INDIAN TRIBES.

"(a) IN GENERAL.—The Secretary shall make payments under this part for a fiscal year directly to the tribal organization of an Indian tribe with a plan approved under this part, except that such plan need not meet any requirement under such section that the Secretary determines is inappropriate with respect to such Indian tribe.

"(b) ALLOTMENT.—From the amount reserved pursuant to section 422(e) for any fiscal year, the Secretary shall allot to each Indian tribe meeting the conditions specified in subsection (a), an amount bearing the same ratio to such reserved amount as the number of children in all Indian tribes with State plans so approved, as determined by the Secretary on the basis of the most current and reliable information available to the Secretary.

"SEC. 425. FOSTER CARE PROTECTION.

"In order to meet the requirements of this section, for purposes of section 421(c)(4), a State shall—

"(1) since June 17, 1980, have completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(A) the appropriateness of, and necessity for, the foster care placement;

"(B) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(C) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(2) be operating, to the satisfaction of the Secretary—

"(A) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(B) a case review system (as defined in section 475(5)) for each child receiving foster care under the supervision of the State;

"(C) a service program designed to help children—

"(i) where appropriate, return to families from which they have been removed; or

"(ii) be placed for adoption, with a legal guardian, or, if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(D) a replacement preventive services program designed to help children at risk of foster care placement remain with their families; and

"(3)(A) have reviewed (or by October 31, 1995 will have reviewed) State policies and administrative and judicial procedures in effect for children abandoned at or shortly after birth (including policies and procedures providing for legal representation of such children); and

"(B) be implementing (or by October 31, 1996, will be implementing) such policies and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.

SEC. 702. REPEALS AND CONFORMING AMENDMENTS.

(a) ABANDONED INFANTS ASSISTANCE.—

(1) REPEAL.—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

(2) CONFORMING AMENDMENT.—Section 421(7) of the Domestic Violence Service Act of 1973 (42 U.S.C. 5061(7)) is amended to read as follows:

"(7) the term 'boarder baby' means an infant who is medically cleared for discharge from an acute-care hospital setting, but remains hospitalized because of a lack of appropriate out-of-hospital placement alternatives.".

(b) CHILD ABUSE PREVENTION AND TREATMENT.—

(1) REPEAL.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—The Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is amended by striking section 1404A.

(c) ADOPTION OPPORTUNITIES.—The Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.) is repealed.

(d) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481-11489) is repealed.

(e) FOSTER CARE.—Section 472(d) (42 U.S.C. 672(d)) is amended by striking "422(b)(9)" and inserting "425".

SEC. 703. EFFECTIVE DATE.

The amendments and repeals made by this title shall take effect on October 1, 1995, and shall apply with respect to activities under State programs on and after that date.

TITLE VIII—SSI REFORM

Subtitle A—Eligibility of Children for Benefits

SEC. 801. RESTRICTIONS ON ELIGIBILITY.

(a) IN GENERAL.—Section 1614(a)(3)(A) (42 U.S.C. 1382c(a)(3)(A)) is amended—

(1) by inserting "(i)" after "(3)(A)";

(2) by inserting "who has attained 18 years of age" before "shall be considered";

(3) by striking "he" and inserting "the individual";

(4) by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)"; and

(5) by adding after and below the end the following:

"(ii) An individual who has not attained 18 years of age shall be considered to be disabled for purposes of this title for a month if the individual has any medically determinable physical or mental impairment (or combination of impairments) that meets the requirements, applicable to individuals who have not attained 18 years of age, of the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, or the individual has a combination of impairments the effect of which should be considered disabling for purposes of this title. In applying this clause, such Listings shall not include maladaptive behavior or psychoactive substance dependence disorder (as specified in the appendix setting forth such Listings).".

(b) TRANSITION TO NEW ELIGIBILITY CRITERIA.—Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall establish a functional equivalency standard separate from the Listing of Impairments (set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994)) under which a child with a combination of impairments should be considered disabled for purposes of the supplemental security income program under title XVI of the Social Security Act. Within 10 months after the date of the enactment of this Act, the Commissioner shall review the case of each individual who, immediately before such date of enactment, qualified for benefits under such program by reason of an individualized functional assessment in order to determine eligibility under such Listings and the criteria established under such standard.

SEC. 802. CONTINUING DISABILITY REVIEWS FOR CERTAIN CHILDREN.

Section 1614(a)(3)(G) (42 U.S.C. 1382c(a)(3)(G)) is amended—

(1) by inserting "(i)" after "(G)"; and

(2) by adding at the end the following:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of disability.

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.

"(III) Subject to recommendations made by the Commissioner, parents or guardians of recipients whose cases are reviewed under this clause shall present, at the time of review, evidence demonstrating that funds provided under this title have been used to assist the recipient in improving the condition which was the basis for providing benefits under this title.".

SEC. 803. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.

(a) IN GENERAL.—Section 1614(a)(3)(G) (42 U.S.C. 1382c(a)(3)(G)), as amended by section 802 of this subtitle, is amended by adding at the end the following:

"(iii)(I) The Commissioner shall redetermine the eligibility of a qualified individual for supplemental security income benefits under this title by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

"(II) The redetermination required by subclause (I) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

"(III) As used in this clause, the term 'qualified individual' means an individual who attains 18 years of age and is a recipient of benefits under this title by reason of disability.

"(IV) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.".

(b) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(G)(iii) of the Social Security Act.

(c) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

SEC. 804. APPLICABILITY.

(a) NEW ELIGIBILITY STANDARDS AND DISABILITY REVIEWS FOR CHILDREN.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by sections 801 and 802 shall apply to benefits for months beginning more than 9 months after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) TRANSITIONAL RULE.—

(A) IN GENERAL.—For months beginning after the date of the enactment of this Act and before the first month to which the amendments made by section 801 apply under paragraph (1) and subject to subparagraph (B), no individual who has not attained 18 years of age shall be considered to be disabled for purposes of the supplemental security income program under title XVI of the Social Security Act solely on the basis of maladaptive behavior or psychoactive substance dependence disorder.

(B) EXCEPTION FOR CURRENT BENEFICIARIES.—Subparagraph (A) shall not apply in the case of an individual who is a recipient of supplemental security income benefits under such title for the month in which this Act becomes law.

(b) DISABILITY REVIEWS FOR 18-YEAR OLD RECIPIENTS.—The amendments made by section 803 shall apply to benefits for months beginning after the date of the enactment of this Act.

Subtitle B—Denial of SSI Benefits by Reason of Disability to Drug Addicts and Alcoholics

SEC. 811. DENIAL OF SSI BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking "(I)"; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking "(ix)" and inserting "(viii)";

(C) in clause (ix)—

(i) by striking "(viii)" and inserting "(vii)"; and

(ii) in subclause (II), by striking all that follows "15 years" and inserting a period;

(D) in clause (xiii)—

(i) by striking "(xii)" and inserting "(xi)"; and

(ii) by striking "(xi)" and inserting "(x)"; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows "$25.00 per month" and inserting a period.

(5) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place such term appears;

(B) by striking "and" the 3rd place such term appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995, and shall apply with respect to months beginning on or after such date.

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Director of the National Institute on Drug Abuse—

(1) $95,000,000, for each of fiscal years 1997, 1998, 1999, and 2000, for expenditure through the Federal Capacity Expansion Program to expand the availability of drug treatment; and

(2) $5,000,000 for each of fiscal years 1997, 1998, 1999, and 2000 to be expended solely on the medication development project to improve drug abuse and drug treatment research.

TITLE IX—FINANCING

Subtitle A—Treatment of Aliens

SEC. 901. EXTENSION OF DEEMING OF INCOME AND RESOURCES UNDER AFDC, SSI, AND FOOD STAMP PROGRAMS.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), in applying sections 415 and 1621 of the Social Security Act and section 5(i) of the Food Stamp Act of 1977, the period in which each respective section otherwise applies with respect to an alien shall be extended through the date (if any) on which the alien becomes a citizen of the United States (under chapter 2 of title III of the Immigration and Nationality Act).

(b) EXCEPTION.—Subsection (a) shall not apply to an alien if—

(1) the alien has been lawfully admitted to the United States for permanent residence, has attained 75 years of age, and has resided in the United States for at least 5 years;

(2) the alien—

(A) is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) is on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) is the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B);

(3) the alien is the subject of domestic violence by the alien's spouse and a divorce between the alien and the alien's spouse has been initiated through the filing of an appropriate action in an appropriate court; or

(4) there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—Subsection (a) shall not apply with respect to determinations of eligibility for benefits under part A of title IV of the Social Security Act or under the supplemental income security program under title XVI of such Act but only insofar as such determinations provide for eligibility for medical assistance under title XIX of such Act.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 1995.

SEC. 902. REQUIREMENTS FOR SPONSOR'S AFFIDAVITS OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—

"(1) IN GENERAL.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the Federal Government, by a State, or by any political subdivision of a State, providing cash benefits under a public cash assistance program (as defined in subsection (f)(2)), but not later than 5 years after the date the alien last receives any such cash benefit; and

"(B) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) EXPIRATION OF LIABILITY.—Such contract shall only apply with respect to cash benefits described in paragraph (1)(A) provided to an alien before the earliest of the following:

"(A) CITIZENSHIP.—The date the alien becomes a citizen of the United States under chapter 2 of title III.

"(B) VETERAN.—The first date the alien is described in section 901(b)(2)(A).

"(C) PAYMENT OF SOCIAL SECURITY TAXES.—The first date as of which the condition described in section 901(b)(4) is met with respect to the alien.

"(3) NONAPPLICATION DURING CERTAIN PERIODS.—Such contract also shall not apply with respect to cash benefits described in paragraph (1)(A) provided during any period in which the alien is described in section 901(b)(2)(B) or 901(b)(2)(C).

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate

an affidavit of support consistent with the provisions of this section.

"(c) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) REQUIREMENT.—The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1)(A).

"(2) ENFORCEMENT.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the sponsored alien has received any benefit under any means-tested public benefits program, not less than $2,000 or more than $5,000.

"(d) REIMBURSEMENT OF GOVERNMENT EXPENSES.—

"(1) REQUEST FOR REIMBURSEMENT.—

"(A) IN GENERAL.—Upon notification that a sponsored alien has received any cash benefits described in subsection (a)(1)(A), the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such cash benefits.

"(B) REGULATIONS.—The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) INITIATION OF ACTION.—If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) FAILURE TO ABIDE BY REPAYMENT TERMS.—If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) LIMITATION ON ACTIONS.—No cause of action may be brought under this subsection later than 5 years after the date the alien last received any cash benefit described in subsection (a)(1)(A).

"(f) DEFINITIONS.—For the purposes of this section:

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over; and

"(C) is domiciled in any State.

"(2) PUBLIC CASH ASSISTANCE PROGRAM.—The term 'public cash assistance program' means a program of the Federal Government or of a State or political subdivision of a State that provides direct cash assistance for the purpose of income maintenance and in which the eligibility of an individual, household, or family eligibility unit for cash benefits under the program, or the amount of such cash benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit. Such term does not include any program insofar as it provides medical, housing, education, job training, food, or in-kind assistance or social services.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section 213A.

SEC. 903. EXTENDING REQUIREMENT FOR AFFIDAVITS OF SUPPORT TO FAMILY-RELATED AND DIVERSITY IMMIGRANTS.

(A) IN GENERAL.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) PUBLIC CHARGE AND AFFIDAVITS OF SUPPORT.—

"(A) PUBLIC CHARGE.—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) AFFIDAVITS OF SUPPORT.—Any immigrant who seeks admission or adjustment of status as any of the following is excludable unless there has been executed with respect to the immigrant an affidavit of support pursuant to section 213A:

"(i) As an immediate relative (under section 201(b)(2)).

"(ii) As a family-sponsored immigrant under section 203(a) (or as the spouse or child under section 203(d) of such an immigrant).

"(iii) As the spouse or child (under section 203(d)) of an employment-based immigrant under section 203(b).

"(iv) As a diversity immigrant under section 203(c) (or as the spouse or child under section 203(d) of such an immigrant).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to aliens with respect to whom an immigrant visa is issued (or adjustment of status is granted) after the date specified by the Attorney General under section 902(c).

Subtitle B—Limitation on Emergency Assistance Expenditures

SEC. 911. LIMITATION ON EXPENDITURES FOR EMERGENCY ASSISTANCE.

(a) IN GENERAL.—Section 403(a)(5) (42 U.S.C. 602(a)(5)) is amended to read as follows:

"(5) in the case of any State, an amount equal to the lesser of—

"(A) 50 percent of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children; or

"(B) the greater of—

"(i) the total amount expended under the State plan during the fiscal year that immediately precedes the fiscal year in which the quarter occurs; multiplied by

"(I) 4 percent, if the national unemployment rate for the United States (as determined by the Secretary of Labor) for the 3rd or 4th quarter of the immediately preceding fiscal year is at least 7 percent; or

"(II) 3 percent, otherwise; or

"(ii) the total amount expended under the State plan during fiscal year 1995 as emergency assistance to needy families with children.".

(b) AUTHORITY OF STATES TO DEFINE EMERGENCY ASSISTANCE.—Section 406(e)(1) (42 U.S.C. 606(e)(1)) is amended to read as follows:

"(e)(1)(A) The term 'emergency assistance to needy families with children' means emergency assistance furnished by an eligible State with respect to an eligible needy child to avoid destitution of the child or to provide living arrangements in a home for the child.

"(B) As used in this paragraph:

"(i) The term 'emergency assistance' means emergency assistance as provided for in the State plan approved under section 402 of an eligible State, but shall not include care for an eligible needy child or other member of the household in which the child is living to the extent that the child or other member is entitled to such care as medical assistance under the State plan under title XIX.

"(ii) The term 'eligible needy child' means a needy child—

"(I) who has not attained 21 years of age;

"(II) who is or (within such period as the Secretary may specify) has been living with any relative specified in subsection (a)(1) in a place of residence maintained by 1 or more of such relatives as the home of the relative or relatives;

"(III) who is without available resources; and

"(IV) whose requirement for emergency assistance did not arise because the child or relative refused without good cause to accept employment or training for employment.

"(iii) The term "eligible State" means a State whose State plan approved under section 402 includes provision for emergency assistance.".

Subtitle C—Tax Provisions

SEC. 921. CERTAIN FEDERAL ASSISTANCE INCLUDIBLE IN GROSS INCOME.

(a) IN GENERAL.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

"SEC. 91. CERTAIN FEDERAL ASSISTANCE.

"(a) IN GENERAL.—Gross income shall include an amount equal to the specified Federal assistance received by the taxpayer during the taxable year.

"(b) SPECIFIED FEDERAL ASSISTANCE.—For purposes of this section—

"(1) IN GENERAL.—The term 'specified Federal assistance' means—

"(A) aid provided under a State plan approved under part A of title IV of the Social Security Act (relating to aid to families with dependent children), and

"(B) assistance provided under any food stamp program.

"(2) SPECIAL RULE.—In the case of assistance provided under a program described in subsection (d)(2), such term shall include only the assistance required to be provided under section 21 or 22 (as the case may be) of the Food Stamp Act of 1977.

"(c) INDIVIDUALS SUBJECT TO TAX.—For purposes of this section—

"(1) AFDC.—Aid described in subsection (b)(1)(A) shall be treated as received by the relative with whom the dependent child is living (within the meaning of section 406(c) of the Social Security Act).

"(2) FOOD STAMPS.—In the case of assistance described in subsection (b)(1)(B)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), such assistance shall be treated as received ratably by each of the individuals taken into account in determining the amount of such assistance for the benefit of such individuals.

"(B) ASSISTANCE TO CHILDREN TREATED AS RECEIVED BY PARENTS, ETC.—The amount of assistance which would (but for this subparagraph) be treated as received by a child shall be treated as received as follows:

"(i) If there is an includible parent, such amount shall be treated as received by the includible parent (or if there is more than 1 includible parent, as received ratably by each includible parent).

"(ii) If there is no includible parent and there is an includible grandparent, such amount shall be treated as received by the includible grandparent (or if there is more

than 1 includible grandparent. as received ratably by each includible grandparent).

"(iii) If there is no includible parent or grandparent, such amount shall be treated as received ratably by each includible adult.

"(C) DEFINITIONS.—For purposes of subparagraph (B)—

"(i) CHILD.—The term 'child' means any individual who has not attained age 16 as of the close of the taxable year. Such term shall not include any individual who is an includible parent of a child (as defined in the preceding sentence).

"(ii) ADULT.—The term 'adult' means any individual who is not a child.

"(iii) INCLUDIBLE.—The term 'includible' means, with respect to any individual, an individual who is included in determining the amount of assistance paid to the household which includes the child.

"(iv) PARENT.—The term 'parent' includes the stepfather and stepmother of the child.

"(v) GRANDPARENT.—The term 'grandparent' means any parent of a parent of the child.

"(d) FOOD STAMP PROGRAM.—For purposes of subsection (b), the term 'food stamp program' means—

"(1) the food stamp program (as defined in section 3(h) of the Food Stamp Act of 1977), and

"(2) the portion of the program under sections 21 and 22 of such Act which provides food assistance."

(b) REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end the following new section:

"SEC. 6050Q. PAYMENTS OF CERTAIN FEDERAL ASSISTANCE.

"(a) REQUIREMENT OF REPORTING.—The appropriate official shall make a return, according to the forms and regulations prescribed by the Secretary, setting forth—

"(1) the aggregate amount of specified Federal assistance paid to any individual during any calendar year, and

"(2) the name, address, and TIN of such individual.

"(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

"(1) the name of the agency making the payments, and

"(2) the aggregate amount of payments made to the individual which are required to be shown on such return.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

"(c) DEFINITIONS AND SPECIAL RULE.—For purposes of this section—

"(1) APPROPRIATE OFFICIAL.—The term 'appropriate official' means—

"(A) in the case of specified Federal assistance described in section 91(b)(1)(A), the head of the State agency administering the plan under which such assistance is provided,

"(B) in the case of specified Federal assistance described in section 91(b)(1)(B), the head of the State agency administering the program under which such assistance is provided, and

"(C) in the case of specified Federal assistance described in section 91(b)(1)(C), the head of the State pubic housing agency administering the program under which such assistance is provided.

"(2) SPECIFIED FEDERAL ASSISTANCE.—The term 'specified Federal assistance' has the meaning given such term by section 91(b).

"(3) AMOUNTS TREATED AS PAID.—The rules of section 91(c) shall apply for purposes of determining to whom specified Federal assistance is paid."

(2) PENALTIES.—

(A) Subparagraph (B) of section 6724(b)(1) of such Code is amended by redesignating clauses (ix) through (xiv) as clauses (x) through (xv), respectively, and by inserting after clause (viii) the following new clause:

"(ix) section 6050Q (relating to payments of certain Federal assistance),".

(B) Paragraph (2) of section 6724(d) of such Code is amended by redesignating subparagraphs (Q) through (T) as subparagraphs (R) through (U), respectively, and by inserting after subparagraph (P) the following new subparagraph:

"(Q) section 6050Q(b) (relating to payments of certain Federal assistance),".

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 91. Certain Federal assistance."

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end the following new item:

"Sec. 6050Q. Payments of certain Federal assistance."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits received after December 31, 1995.

SEC. 922. EARNED INCOME TAX CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income tax credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse."

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(k) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act)."

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by inserting after subparagraph (E) the following new subparagraph:

"(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income tax credit) to be included on a return."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 923. PHASEOUT OF EARNED INCOME CREDIT FOR INDIVIDUALS HAVING MORE THAN $2,500 OF TAXABLE INTEREST AND DIVIDENDS.

(a) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 is amended by redesignating subsections (i) and (j) as subsections (j) and (k), respectively, and by inserting after subsection (h) the following new subsection:

"(i) PHASEOUT OF CREDIT FOR INDIVIDUALS HAVING MORE THAN $2,500 OF TAXABLE INTEREST AND DIVIDENDS.—If the aggregate amount of interest and dividends includible in the gross income of the taxpayer for the taxable year exceeds $2,500, the amount of the credit which would (but for this subsection) be allowed under this section for such taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to such amount of credit as such excess bears to $650."

(b) INFLATION ADJUSTMENT.—Subsection (j) of section 32 of such Code (relating to inflation adjustments), as redesignated by subsection (a), is amended by striking paragraph (2) and by inserting the following new paragraphs:

"(2) INTEREST AND DIVIDEND INCOME LIMITATION.—In the case of a taxable year beginning in a calendar year after 1996, each dollar amount contained in subsection (i) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

"(3) ROUNDING.—If any amount as adjusted under paragraph (1) or (2) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 924. AFDC AND FOOD STAMP BENEFITS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF THE EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 (relating to the earned income tax credit), as amended by section 932(b) of this Act, is amended by adding at the end the following new subsection:

"(l) ADJUSTED GROSS INCOME DETERMINED WITHOUT REGARD TO CERTAIN FEDERAL ASSISTANCE.—For purposes of this section, adjusted gross income shall be determined without regard to any amount which is includible in gross income solely by reason of section 91.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE X—FOOD ASSISTANCE REFORM

Subtitle A—Food Stamp Program Integrity and Reform

SEC. 1001. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 1002. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as amended by section 1001, is amended by adding at the end

the following: "The Secretary is authorized to issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has such an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. Such periods shall reflect the severity of business integrity infractions that are the basis of such denials or withdrawals.".

SEC. 1003. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources in order that the accuracy of information provided by such stores and concerns may be verified.".

SEC. 1004. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall prohibit a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because it does not meet criteria for approval established by the Secretary in regulations from submitting a new application for six months from the date of such denial.".

SEC. 1005. BASIS FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence which may include, but is not limited to, facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefit transfer systems.".

SEC. 1006. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 1005, is amended by adding at the end the following: "Such regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time such store or concern is initially found to have committed violations of program requirements. Such suspension may coincide with the period of a review as provided in section 14. The Secretary shall not be liable for the value of any sales lost during any suspension or disqualification period.".

(b) Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence by inserting "suspended," before "disqualified or subjected";

(2) in the fifth sentence by inserting before the period at the end the following: ", except that in the case of the suspension of a retail food store or wholesale food concern pursuant to section 12(a), such suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification which is imposed."; and

(3) by striking the last sentence.

SEC. 1007. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED FROM THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) The Secretary shall issue regulations providing criteria for the disqualification of approved retail food stores and wholesale food concerns that are otherwise disqualified from accepting benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized under section 17 of the Child Nutrition Act of 1966. Such disqualification—

"(1) shall be for the same period as the disqualification from the WIC Program;

"(2) may begin at a later date; and

"(3) notwithstanding section 14 of this Act, shall not be subject to administrative or judicial review.".

SEC. 1008. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 1007, is amended by adding at the end the following:

"(h) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store or wholesale food concern that is determined to have knowingly submitted an application for approval to accept and redeem coupons which contains false information about one or more substantive matters which were the basis for providing approval. Any disqualification imposed under this subsection shall be subject to administrative and judicial review pursuant to section 14, but such disqualification shall remain in effect pending such review.".

SEC. 1009. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS OF THE FOOD STAMP ACT.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A) Any food stamp benefits and any property, real or personal—

"(i) constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or

"(ii) used, or intended to be used, to commit, or to facilitate,

the commission of a violation of subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) The provisions of chapter 46 of title 18, relating to civil forfeitures shall extend to a seizure or forfeiture under this subsection, insofar as applicable and not inconsistent with the provisions of this subsection.

"(2) CRIMINAL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A)(i) Any person convicted of violating subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(I) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds such person obtained directly or indirectly as a result of such violation; and

"(II) any food stamp benefits and any of such person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation.

"(ii) In imposing sentence on such person, the court shall order that the person forfeit to the United States all property described in this subsection.

"(B) All food stamp benefits and any property subject to forfeiture under this subsection, any seizure and disposition thereof, and any administrative or judicial proceeding relating thereto, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), insofar as applicable and not inconsistent with the provisions of this subsection.

"(3) This subsection shall not apply to property specified in subsection (g) of this section.

"(4) The Secretary may prescribe such rules and regulations as may be necessary to carry out this subsection.".

SEC. 1010. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) Section 205(c)(2)(C)(iii) (42 U.S.C. 405(c)(2)(C)(iii)) (as amended by section 316(a) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464) is amended—

(1) by inserting in the first sentence of subclause (II) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) by inserting in the last sentence of subclause (II) immediately after "other Federal" the words "or State"; and

(3) by inserting "or a State" in subclause (III) immediately after "United States".

(b) Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) by inserting in subparagraph (A) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) in the last sentence of subparagraph (A) by inserting "or State" after "other Federal"; and

(3) in subparagraph (B) by inserting "or a State" after "United States".

SEC. 1011. EXPANDED DEFINITION OF "COUPON".

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization cards, cash or checks issued of coupons or access devices, including, but not limited to, electronic benefit transfer cards and personal identification numbers".

SEC. 1012. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months" and inserting "1 year"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently upon—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), firearms, ammunition, or explosives for coupons.".

SEC. 1013. MANDATORY CLAIMS COLLECTION METHODS.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting "or refunds of Federal taxes as authorized pursuant to 31 U.S.C. 3720A" before the semicolon at the end.

(b) Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting "or refunds of Federal taxes as authorized pursuant to 31 U.S.C. 3720A" before the period at the end.

(c) Section 6103(l) of the Internal Revenue Code (26 U.S.C. 6103(l)) is amended—

(1) by striking "officers and employees" in paragraph (10)(A) and inserting "officers, employees or agents, including State agencies"; and

(2) by striking "officers and employees" in paragraph (10)(B) and inserting "officers, employees or agents, including State agencies".

SEC. 1014. REDUCTION OF BASIC BENEFIT LEVEL.

Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "and (11)" and inserting "(11)";

(2) in clause (11) by inserting "through October 1, 1994" after "each October 1 thereafter"; and

(3) by inserting before the period at the end the following:

", and (12) on October 1, 1995, and on each October 1 thereafter, adjust the cost of such diet to reflect 102 percent of the cost, in the preceding June (without regard to any previous adjustment made under this clause or clauses (4) through (11) of this subsection) and round the result to the nearest lower dollar increment for each household size".

SEC. 1015. PRO-RATING BENEFITS AFTER INTERRUPTIONS IN PARTICIPATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 1016. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) WORK REQUIREMENT.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by adding at the end the following:

"(5)(A) Except as provided in subparagraphs (B), (C), and (D), an individual who has received an allotment for six consecutive months during which such individual has not been employed a minimum of an average of 20 hours per week shall be disqualified if such individual is not employed at least an average of 20 hours per week, participating in a workfare program under section 20 (or a comparable State or local workfare program), or participating in and complying with the requirements of an approved employment and training program under paragraph (4).

"(B) The provisions of subparagraph (A) shall not apply in the case of an individual who—

"(i) is under eighteen or over fifty years of age;

"(ii) is certified by a physician as physically or mentally unfit for employment;

"(iii) is a parent or other member of a household that includes a minor child;

"(iv) is participating a minimum of an average of 20 hours per week and is in compliance with the requirements of—

"(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(III) another program for the purpose of employment and training operated by a State or local government, as determined appropriate by the Secretary; or

"(v) or would otherwise be exempt under subsection (d)(2).

"(C) The Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of State if the Secretary finds that such area—

"(i) has an unemployment rate of over 7 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis in which the Secretary made this decision.

"(D) An individual who has been disqualified from the food stamp program by reason of subparagraph (A) may reestablish eligibility for assistance—

"(i) by meeting the requirements of subparagraph (A);

"(ii) by becoming exempt under subparagraph (B); or

"(iii) if the Secretary grants a waiver under subparagraph (C).

"(E) A household (as defined in section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2015(i)) that includes an individual who refuses to work, refuses to look for work, turns down a job, or refuses to participate in the State program if the State places the individual in such program shall be ineligible to receive food stamp benefits. The State agency shall reduce, by such amount the State considers appropriate, the amount otherwise payable to a household that includes an individual who fails without good cause to comply with other requirements of the individual responsibility plan signed by the individual.

"(F) The State agency shall make an initial assessment of the skills, prior work experience, and employability of each participant not exempted under subparagraph (B) within six months of initial certification. The State agency shall use such assessment, in consultation with the program participant, to develop an Individual Responsibility Plan for the participant. Such plan—

"(i) shall provide that participation in food stamp employment and training activities shall be a condition of eligibility for food stamp benefits, except during any period of unsubsidized full-time employment in the private sector;

"(ii) shall establish an employment goal and a plan for moving the individual into private sector employment immediately;

"(iii) shall establish the obligations of the participant, which shall include actions that will help the individual obtain and keep private sector employment; and

"(iv) may require that the individual enter the State program approved under part G or part H of title IV of the Social Security Act if the caseworker determines that the individual will need education, training, job placement assistance, wage enhancement, or other services to obtain private sector employment.".

(b) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025 (h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "$75,000,000" and inserting "$150,000,000"; and

(B) by striking "1991 through 1995" and inserting "1996 through 2000";

(2) by striking subparagraphs (B), (C), (E) and (F) and redesignating subparagraph (D) as subparagraph (B); and

(3) in subparagraph (B) (as so redesignated), by striking "for each" and all that follows through "of $60,000,000" and inserting "the Secretary shall allocate funding".

(c) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), is amended by adding at the end the following:

"(O) The State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under paragraph (5)(A).".

(d) COORDINATING WORK REQUIREMENTS IN AFDC AND FOOD STAMP PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), as amended by subsection (c), is amended by adding at the end the following:

"(P)(i) Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of paragraph (ii) may operate its employment and training program for persons receiving allotments under this Act as part of its Work First Program under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), except that sections 487(b) and 489(a)(4) shall not apply to any months during which a person participates in such program while not receiving income under part A of subtitle IV of the Social Security Act (42 U.S.C. 601 et seq.). If a State agency exercises the option provided under this subparagraph, the operation of this program shall be subject to the requirements of such part F, except that any reference to 'aid to families with dependent children' in such part shall be deemed a reference to food stamp benefits for purposes of any person not receiving income under such part A.

"(ii) A State may exercise the option provided under clause (i) if it provides any persons subject to the requirements of paragraph (5) who is not employed at least an average of 20 hours per week or participating in a workfare program under section 20 (or a comparable State or local program) with the opportunity to participate in an approved employment and training program. A State agency shall be considered to have complied with the requirements of this subparagraph in any area for which a waiver under subsection (5)(4)(C) is in effect.".

SEC. 1017. EXTENDING CURRENT CLAIMS RETENTION RATES.

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "September 30, 1995" each place it appears and inserting "September 30, 2000".

SEC. 1018. COORDINATION OF EMPLOYMENT AND TRAINING PROGRAMS.

(a) Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2019(d)) is amended—

(1) by inserting "or any work requirement under such program" after "assistance program"; and

(2) by adding at the end the following:

"If a household fails to comply with a work requirement in the program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the household shall not receive an increased allotment under this Act as a result of a decrease in the household's income caused by a penalty imposed under such Act, and the State agency is authorized to reduce the household's allotment by no more than 25 percent.".

SEC. 1019. PROMOTING EXPANSION OF ELECTRONIC BENEFITS TRANSFER.

Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended—

(1) by amending paragraph (1) to read:

"(1)(A) State agencies are encouraged to implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

"(B) Subject to paragraph (2), a State agency is authorized to procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency deems appropriate.

"(C) The Secretary shall, upon request of a State agency, waive any provision of this subsection prohibiting the effective implementation of an electronic benefit transfer system consistent with the purposes of this Act. The Secretary shall act upon any request for such a waiver within 90 days of receipt of a complete application.";

(2) in paragraph (2), by striking "for the approval"; and

(3) in paragraph (3), by striking "the Secretary shall not approve such a system unless" and inserting "the State agency shall ensure that".

SEC. 1020. ONE-YEAR FREEZE OF STANDARD DEDUCTION.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended in the second sentence by inserting "except October 1, 1995" after "thereafter".

SEC. 1021. NUTRITION ASSISTANCE FOR PUERTO RICO.

Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

(1) by striking "1994, and" and inserting "1994."; and

(2) by inserting "and $1,143,000,000 for fiscal year 1996," before "to finance".

SEC. 1022. OTHER AMENDMENTS TO THE FOOD STAMP ACT OF 1977.

(a) CERTIFICATION PERIOD.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended to read as follows:

"(c) 'Certification period' means the period specified by the State agency for which households shall be eligible to receive authorization cards, except that such period shall be—

"(1) 24 months for households in which all adult members are elderly or disabled; and

"(2) not more than 12 months for all other households.".

(2) Section 6(c)(1)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)(C)) is amended—

(A) in clause (ii) by adding "and" at the end;

(B) in clause (iii) by striking "; and" at the end and inserting a period; and

(C) by striking clause (iv).

(b) INCLUSION OF ENERGY ASSISTANCE IN INCOME.—

(1) AMENDMENTS TO THE FOOD STAMP ACT OF 1977.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)—

(i) by striking paragraph (11); and

(ii) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively; and

(B) in subsection (k)—

(i) in paragraph (1)(B) by striking ", not including energy or utility-cost assistance."; and

(ii) in paragraph (2)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (J), respectively.

(2) AMENDMENTS TO THE LOW-INCOME HOME ENERGY ASSISTANCE ACT OF 1981.—Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) in paragraph (1) by striking "food stamps,"; and

(B) by amending paragraph (2) to read as follows:

"(2) Paragraph (1) shall not apply for any purpose under the Food Stamp Act of 1977.".

(c) EXCLUSION OF CERTAIN JTPA INCOME.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by subsection (b), is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period the following:

", and (16) income received under the Job Training Partnership Act by a household member who is less than 19 years of age".

(d) EXCLUSION OF EDUCATIONAL ASSISTANCE FROM INCOME.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by amending paragraph (3) to read as follows: "(3) all educational loans on which payment is deferred (including any loan origination fees or insurance premiums associated with such loans), grants, scholarships, fellowships, veterans' educational benefits, and the like awarded to a household member enrolled at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof."; and

(2) in paragraph (5) by striking "and no portion" and all that follows through "reimbursement".

(e) LIMITATION ON ADDITIONAL EARNED INCOME DEDUCTION.—The 3rd sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking "earned income that" and all that follows through "report", and inserting "determining an overissuance due to the failure of a household to report earned income".

(f) EXCLUSION OF ESSENTIAL EMPLOYMENT-RELATED PROPERTY.—Section 5(g)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(3)) is amended to read as follows:

"(3) The value of real and tangible personal property (other than currency, commercial paper, and similar property) of a household member that is essential to the employment or self-employment of such member shall be excluded by the Secretary from financial resources until the expiration of the 1-year period beginning on the date such member ceases to be so employed or so self-employed.".

(g) EXCLUSION OF LIFE INSURANCE POLICIES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

(h) IN-TANDEM EXCLUSIONS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

"(n) Whenever a Federal statute enacted after the date of the enactment of this Act excludes funds from income for purposes of determining eligibility, benefit levels, or both under State plans approved under part A of title IV of the Social Security Act, then such funds shall be excluded from income for purposes of determining eligibility, benefit levels, or both, respectively, under the food stamp program of households all of whose members receive benefits under a State plan approved under part A of title IV of the Social Security Act.".

(i) APPLICATION OF AMENDMENTS.—The amendments made by this section shall not apply with respect to certification periods beginning before the effective date of this section.

Subtitle B—Commodity Distribution

SEC. 1051. SHORT TITLE.

This subtitle may be cited as the "Commodity Distribution Act of 1995".

SEC. 1052. AVAILABILITY OF COMMODITIES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") is authorized during fiscal years 1996 through 2000 to purchase a variety of nutritious and useful commodities and distribute such commodities to the States for distribution in accordance with this subtitle.

(b) In addition to the commodities described in subsection (a), the Secretary may expend funds made available to carry out the section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which are not expended or needed to carry out such sections, to purchase, process, and distribute commodities of the types customarily purchased under such section to the States for distribution in accordance to this subtitle.

(c) In addition to the commodities described in subsections (a) and (b), agricultural commodities and the products thereof made available under clause (2) of the second sentence of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), may be made available by the Secretary to the States for distribution in accordance with this subtitle.

(d) In addition to the commodities described in subsections (a), (b), and (c), commodities acquired by the Commodity Credit Corporation that the Secretary determines, in the discretion of the Secretary, are in excess of quantities needed to—

(1) carry out other domestic donation programs;

(2) meet other domestic obligations;

(3) meet international market development and food aid commitments, and

(4) carry out the farm price and income stabilization purposes of the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act; shall be made available by the Secretary, without charge or credit for such commodities, to the States for distribution in accordance with this subtitle.

(e) During each fiscal year, the types, varieties, and amounts of commodities to be purchased under this subtitle shall be determined by the Secretary. In purchasing such commodities, except those commodities purchased pursuant to section 1060, the Secretary shall, to the extent practicable and appropriate, make purchases based on—

(1) agricultural market conditions;

(2) the preferences and needs of States and distributing agencies; and

(3) the preferences of the recipients.

SEC. 1053. STATE, LOCAL AND PRIVATE SUPPLEMENTATION OF COMMODITIES.

(a) The Secretary shall establish procedures under which State and local agencies, recipient agencies, or any other entity or person may supplement the commodities distributed under this subtitle for use by recipient agencies with nutritious and wholesome commodities that such entities or persons donate for distribution, in all or part of the State, in addition to the commodities otherwise made available under this subtitle.

(b) States and eligible recipient agencies may use—

(1) the funds appropriated for administrative cost under section 1059(b);

(2) equipment, structures, vehicles, and all other facilities involved in the storage, handling, or distribution of commodities made available under this subtitle; and

(3) the personnel, both paid or volunteer, involved in such storage, handling, or distribution; to store, handle or distribute commodities donated for use under subsection (a).

(c) States and recipient agencies shall continue, to the maximum extent practical, to use volunteer workers, and commodities and other foodstuffs donated by charitable and other organizations, in the distribution of commodities under this subtitle.

SEC. 1054. STATE PLAN.

(a) A State seeking to receive commodities under this subtitle shall submit a plan of operation and administration every four years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

(b) The State plan, at a minimum, shall—

(1) designate the State agency responsible for distributing the commodities received under this subtitle;

(2) set forth a plan of operation and administration to expeditiously distribute commodities under this subtitle in quantities requested to eligible recipient agencies in accordance with sections 1056 and 1060;

(3) set forth the standards of eligibility for recipient agencies; and

(4) set forth the standards of eligibility for individual or household recipients of commodities, which at minimum shall require—

(A) individuals or households to be comprised of needy persons; and

(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of application for assistance.

(c) The Secretary shall encourage each State receiving commodities under this subtitle to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this subtitle in the State.

(d) A State agency receiving commodities under this subtitle may—

(1)(A) enter into cooperative agreements with State agencies of other States to jointly provide commodities received under this subtitle to eligible recipient agencies that serve needy persons in a single geographical area which includes such States; or

(B) transfer commodities received under this subtitle to any such eligible recipient agency in the other State under such agreement; and

(2) advise the Secretary of an agreement entered into under this subsection and the transfer of commodities made pursuant to such agreement.

SEC. 1055. ALLOCATION OF COMMODITIES TO STATES.

(a) In each fiscal year, except for those commodities purchased under section 1060, the Secretary shall allocate the commodities distributed under this subtitle as follows:

(1) 60 percent of such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 60 percent of such total value as the number of persons in households within the State having incomes below the poverty line bears to the total number of persons in households within all States having incomes below such poverty line. Each State shall receive the value of commodities allocated under this paragraph.

(2) 40 percent of such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 40 percent of such total value as the average monthly number of unemployed persons within the State bears to the average monthly number of unemployed persons within all States during the same fiscal year. Each State shall receive the value of commodities allocated to the State under this paragraph.

(b)(1) The Secretary shall notify each State of the amount of commodities that such State is allotted to receive under subsection (a) or this subsection, if applicable. Each State shall promptly notify the Secretary if such State determines that it will not accept any or all of the commodities made available under such allocation. On such a notification by a State, the Secretary shall reallocate and distribute such commodities in a manner the Secretary deems appropriate and equitable. The Secretary shall further establish procedures to permit States to decline to receive portions of such allocation during each fiscal year in a manner the State determines is appropriate and the Secretary shall reallocate and distribute such allocation as the Secretary deems appropriate and equitable.

(2) In the event of any drought, flood, hurricane, or other natural disaster affecting substantial numbers of persons in a State, county, or parish, the Secretary may request that States unaffected by such a disaster consider assisting affected States by allowing the Secretary to reallocate commodities from such unaffected State to States containing areas adversely affected by the disaster.

(c) Purchases of commodities under this subtitle shall be made by the Secretary at such times and under such conditions as the Secretary determines appropriate within each fiscal year. All commodities so purchased for each such fiscal year shall be delivered at reasonable intervals to States based on the allocations and reallocations made under subsections (a) and (b), and or carry out section 1060, not later than December 31 of the following fiscal year.

SEC. 1056. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF COMMODITIES.

(a) In distributing the commodities allocated under subsections (a) and (b) of section 1055, the State agency, under procedures determined by the State agency, shall offer, or otherwise make available, its full allocation of commodities for distribution to emergency feeding organizations.

(b) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 1055 through distribution to organizations referred to in subsection (a), its remaining allocation of commodities shall be distributed to charitable institutions described in section 1063(3) not receiving commodities under subsection (a).

(c) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 1055 through distribution to organizations referred to in subsections (a) and (b), its remaining allocation of commodities shall be distributed to any eligible recipient agency not receiving commodities under subsections (a) and (b).

SEC. 1057. INITIAL PROCESSING COSTS.

The Secretary may use funds of the Commodity Credit Corporation to pay the costs of initial processing and packaging of commodities to be distributed under this subtitle into forms and in quantities suitable, as determined by the Secretary, for use by the individual households or eligible recipient agencies, as applicable. The Secretary may pay such costs in the form of Corporation-owned commodities equal in value to such costs. The Secretary shall ensure that any such payments in kind will not displace commercial sales of such commodities.

SEC. 1058. ASSURANCES; ANTICIPATED USE.

(a) The Secretary shall take such precautions as the Secretary deems necessary to ensure that commodities made available under this subtitle will not displace commercial sales of such commodities or the products thereof. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by December 31, 1997, and not less than every two years thereafter, a report as to whether and to what extent such displacements or substitutions are occurring.

(b) The Secretary shall determine that commodities provided under this subtitle shall be purchased and distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under this subtitle in excess of anticipated use, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

(a) PURCHASE OF COMMODITIES.—To carry out this subtitle, there are authorized to be appropriated $260,000,000 for each of the fiscal years 1996 through 2000 to purchase, process, and distribute commodities to the States in accordance with this subtitle.

(b) ADMINISTRATIVE FUNDS.—

(1) There are authorized to be appropriated $40,000,000 for each of the fiscal years 1996 through 2000 for the Secretary to make available to the States for State and local payments for costs associated with the distribution of commodities by eligible recipient agencies under this subtitle, excluding costs associated with the distribution of those commodities distributed under section 1060. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis dividing such funds among the States in the same proportions as the commodities distributed under this subtitle for such fiscal year are allocated among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States in a manner the Secretary deems appropriate and equitable.

(2)(A) A State shall make available in each fiscal year to eligible recipient agencies in the State not less than 40 percent of the funds received by the State under paragraph (1) for such fiscal year, as necessary to pay for, or provide advance payments to cover, the allowable expenses of eligible recipient agencies for distributing commodities to needy persons, but only to the extent such expenses are actually so incurred by such recipient agencies.

(B) As used in this paragraph, the term "allowable expenses" includes—

(i) costs of transporting, storing, handling, repackaging, processing, and distributing commodities incurred after such commodities are received by eligible recipient agencies;

(ii) costs associated with determinations of eligibility, verification, and documentation;

(iii) costs of providing information to persons receiving commodities under this subtitle concerning the appropriate storage and preparation of such commodities; and

(iv) costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this subtitle.

(C) If a State makes a payment, using State funds, to cover allowable expenses of eligible recipient agencies, the amount of such payment shall be counted toward the amount a State must make available for allowable expenses of recipient agencies under this paragraph.

(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No

such funds may be used by States or eligible recipient agencies for costs other than those involved in covering the expenses related to the distribution of commodities by eligible recipient agencies.

(4)(A) Except as provided in subparagraph (B), to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

(i) the amount of such funds so received; and

(ii) any part of the amount allocated to the State and paid by the State—

(I) to eligible recipient agencies; or

(II) for the allowable expenses of such recipient agencies;for use in carrying out this subtitle.

(B) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

(C) Any funds distributed for administrative costs under section 1060(b) shall not be covered by this paragraph.

(5) States may not charge for commodities made available to eligible recipient agencies, and may not pass on to such recipient agencies the cost of any matching requirements, under this subtitle.

(c) VALUE OF COMMODITIES.—The value of the commodities made available under subsections (c) and (d) of section 1052, and the funds of the Corporation used to pay the costs of initial processing, packaging (including forms suitable for home use), and delivering commodities to the States shall not be charged against appropriations authorized by this section.

SEC. 1060. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) From the funds appropriated under section 1059(a), $94,500,000 shall be used for each fiscal year to purchase and distribute commodities to supplemental feeding programs serving woman, infants, and children or elderly individuals (hereinafter in this section referred to as the "commodity supplemental food program"), or serving both groups wherever located.

(b) Not more than 20 percent of the funds made available under subsection (a) shall be made available to the States for State and local payments of administrative costs associated with the distribution of commodities by eligible recipient agencies under this section. Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

(c)(1) During each fiscal year the commodity supplemental food program is in operation, the types, varieties, and amounts of commodities to be purchased under this section shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or amounts from those that were available or were planned at the beginning of the fiscal year the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1996 through 2000 to the Secretary. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

(d) The Secretary shall, in each fiscal year, approve applications of additional sites for the program, including sites that serve only elderly persons, in areas in which the program currently does not operate, to the full extent that applications can be approved within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (e)) in areas in which the program is in effect.

(e) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency, with the approval of the Secretary, may permit low-income elderly persons (as defined by the Secretary) to participate in and be served by such program.

(f)(1) If it is necessary for the Secretary to pay a significantly higher than expected price for one or more types of commodities purchased under this section, the Secretary shall promptly determine whether the price is likely to cause the number of persons that can be served in the program in a fiscal year to decline.

(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.

(g) Commodities distributed to States pursuant to this section shall not be considered in determining the commodity allocation to each State under section 1055 or priority of distribution under section 1056.

SEC. 1061. COMMODITIES NOT INCOME.

Notwithstanding any other provision of law, commodities distributed under this subtitle shall not be considered income or resources for purposes of determining recipient eligibility under any Federal, State, or local means-tested program.

SEC. 1062. PROHIBITION AGAINST CERTAIN STATE CHARGES.

Whenever a commodity is made available without charge or credit under this subtitle by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge recipient agencies any amount that is in excess of the State's direct costs of storing, and transporting to recipient agencies the commodities minus any amount the Secretary provides the State for the costs of storing and transporting such commodities.

SEC. 1063. DEFINITIONS.

As used in this subtitle:

(1) The term "average monthly number of unemployed persons" means the average monthly number of unemployed persons within a State in the most recent fiscal year for which such information is available as determined by the Bureau of Labor Statistics of the Department of Labor.

(2) The term "elderly persons" means individuals 60 years of age or older.

(3) The term "eligible recipient agency" means a public or nonprofit organization that administers—

(A) an institution providing commodities to supplemental feeding programs serving women, infants, and children or serving elderly persons, or serving both groups;

(B) an emergency feeding organization;

(C) a charitable institution (including hospitals and retirement homes and excluding penal institutions) to the extent that such institution serves needy persons;

(D) a summer camp for children, or a child nutrition program providing food service;

(E) a nutrition project operating under the Older Americans Act of 1965, including such projects that operate a congregate nutrition site and a project that provides home-delivered meals; or

(F) a disaster relief program; and that has been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under this subtitle.

(4) The term "emergency feeding organization" means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

(5) The term "food bank" means a public and charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products thereof, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

(6) The term "food pantry" means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

(7) The term "needy persons" means—

(A) individuals who have low incomes or who are unemployed, as determined by the State (in no event shall the income of such individual or household exceed 185 percent of the poverty line);

(B) households certified as eligible to participate in the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(C) individuals or households participating in any other Federal, or federally assisted, means-tested program.

(8) The term "poverty line" has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(9) The term "soup kitchen" means a public and charitable institution that, as integral part of its normal activities, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

SEC. 1064. REGULATIONS.

(a) The Secretary shall issue regulations within 120 days to implement this subtitle.

(b) In administering this subtitle, the Secretary shall minimize, to the maximum extent practicable, the regulatory, record-keeping, and paperwork requirements imposed on eligible recipient agencies.

(c) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register a

nonbinding estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this subtitle during the fiscal year.

(d) The regulations issued by the Secretary under this section shall include provisions that set standards with respect to liability for commodity losses for the commodities distributed under this subtitle in situations in which there is no evidence of negligence or fraud, and conditions for payment to cover such losses. Such provisions shall take into consideration the special needs and circumstances of eligible recipient agencies.

SEC. 1065. FINALITY OF DETERMINATIONS.

Determinations made by the Secretary under this subtitle and the facts constituting the basis for any donation of commodities under this subtitle, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

SEC. 1066. RELATIONSHIP TO OTHER PROGRAMS.

(a) Section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)) shall not apply with respect to the distribution of commodities under this subtitle.

(b) Except as otherwise provided in section 1057, none of the commodities distributed under this subtitle shall be sold or otherwise disposed of in commercial channels in any form.

SEC. 1067. SETTLEMENT AND ADJUSTMENT OF CLAIMS.

(a) The Secretary may—

(1) determine the amount of, settle, and adjust any claim arising under this subtitle; and

(2) waive such a claim if the Secretary determines that to do so will serve the purposes of this subtitle.

(b) Nothing contained in this section shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

SEC. 1068. REPEALERS; AMENDMENTS.

(a) REPEALER.—The Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

(b) AMENDMENTS.—

(1) The Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by striking section 110; and

(B) by striking section 502.

(2) The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking section 4.

(3) The Charitable Assistance and Food Bank Act of 1987 (7 U.S.C. 612c note) is amended by striking section 3.

(4) The Food Security Act of 1985 (7 U.S.C. 612c note) is amended—

(A) by striking section 1562(a) and section 1571; and

(B) in section 1562(d), by striking "section 4 of the Agricultural and Consumer Protection Act of 1973" and inserting "section 1060 of the Commodity Distribution Act of 1995".

(5) The Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(A) in section 4(a), by striking "institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants and children or elderly persons, or both, wherever located, disaster areas, summer camps for children.";

(B) in subsection 4(c), by striking "the Emergency Food Assistance Act of 1983" and inserting "the Commodity Distribution Act of 1995"; and

(C) by striking section 5.

(6) The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 612c note) is amended by striking section 1773(f).

Title XI—DEFICIT REDUCTION

SEC. 1101. DEDICATION OF SAVINGS TO DEFICIT REDUCTION.

(a) Upon the enactment of this Act, the Director of the Office of Management and Budget shall make downward adjustments in the discretionary spending limits (new budget authority and outlays), as adjusted, set forth in 601(a)(2) of the Congressional Budget Act of 1974 for each of fiscal years 1996 through 1998 as follows:

(1) For fiscal year 1996, reduce new budget authority by $1,420,000,000 and reduce outlays by $1,420,000,000.

(2) For fiscal year 1997, reduce new budget authority by $1,420,000,000 and reduce outlays by $1,420,000,000.

(3) For fiscal year 1998, reduce new budget authority by $1,470,000,000 and reduce outlays by $1,470,000,000.

(b) Reductions in outlays resulting from the enactment of this Act shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE XII—EFFECTIVE DATE

SEC. 1201. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

The CHAIRMAN. Pursuant to the rule, the gentleman from Georgia [Mr. DEAL] will be recognized for 30 minutes and the gentleman from Florida [Mr. SHAW] will be recognized for 30 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Georgia [Mr. DEAL].

PARLIAMENTARY INQUIRY

Mr. FORD. Mr. Chairman, may I inquire as to whether or not as the designee of the gentleman from Florida [Mr. GIBBONS], it would be in order for 5 minutes to be reserved for debate time under the rule?

The CHAIRMAN. It is not in order.

Mr. FORD. Under the substitute it is not in order?

The CHAIRMAN. It is not in order.

Mr. FORD. So the 5 minutes would not be granted?

The CHAIRMAN. The gentleman is correct.

Mr. DEAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today is the day for change, today is the time to reaffirm our basic belief in work. Hard work has built this Nation and hard work continues to sustain it.

Today we are here to talk about changing the institution of welfare and replacing it with work. This should not be a partisan debate, we should all share in seeking the best answers regardless of whose ideas they are.

The substitute is brought to you by six Members and their hard-working staffs, none of whom are chairmen or ranking members, and three of whom were freshmen when this issue began in our group last Congress. In this time of basketball fever with the final four being talked about, I would suggest that our bill is assigned a real label that has made it to the final three and for that I am grateful.

I express my appreciation to the leadership for allowing this issue of welfare reform to come to the floor and to the members of the Committee on Rules and its chairman for allowing our substitute to be presented for debate.

We believe that work is the only long-term solution to the issue of welfare, and we believe that our plan presents the best alternative with the resources to the States to achieve that transition.

In the 30 minutes that we are allotted, we will do our best to reveal to Members why we believe that our plan presents the best alternative of making the transition from welfare to work.

Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER].

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Mr. Chairman, I rise in strong support of the Deal bill.

On Tuesday, Representative CASTLE said the Republican bill is a big-bang approach to changing welfare.

He was right—and it is the kids who are getting banged up.

I rise today to support the Deal substitute, the only bill before us which makes fundamental changes to the current system while protecting our children.

The Deal bill is tough on work.

It is fair to kids.

It holds recipients accountable, and it makes both parents responsible for taking care of their children.

The Deal bill is tougher on work than any proposal before the House.

Each person on welfare will be required to sign a comprehensive individualized responsibility plan.

Each recipient is required to start looking for work immediately.

Nobody who refuses to work will get benefits.

Unlike the Republican bill, the Deal bill makes sure no kid will go to school hungry. It makes sure no kid will be left alone when Mom or Dad goes to work.

It cracks down on deadbeat parents to make sure they live up to their responsibility to support their children.

Both Democrats and Republicans agree the current welfare system is broken.

The Deal bill is the change we need to end welfare as we know it.

I urge support for the Deal substitute, which truly ends welfare as we know it.

Mr. DEAL. Mr. Chairman, I reserve the balance of my time.

□ 1815

Mr. SHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ARCHER], the chairman of the full Committee on Ways and Means.

Mr. ARCHER. Mr. Chairman, it is curious to note the Democrat welfare bill that we have before us today is only offered in response to the strong action taken by Republicans on this issue. When the Democrats ran the Congress, they ran away from welfare reform. They did nothing about our crumbling

cities, our decaying families, and our impoverished children. Only now that Congress is under Republican control did the Democrats muster the will to say, "Me, too." on this vital issue.

Let us take a look, Mr. Chairman, at this late and reluctant arrival at welfare reform. What is wrong with this amendment? Let me tell you. Their substitute spends more on welfare than the current law, $2 billion more.

This Democrat welfare bill raises taxes to do so on millions of middle-income working Americans. Let me repeat that: The Democrat welfare bill raises taxes on millions of middle-income working Americans.

It was only 5 months ago that the American people voted the Democrat people out of office because of their big-taxing, big-spending ways. Now, more than 2 million Americans will have their taxes raised as a result of this amendment.

Mr. Chairman, the Democrats' true colors are showing. Their approach to welfare, just like their approach to all problems, is to raise taxes and spend more money. This is a repeat of 1988. The last welfare reform bill, you remember, "Let us put a few more billion in with the promise that more people will work and get off of welfare 5 years later."

Here we are, 6 years later, about to do the same thing under the Deal amendment. The Democrats in Washington still do not understand that Government is too big and spends too much. So, once again, they raise taxes on working Americans to redistribute wealth to those who do not work. Their tax hikes hit working parents with children the hardest. These are not rich people. They are middle-income working Americans with children who will lose their tax credit for child care.

As bad as their tax hikes are, there are other problems in this bill. The Deal substitute maintains the worst features of the failed welfare status quo. This amendment leaves welfare as an entitlement, and it continues to force Governors into inflexible positions when they appeal to Washington on bended knee to obtain waivers so that they can help their own citizens. The Democrats treat as sacred the failed welfare system that has us in this mess in the first place.

For 30 years the Democrats built this failed system based on a faulty foundation. Now that true reform is at hand, they just cannot bear to see their failed creation come to an end, over $5 trillion of Government money spent on welfare in the last 30 years, and now they want to spend more.

I have a simple message for the Democrats who are fighting to keep the failed welfare status quo alive: Let it go, let it go, let it go. Help the poor by taking welfare off of its life support system.

There are other features in the Deal substitute which deserve comment. It does not put people to work, it puts Federal bureaucrats to work. It does not discourage out-of-wedlock births, it maintains the status quo. And it creates unfunded mandates on the States; the President signed a bill yesterday to stop this.

Mr. Chairman, welfare has left a sad mark on the American success story. It has created a world in which children have no dreams for tomorrow, and parents have abandoned their hopes for today. Crime runs rampant. Fathers run away. And leaders run from real solutions.

The time has come to pull the plug on the failed welfare state and to put in its place a new system, a system based on work, personal responsibility, and a system that dismantles the Federal bureaucracy and gives control where it can do the most good, at the State and local level.

The Deal substitute does not get the job done. It punishes the taxpayer and maintains the failed welfare status quo. The bill is not a good deal for anyone. It is a bum deal for everyone, and is should be defeated.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Mr. Chairman, I rise today in support of work and education as fundamental to real welfare reform—endorse the Deal substitute—and oppose H.R. 4. Unlike H.R. 4, the Deal substitute provides meaningful work opportunities immediately by moving individuals off of welfare and into work. The Deal substitute requires that a job search begin immediately. H.R. 4 does not even require people to read the want ads.

We all agree the current welfare system simply does not work. The current system does not result in the very values we wish to encourage—work, family and responsibility—that are the underpinning of a productive society.

For welfare reform to work, the American people first must have job opportunities that pay enough for them to be self-supporting. Half the people on welfare in my community work, but at wages too low to afford the basic necessities. Half of our welfare caseload remains on welfare just to get the health benefit that their private sector job does not provide.

If we are to be successful, our goal must be rooted in a strong economy that produces good-paying jobs. We must require parents to assume responsibility for themselves and their families. Any reform effort must move people toward literacy and skills advancement to get them off welfare and ultimately into jobs that pay a living wage. There's something wrong with an economy that produces more rent-a-workers than factory jobs.

Welfare must be structured as a system that offers a helping hand in time of need, while also providing the path to self-sufficiency and personal responsibility. States should be given the flexibility to make the system work for them, but in turn we must demand that job-readiness and living wage jobs are the end result. Job training, child care, transportation, and education can go a long way in moving people off the rolls. It will be the States responsibility to address these needs. We must make sure that uniform standards apply to all States. Furthermore, it will be the recipients responsibility to use these services to move off welfare rolls into real jobs.

In February, I brought together community leaders in my District for a forum on welfare reform. I brought together welfare recipients with elected officials, human service workers with human service directors. Together we came to a consensus on what is truly needed to reform welfare and in my judgment the Deal proposal comes closest to those recommendations.

NORTHWEST OHIO RECOMMENDATIONS

I would like to outline for my colleagues the recommendations made by my community on welfare reform. To be successful, welfare reform must begin on the frontlines with recipients and case workers who know what works and what does not, on an individualized basis. We must emphasize individualized contracts with a local case manager who is allowed to work with a family on its specific needs regarding work, education, skills training opportunities and building whole families. The current system perpetuates people being on service programs, not getting them off. We must focus our attention on incentives to help the working poor and working families move up and out of poverty.

Case managers should be professional social workers trained in strength-based assessments, not needs-based assessment. We must change our focus from providing overly bureaucratic eligibility determinations to one of partnership and coordination of services. This can be done by using an Individualized Family Service Plan, in which the family picks its strengths and weaknesses, goals and objectives, and the case manager finds the services in the community to meet those needs. This approach empowers the family and gives them the tools to get off and stay off welfare.

INTERGOVERNMENTAL RESPONSIBILITIES

FEDERAL STANDARDS

At a minimum, the Federal Government should provide a national framework which outlines the categorical eligibility criteria and minimum benefits standards to ensure that the poorest citizens receive equitable treatment. Local agencies should not have to devote precious time to determining and redetermining eligibility of recipients and administering the programs. Initial determination of eligibility should be a federal responsibility set up like local Social Security offices. Local governments could then devote their efforts toward training and work activities, and employment and related supportive services such as child care. The Federal Government should establish a person's eligibility like Social Security does, and develop and monitor performance standards so that States programs can be measured. Federal standards are critical. When the Federal Government has failed to do so in the past, what resulted was the "Mississippi Syndrome"—great inequity among States. Without Federal standards and performance measures, States will not comply, as has been demonstrated historically. Federal regulations on confidentiality prohibit local agencies—Head Start, welfare offices, WIC, Department of Agriculture, PCI—from sharing necessary information about clients. Since

these agencies, along with many others, service the same populations. the Federal Government should permit cross referencing at the local level.

STATE PARTNERSHIP, SIMPLIFICATION AND LOCAL EMPOWERMENT

Federal block grants to the States must not permit States to forgo their fair contribution to alleviating poverty. States must be encouraged to "earn" Federal payments. Flexibility is essential. What happens if there is not enough money in a given year to finish that year? People would be completely cut off until the next year. States must be allowed to carry over funds and not be penalized for good management of money.

Human service regulations in my home State of Ohio are some of the most complicated in the Nation. The application is 37 pages long. We should not assume that if the Federal Government cashes programs out to the States, the system in Ohio or any other State will be streamlined. The Federal Government must force States to streamline regulations.

It should further be required that, as a condition of receiving Federal funds, States be required to sign contractual arrangements with the local human service administering agency that places each on an equal plane. Counties, or any other local administering entity, should be given equal status with the State government to administer programs through contractual arrangements.

SIMPLIFICATION

The ideal system should encourage a team approach with a case manager—as opposed to a caseworker—determining what services are needed for a specific family, then bringing together a team at a location which is easily accessible and user friendly. Computer linkage at the local level is needed to ensure the success of a team approach. Interagency contracts must be established within each case management situation to avoid limits between agencies because of confidentiality requirements, and these contracts must be filtered down to the staff level.

A common intake form should be designed by the Federal Government, along with similar eligibility criteria for all human service programs: Medicaid, AFDC, food stamps. Definition of eligibility relative to poverty guidelines varies across Federal programs; it should be simplified and made the same for all of them. Local welfare personnel complain they spend incredible hours of time—an average of 2 hours per client—ascertaining a client's eligibility. They are required to answer over 700 different questions about that client.

EDUCATION, TRAINING AND HEALTH INSURANCE

Two areas of policy that must be a part of Federal welfare reform are education and job training.

Fifty thousand adults in northwest Ohio are illiterate, many of them on welfare. I am sure many other Districts across our Nation face the same situation. Welfare reform must address this problem. Skills training and education must be incorporated into welfare reform. The Federal Government must assure educational institutions—such as some proprietary schools—will not rip off clients and deprive them of their futures. Vocational and proprietary schools must be held to uniform accreditation standards. Further, they must be required to give labor market statistics about each of their courses of study on a regular basis. For example, northwest Ohio has a glut of nurses, yet schools continually market nursing as an excellent field with plenty of job opportunities available.

Half of welfare recipients in northwest Ohio remain on the program to receive health insurance, therefore, welfare must be reformed to offer people health insurance in private sector entry level jobs. Perhaps there could be a partnership formed at the local level between potential employers, human service agencies, and clients. For example, perhaps Federal health insurance such as Medicaid could be used to transition citizens for a period into private sector employment. Any person receiving welfare should be able to keep health insurance coverage after employment at least until his or her wages rise above the poverty level. If States receive incentives for performance, they will address health insurance.

OTHER RECOMMENDATIONS

Emphasis must be placed on paternity orders, with identification of absent fathers being key to the receipt of benefits. The IRS should be the primary collector of child support payments. Stronger, swifter, and more certain sanctions for failure to cooperate in the order establishment are needed. Any proposed work plan must include a provision for at least minimal child support payments. The reporting of nonsupport should be rewarded. Workers currently have no incentive to follow up on leads provided by custodial parent, so they don't do anything.

SSI

We should anticipate the trend toward increased SSI benefits when work is made mandatory. SSI benefits to drug and alcohol dependent persons, many of whom are mentally ill, should, therefore, not be cut off automatically; rather, cases should be assessed individually and funds should be channeled to local substance abuse treatment agencies to work with the client in his or her interest.

KEEP FAMILIES TOGETHER

Low-income families must be allowed to remain together without being penalized monetarily. Accounts of mothers and fathers are currently separate and based on eligible work quarters. Families should be treated as families.

DEVELOPMENTAL PROGRAMMING

Mandatory classes in budgeting, parenting, and nutrition, and registration of children in Head Start or other quality preschool programs should be required of recipients.

FOOD STAMPS

The Food Stamp Program where possible should be cashed out and the money used for regular benefits, health insurance, or education associated with moving people off the program. We must accord people respect enough to assume they will spend the cash on food, after giving them nutrition counseling and education.

UTILITY

Assistance plans—like PIP—must be reformed. They leave the recipient with a debt which must be paid before utilities can be turned on in one's name at another residence.

HOUSING

Finally, incentives should be provided for people to leave public housing. If one has no income, one pays no rent. The safety of knowing one can always stay even if not paying anything prevents people from trying to get out of the system.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. HARMAN].

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Chairman, I ask my colleagues to vote for the Deal substitute to move people from welfare to work without punishing children.

Mr. Chairman, I support bold reforms of our welfare system. The current system is broken and must be dramatically changed, not just tinkered with.

I support strong work requirements for welfare recipients. I support job training programs to prepare people for work, and aggressive placement services to move people into the workforce. I support time limits so that welfare is a transition to work—not a way of life. I support strong child support enforcement to assure that both parents are responsible, and to keep many mothers off welfare to begin with. And I support State flexibility so that States can experiment and find innovative ways to reform welfare.

But I do not support punishing children by cutting programs that work and disguising these cuts as block grants. Block grants do allow those closest to the people with the flexibility to meet the unique needs of a certain area, but I strongly oppose the block grants proposed in the Personal Responsibility Act. The child nutrition block grant would cut the School Lunch Program and the WIC Program—two programs that are proven successes.

School districts in my congressional district serve 413,017 lunches each day, keeping children healthy and ready to learn. Based on the numbers of partially and fully-paid for lunches in my district, block granting the School Lunch Program would effectively mean the end of the School Lunch Program. I have met with school district administrators, teachers, and children in my district, and I know that the School Lunch Program has been incredibly successful. I ate one of these lunches last week with children at Mark Twain Elementary School in my district and saw firsthand the value of the School Lunch Program.

I also do not support taking away the child protective services: the services that are the last resort for many kids. I heard from the Los Angeles County Supervisors—Democrats and Republicans—who worry about the huge increase in numbers of children who would fall through the cracks under the Personal Responsibility Act.

Denying welfare benefits to many mothers and then cutting child protective services is not welfare reform, it is punishing children.

Proponents of the Personal Responsibility Act would balance ill-timed tax cuts on the backs of vulnerable children. Any savings from welfare reform should go toward reducing the deficit—not toward tax cuts. The Rules Committee rejected a proposed lock box amendment similar to the bill I introduced in the House 2 weeks ago. We must ensure that a cut is a cut.

While I oppose the Personal Responsibility Act in its present form, I strongly support the Deal substitute. It is true welfare reform. It would move people off welfare and into work

and it would give States greater flexibility to administer their own programs. It would allow California to continue its successful GAIN Program. It would establish time limits and require recipients to work for their benefits. It would crack down on deadbeat parents; stronger child support enforcement laws would mean fewer mothers on welfare in the first place. It would also require minors who have children to live with a responsible adult in order to receive benefits. As a mother of four, I know that teens cannot raise children on their own; they need supervision. The Deal substitute's emphasis on pregnancy prevention is a critical component of welfare reform—helping to keep young women off welfare in the first place.

I urge my colleagues to vote for the Deal substitute to move people from welfare to work without punishing children.

Mr. DEAL of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. CLEMENT], one of the original cosponsors of the bill.

Mr. CLEMENT. Mr. Chairman, we have a real opportunity. The American people are watching us. They are expecting us to pass a welfare reform package.

I do not know where the Republicans are coming from when they talk about taxes and trying to deceive the American people about the Deal substitute. I am one of the six founders, you might say, of this welfare reform package. It offers an opportunity for a future rather than welfare recipients being trapped like they are now. They want a future. Under the Deal substitute, which I strongly support, we require individuals to begin work or a work-related activity immediately.

Does H.R. 4, the Republican version? No.

The Deal substitute has real work requirements for each and every individual in the work program. Does H.R. 4, the Republican version?

We require each recipient to sign an individualized contract of mutual responsibility outlining their road to work and self-sufficiency and the obligations they must meet. Does H.R. 4, the Republican version? No.

We also include specific provisions to make work pay. Does H.R. 4, the Republican version? No.

We remove the barriers to work by providing child care and health care to working recipients, those returning to work, and those working and struggling to stay off welfare. Does the Republican version, H.R. 4? No.

The Deal substitute provides the funding to ensure that the funds are their to meet the additional financial obligations of increased work requirements, child care, and assistance to move recipients to a private, unsubsidized job. Does H.R. 4, the Republican version? No.

Our substitute preserves the school lunch program, and I know a lot of them are wearing those "Save the Children" ties. I do not see any Republicans wearing them, and other proven child nutrition programs ensuring that our children have a full belly and a fighting chance to get through life. Does H.R. 4, the Republican version?

And finally, the Deal substitute will rid the children's SSI program of fraud and abuse while ensuring that much-needed benefits for those severely disabled children are afforded due process and that they are not indiscriminately cut off. Does H.R. 4? No.

Support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I respect the effort of my colleague, the Gentleman from Georgia [Mr. DEAL], whose bill does many of the things we know need to be done now to make the current approach workable. But it only loosens the reins of Washington in those areas we see as necessary now. When flexibility is needed for States to implement a new idea, it will again take years for States to gain temporary waivers and even longer for Congress to change the law.

Let me give you an example. The Deal bill does not give States the right to make rent payments directly to landlords. Under current law, States must comply with cumbersome Federal regulations on a case-by-case basis to prove the recipient is not capable of managing his or her financial affairs. This is so burdensome and takes so long that States simply do not pursue it. Yet the need is compelling.

A recent grand jury investigating crime in a Connecticut police department uncovered a direct tie between welfare dollars and the drug trade. When taxpayer-provided benefit checks hit the streets, drug purchases soared. In the same city, kids are not staying in the same school the whole school year. Many classes turn over nearly 100 percent each year, compromising children's education severely. Families are on the move, and children are the victims due to nonpayment of rent, due to parents' drug addiction, subsidized with taxpayer dollars.

Can we not do better from Washington? We simply cannot construct a flexible enough system to meet the needs of kids and their parents.

Direct payment of rent is only one example of the need for far greater State control and authority than the Deal bill provides. It absolutely goes in the right direction, but the only block grant with Federal accountability that can foster development of a welfare system that will move people off welfare into jobs is the Republican alternative.

Are we taking a risk by creating a block grant system? Yes. Change is inherently risky, but it is a solid risk, because in every other sector of our society, pushing authority and responsibility down to frontline folks has worked.

This week we have the opportunity to rise to the challenge of making systemic real reform in America's welfare system.

Vote to move from caretaking dollars to wage dollars, to restore dignity to need.

Vote against the Deal amendment.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, let me say that I rise to support the Deal amendment, because it truly takes care of the children with child care and trains the parents for work.

Mr. Chairman, I rise today in support of H.R. 1267, which offers a comprehensive proposal to reform our Nation's welfare system. This bill, sponsored by my colleague NATHAN DEAL of Georgia, focuses on promoting work and individual responsibility without punishing innocent children. Moreover, this bill gives states the flexibility to initiate different approaches while establishing clear guidelines and principles.

H.R. 1267 requires welfare recipients to maintain a job or be enrolled in a job training program. It also establishes the principle that our Government must help welfare recipients to find jobs and not terminate assistance to individuals that are willing to work but are unable to find a job. And yes, it provides child care!

During this debate on reform of the welfare system, I have emphasized empowering people instead of punishing them. Like many of my colleagues, I acknowledge that the current system has failed in many ways. However, the welfare reform bill favored by the Republican leadership will not help millions of Americans lead productive lives. We are a caring nation. In making public policy, we must exhibit compassion as well as promote individual responsibility. I believe that H.R. 1267 achieves these important objectives.

Mr. DEAL of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, unlike the Republican plan, the Deal substitute offers real welfare reform. Deal is real reform, because it is tough and compassionate. It links strict work requirements with training opportunities and gives support services recipients need to move from welfare to work.

It is tough, because it sets a time limit for benefits and requires recipients to accept individual responsibility plans for education, parenting, budgeting, and substance abuse.

It is compassionate because it makes available public service jobs after 2 years of unsuccessful job search. It ensures work will pay more than welfare by extending transitional health care benefits, giving an earned income tax credit, and providing the essential element of child care during training and work.

And on top of that, it gives States flexibility to do innovative things like programs to avoid teenage pregnancy.

The Deal substitute is modeled after the Georgia Peach and Work First Programs which have moved Georgians from welfare to work.

We need reforms that make programs more efficient and effective and do not just destroy them and empower families through training and jobs but do not just cut off, that promote individual responsibility and not just abdicate it.

For real welfare reform, we need the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CAMP], another member of the committee.

□ 1830

Mr. CAMP. Mr. Chairman, we have the opportunity to fix a badly broken welfare system. A system that has literally become a prison from which there is little chance of escape.

Unfortunately, I can sum up the Deal substitute by saying "The more things change, the more they stay the same."

The Deal substitute does not require work. It talks about work, their press releases talk about work. But while long on rhetoric, it is short on requirements.

It is our understanding from legislative counsel that the Deal substitute has no individual work requirement until the year 2005. In contrast, our proposal allows States to require work for benefits from day one as opposed to just looking for work.

Under the Deal substitute, looking for work is the same as having a job . . . and for States who do not meet the work requirement, there is no penalty. Under our bill, the States can lose up to 5 percent of the block grant if they do not meet the work requirement.

If this legislation passes, a total of over 15 percent of the welfare recipients would be exempted from the "work-first and "workfare" time limits.

This substitute also attempts to fudge the numbers by counting everyone who leaves the welfare rolls with earnings as meeting the work requirement. Under our proposal, only an increase in the number of people working can count toward meeting the work requirement. The number of people required to work under the Deal substitute is actually lowered by 500,000 people per month.

I urge my colleagues to vote against the Deal substitute. In order to free families from the welfare trap, a real and meaningful work requirement is necessary. The Deal substitute fails that crucial test.

Mr. DEAL of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Deal substitute. And in response to my friend, welfare reform must have one overriding goal, and that is to move people from dependency to self-sufficiency by putting people to work.

Utah has a welfare reform program which is working. In the past 2 years they have reduced AFDC grants by one-third. It has been reported that the Republican bill was patterned after the Utah work program.

But let me read from the Utah State Department of Human Services memo: "The prescriptive requirements of title I are not congruent with our policy." They go on to describe what the Utah work policy is: Of the hours required, at least 8 must be in a job search and the remaining hours can be any combination of employment, education, or training. They go on to say that the act, as drafted, would prohibit this approach. The Deal substitute is the only bill patterned after a Utah-type program, and I urge you to support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. I thank the gentleman for yielding this time to me.

Mr. Chairman, I spoke to the Republican Governors of this Nation this morning, and they asked me to express their strongest opposition to the Deal substitute. I quote: "The Deal substitute undermines all our efforts to reform the welfare systems in our States." Governor Allen, Governor Wilson, Governor Whitman, and Governors Engel, Weld, Thompson, and a host of others oppose the Deal substitute. It is the big-government solution, to the Clinton deal, the bad deal.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. I thank the gentleman from Georgia, and I rise in strong support of the Deal substitute and in opposition to H.R. 4.

Mr. Chairman, I rise in opposition to H.R. 4 and in support for the Individual Responsibility Act of 1995 as offered by Mr. DEAL and Mr. STENHOLM.

Mr. Chairman, for more than 60 years, the Federal and State governments have attempted to provide a safety net for the poorest among us who have fallen upon hard times. While originally intended to be short-term assistance to cushion the fallout from the business cycle, the system has trapped a portion of its beneficiaries in a long-term cycle of poverty. All of us will agree that the various public assistance programs, while helping many, have failed to cure long-term poverty. All of us will agree that we must change the welfare program if we are to try and cure the cycle of poverty. But, Mr. Chairman, H.R. 4 neither meets this goal nor does it try to, rather, it merely focuses on spending cuts among the poorest to pay for tax cuts among the wealthiest individuals and corporations. It is a short-term diversion of funds which will result in exacerbating long-term problems, it is irresponsible to cut this program without reforming it to move people into the workforce. It is economically questionable to do so in order to fund tax cuts and bloat the deficit, but that is exactly what H.R. 4 does. What it does not do is reform welfare.

H.R. 4 as submitted by the Republican leadership does not attempt to address the cycle of poverty. It requires no work or training during the first two years of assistance, nor does it provide adequate assistance for such training. It cuts child care, making it harder for parents to hold work. It cuts nutrition programs. It cuts job training. It ignores the inefficiency of the tax code which makes welfare pay more than work. Rather than focusing on training and placing able-bodied adults in private sector employment it goes after children, poor by no fault of their own. This ill-conceived legislation will most likely result in putting more people out on the street with no means of employment. Whether you are a conservative, liberal or moderate, you must agree that increasing the pool of the untrained unemployed in deeper poverty will not help the economy and will eventually cost the country more. Further, it loads the problem onto the states in a form which would otherwise be called an unfunded mandate. It is one thing to transfer programs from the federal government to the states, it is another to do so with less funding, no assurance to cover the increased costs of a recession, and extreme mandates.

This bill makes no sense. If you want to get tough on welfare, why not require work, today. H.R. 4 does not, the Deal substitute does.

Mr. Chairman, this House can make history today, and it can do so by rejecting H.R. 4 and supporting the Deal substitute. Make no mistake about it, if you support a welfare bill which will take people off the welfare rolls and put them on payrolls, you must support the Deal bill. The Deal substitute requires immediate job action by welfare recipients while H.R. 4 does not. The Deal substitute lays out a plan, working with the States and the private sector to require recipients to enter the job market, today, not in two years. It is tough on non-compliance and it adjusts the tax code to make work pay more than welfare. H.R. 4 does not. The Deal substitute, and not H.R. 4, puts teeth in child support for which the Republican Leadership abdicated its responsibility. The Deal substitute provides the means by which people who must find work can be assured of child care, which the Republican bill does not.

The Deal substitute understands the necessity to ensure adequate funding in times of recession when unemployment increases by maintaining the entitlement status. It understands the importance of maintaining nutrition programs. It also understands the need to reduce the deficit by eliminating wasteful spending and reducing the deficit. Quite simply, the Deal substitute is a tough bill and a smart bill which requires people on welfare to find work, now, not in two years. It helps those who cannot through no fault of their own. The Deal substitute provides training, community work, and a 15-percent recycle provision for those who try but are unable to find steady private sector work in 4 years. It penalizes those who do not try. It provides the necessary means to allow people to hold jobs including child care and health care. It adjusts the tax code to ensure that work pays more than welfare. It is a cost effective, cost conscious measure which seeks to address the cycle of poverty with work. For sure, the goals between this substitute and the Contract with America are quite different. The Deal substitute attempts to put people back to work to remedy the welfare situation. H.R. 4 simply cuts spending, without

sufficient work or training requirements and no long-term goal for ending the cycle of poverty. H.R. 4 puts the issue on the backs of States and the taxpayers. And, if we adopt the Republican Leadership's bill, and not the Deal substitute, I assure you we will be back here later realizing the mistake we made in not trying to really reform welfare rather than pay for a tax cut and increase the deficit. Support real welfare reform, a real work bill, support the Deal substitute.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. I thank the gentleman for yielding me time. and I rise in strong support of the Deal substitute.

Mr. DEAL of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. I thank the gentleman for yielding this time to me.

Mr. Chairman, this evening the Democratic Party stand united in support of the Deal bill and in unyielding opposition to the callousness offered by the Republican Party. There is not even a work requirement in the Republican bill that is offered. They are tough on kids and they are weak on work.

Mr. DEAL deserves extraordinary credit for bringing Democrats together from every region of this country. Tonight we are going to offer a credible alternative that stands up under scrutiny. I offered Governor Weld's amendments at the Committee on Ways and Means, and the Republican Party turned them down.

We have a chance tonight. I think, to stand in support of a welfare reform bill that we all acknowledge needs change. Stand in support of the Deal alternative. It is credible and stands up under the magnifying glass of critical analysis.

The CHAIRMAN. The gentleman from Georgia [Mr. DEAL] has 22½ minutes remaining. and the gentleman from Florida [Mr. SHAW] has 19½ minutes remaining.

The Chair states that he would like it to be reasonably balanced.

Mr. DEAL of Georgia. Mr. Chairman, in light of that. I yield such time as he may consume to the gentleman from California [Mr. FAZIO].

(Mr. FAZIO of California asked and was given permission to revise and extend his remarks.)

Mr. FAZIO of California. Mr. Chairman. I rise in support of the Deal substitute and congratulate the gentleman from Georgia [Mr. DEAL] for coming up with a consensus solution to our welfare dilemma.

Mr. Chairman, the current welfare system rewards staying home over work and permits dead-beat parents to shirk their obligations to their children and is a national embarrassment and outrage. The current welfare system contradicts the American work ethic, and undermines the American dream for millions. As a nation, we cannot afford to support a program that encourages able-bodied adults to stay at home rather than look for a job.

Mr. Chairman, for these reasons and more, I rise in support of Congressman DEAL's welfare reform substitute to the Personal Responsibility Act. The Deal proposal addresses the critical need for substantial reform in the current welfare system, and includes tough work requirements and a 2-year time limit on benefits, while maintaining a safety net for our children. The Republican plan does not do this. The Deal substitute would permanently remove people from welfare dependency by helping them find and retain real jobs, not by simply kicking them into the streets.

Real welfare reform must be about economic self-sufficiency. It must be the primary goal of any valid proposal, and the Deal substitute faces this issue head-on. In meeting the goal of economic self-sufficiency, individuals must be required to look for a job, and there ought to be a time limit on receiving benefits. Mr. DEAL's plan gives States the flexibility to design a strong "Work First" program to ensure that individuals are moved off welfare and into work. This could mean job training, education, job placement services, assistance in creating microenterprises, or any other program developed by the State to move an individual into private, unsubsidized employment. After 2 years of participation in the Work First program, individuals would no longer be eligible for AFDC, but would be eligible for a private employment subsidy or workfare program. The Deal substitute includes a 2-year time limit—a necessary incentive for welfare recipients to take advantage of the work opportunities provided in the bill. From the moment a person enters the welfare system, they will be on their way out—out to economic opportunity and self-sufficiency. The Republican plan does not do this.

Real welfare reform must be about job preparedness. An initial investment in job preparedness and placement will result in long-term savings, and do more for our long-term economic security than a tax cut for the rich ever would. Welfare recipients must learn marketable skills to find better jobs. And enduring job skills will prevent repeat visits to the welfare rolls. By providing welfare recipients with a real opportunity to find a permanent, well-paying job, the Federal Government will soon be rewarded with lower welfare costs, higher worker productivity, and increasing revenues. The Republican plan cannot do this.

But real welfare reform does not stop here. Staying in a job is just as critical as finding one in the first place. Health and child care benefits must be part of any welfare reform plan that seeks to keep people at work, not on the Government rolls. Going to work should not mean losing health care benefits. And children must have a safe, supervised place to grow and learn while their parents are at work. The Republican plan does not do this. "Personal Responsibility" should not mean putting the health and safety of our children at risk.

Welfare reform must also be about responsibility. I am outraged that parents can shirk their responsibility to their families by leaving them destitute and not paying child support. The Republican plan lets them do this. Any worthwhile reform effort must send a clear message to these deadbeats: you must support your children. Through streamlined, advanced technology, states can and should track down these parents. Tough enforcement mechanisms such as garnishing wages and taking away drivers licenses should be enacted and enforced.

The Republican Personal Responsibility Act is a shameful pretense at real welfare reform. The Republicans would simply throw people out on the streets and call that cruelty "reform." This most outrageous proposal as a solution to welfare dependency while not adequately addressing the issue of work.

In seeking to reform the broken welfare system, we must not forget our moral responsibility to the workers and children of America. Welfare reform should be about work, responsibility, and families, not about a tax cut for the wealthy. The most enduring legacy of welfare reform will be its effect on those children and families who rely on it in tough times. The current welfare system encourages perpetual dependence and distorts American values. We must enact real welfare reform to restore their hope and their futures and break the cycle of dependency. Our future depends on it.

Mr. DEAL of Georgia. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

(Mr. PAYNE of Virginia asked and was given permission to revise and extend his remarks.)

Mr. PAYNE of Virginia. I thank the gentleman for yielding this time to me.

Mr. Chairman, the sponsors of the Deal substitute are committed to making major changes to our welfare system.

We understand that real welfare reform must be about replacing a welfare check with a paycheck.

The Deal substitute is designed to get people into work as quickly as possible. It requires all recipients to enter into a self-sufficiency plan within 30 days of receiving benefits and no benefits will be paid to anyone who refuses to work, refuses to look for work, or who turns down a job.

The Republican bill allows welfare recipients to receive benefits for up to 2 years before they are required to go to work, or even to look for work.

Mr. Chairman, we believe the Government should assist welfare recipients in becoming self-sufficient, but we understand that in the end individuals must be responsible for their own welfare.

The Deal substitute provides welfare recipients with the resources they need to move from welfare to work, but it also requires individuals to be responsible by setting a 2-year time limit on cash assistance.

After 2 years, States may allow individuals to work for benefits by providing them with a voucher to supplement private sector wages.

But no benefits are available after 4 years.

Mr. Chairman, the Deal substitute is the only welfare reform bill which gives the American people exactly what they want: welfare reform which makes work the number one priority. welfare reform which requires individuals to be responsible for their own actions, and welfare reform which gives

the States the flexibility they need to make it succeed.

Mr. Chairman, I say to my friends, let us give the American people what they want. Support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. I thank the gentleman for yielding this time to me.

The Deal substitute does not represent real food stamp reform. Rather than allowing States to harmonize AFDC and food stamp rules for those families receiving assistance from both programs, the substitute clings to the waiver system. Rather than taking the food stamp program off of automatic pilot, the Deal substitute continues the pattern of ever escalating runaway costs. Rather than demanding workfare for able-bodied people, the substitute simply mandates that States do provide the make-work jobs and training, but provides, really, less than half the money. It is an unfunded mandate.

But here is the real deal, I did not know this, I read the CBO report: The Deal substitute would count:

Benefit payments from the AFDC and food stamp programs would be included in income subject to income tax. You are taxing food stamps? That is a mean deal.

Mr. DEAL of Georgia. Mr. Chairman, I yield myself 1 minute.

First of all, I respond to the gentleman's comments: Yes, we believe that for those who are taking Federal assistance through food stamps and AFDC and earning the same amount of money as hardworking poor people, that a dollar of welfare ought to be worth the same thing as the dollar you work for. That is the reason for it.

In responding to the issue of who supports whom in this issue, I would like to quote briefly from a letter. I would like to quote briefly from a letter dated March 20, 1995, from the National League of Cities, in which they say, "We believe the pending bill, H.R. 4, could affect local government. The bill could be one of the greatest mandates ever imposed upon our communities."

Governor Carper of Delaware, in responding to the Republican bill, says, "In sum, this legislation would not transform the welfare. Rather, it would not severely undercut our efforts to reform the welfare system in our State."

Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I too want to commend the gentleman from Georgia [Mr. DEAL] and the others for putting together this bill, and I rise in strong support of the Deal substitute.

In responding to the distinguished chairman of the Committee on Agriculture, you know, one of the problems that I have with the Republican bill—and I intend to oppose it—is there are a lot of areas that are not working and have not been thought through. I think, in the case of food stamps, that is one of the areas where we have a lot of fraud and problems with the food stamp system.

What we have done in the Deal bill is we have worked through those problems. We have 19 specific areas where we have addressed the problems in the Deal substitute. The Republicans have not done this. They have punted it to the States.

So I think we ought to be clear about what has happened here. We have a bill that has worked together with the AFDC system, it is all integrated, we make sure it flows together, and we have addressed problems. It is the toughest bill dealing with the fraud and abuse and other problems that we have in the food stamp system.

I ask you to support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at this point I would like to paraphrase for the RECORD from a letter dated March 22, from the Republican Governors' Association, signed by a number of Governors. This is a letter addressed to the gentleman from Georgia [Mr. DEAL]. In referring to his bill, they say that it maintains the individual entitlements, highly prescriptive Federal rules remain intact. It turns back the clock and has a chilling effect on the Governors' plans—including his own State of Georgia, I might add. It increases taxes by penalizing working Americans. By reducing dependent care tax credit for working women, you are sending a message that work, for these women, does not pay. It is an unfunded mandate, and they end by saying, "We must oppose this bill."

Mr. Chairman, the full text of the letter is as follows:

REPUBLICAN GOVERNORS ASSOCIATION.
Washington, DC, March 22, 1995.

Hon. NATHAN J. DEAL,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN DEAL: Although we salute your good intentions on welfare reform key elements of your bill will, we believe, substantially hinder real welfare reform efforts in the states.

Your bill maintains the individual entitlements and does not provide states with a block grant. Current highly prescriptive Federal rules intact. We need the flexibility of block grants to design programs that will work in our states.

Under you bill, states would be prohibited from removing an individual from cash welfare without first providing 2 years of education and training benefits. This provision will turn back the clock on many state programs already operating and will have a chilling effect on Governors' plans to put individuals to work as soon as we determine they are ready to do so.

Further, your bill increases taxes by reducing the dependent care tax credit. In effect, you are financing two years of education and training for welfare recipients by penalizing working Americans. Working women in particular will be hurt by these changes. The costs associated with child care for working mothers are work related. By reducing the dependent care tax credit for working women, you are sending the message that work for these women doesn't pay.

The work requirements in your bill are highly prescriptive and seriously restrict state flexibility. The two years of additional Medicaid coverage required by your bill is an unfunded mandate on states and will cost states an additional $1.5 billion by the year 2000.

For all of the above reasons we must oppose your bill.

Sincerely,

Tommy Thompson, Jim Edgar, Ed Schafer, and 5 others.

Mr. SHAW. Mr. Chairman, I reserve the balance of my time.

Mr. DEAL of Georgia. Mr. Chairman, I yield myself 15 seconds in order to respond.

I also have a letter, and since I have not received the one the gentleman from Florida quoted from, I have a letter from his own school board in which they say they do support our legislation.

Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

(Ms. WOOLSEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, as the only Member of this body who has actually been a single, working mother on welfare, I support the Deal substitute.

Mr. Chairman, Representative RICH NEAL of Massachusetts and I co-chaired the Democratic task force on welfare reform, and I want to compliment the many Members who made this substitute worthy of widespread support: NATHAN DEAL, PATSY MINK, SANDY LEVIN, XAVIER BECERRA, ELEANOR HOLMES NORTON, BILL ORTON, and many others worked long and hard to create a bill that reforms welfare without punishing poor women and children.

The Deal substitute offers a fair deal. It invests in education: job training: and child care to get people into jobs.

Mr. Chairman, the choice comes down to this: We either punish poor children as the Republican bill does or, as in my case we invest in families so they can get off welfare permanently.

Let us put politics aside and put our children first. Support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. CALLAHAN].

(Mr. CALLAHAN asked and was given permission to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the Deal amendment and in support of H.R. 4.

Mr. Chairman, I rise today in opposition to the Deal substitute and in support of H.R. 4, the Personal Responsibility Act, the key word here being "responsibility." It is time we take

responsibility for this nation by ending the dependence on government which too many recipients have come to know. We all agree that the current system is in need of reform. H.R. 4 gives people now on the welfare roll the opportunity to take responsibility for themselves by moving to the payroll. What greater gift can we give these recipients than the gift of responsibility, freedom and dignity that comes with supporting themselves and their families?

My home State of Alabama obviously has different needs than the State of California, and even the different counties in my district have diverse needs. Consolidating Federal programs into more flexible block grants allows States to respond more effectively to the needs of their residents. Eliminating the cumbersome Federal bureaucracy and the maze of redtape and regulations which have beset the welfare program will permit Congress to send more funds to the States to spend on programs such as school lunches and WIC.

H.R. 4 provides welfare families with education, training, job search, and work experience needed to prepare them to discontinue welfare assistance. At the same time H.R. 4 protects children and families by maintaining a food stamp program, which grows in a recession, as a Federal safety net. Furthermore, a safeguard has been placed in the Federal nutrition grant which mandates that at least 80 percent of the money must be spent on low-income children. That's the same ratio found in current nutrition programs.

We can no longer sit back and allow millions of poor Americans to be trapped in the black hole of a failed welfare system. It is unfortunate that the very system created to assist persons in getting back on their feet has trapped them in a cycle of government dependency. We have spent $5 trillion in the war on poverty and the status quo will no longer cut it; let's start taking responsibility for this Nation and pass H.R. 4. Vote "no" on this substitute and vote "for" H.R. 4.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. MCCRERY], a member of the Committee on Ways and Means.

Mr. MCCRERY. I thank the gentleman for yielding this time to me.

Mr. Chairman, this Deal substitute, unfortunately, is just more of the same, micromanaging from a Federal level, trying to maintain the status quo. We cannot afford more of the same in this country with respect to our welfare programs. We must have fundamental change. That is what H.R. 4 represents. Let me talk about one section of this bill, particularly the SSI disability for children program.

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Mr. Chairman, I want to compliment again the good work that some Members on the Democrat side have done. The gentlewoman from Arkansas [Mrs. LINCOLN], the gentleman from Wisconsin [Mr. KLECZKA]; they have done good work.

Unfortunately though, Mr. Chairman, I think, when they put together this Deal substitute, they got snookered by some people on their side who did not want to change much about the SSI disability program for children.

Yes, the Deal substitute does away with the individualized functional assessment, the IFA, the rather vague qualifying standard that children are getting in on now. But in the next section of their bill they recreate the IFA. They say the commissioner of Social Security must set up a functional equivalent standard. So they are going to call it the FES instead of the IFA.

Big deal. No pun intended.

That is just going right back to the same vague standard. It invites abuse of the program.

Cash. They continue cash for all children on SSI. That is the problem with the program now. At the level where the disability is not so bad that a child must be institutionalized or have the threat of institutionalization they are getting these parents coaching their kids to act crazy. Even in the literature that the gentleman from Georgia [Mr. DEAL] handed out it says we cure the crazy check problem. I say to my colleagues, "No, you don't. You invite it all over again by leaving that lure of cash out there for the parents."

The Deal substitute does not fix the problem, they do not fix the IFA. The GAO report right here issued this month says, "You can't fix it, you can't fix it."

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. HEFNER].

(Mr. HEFNER asked and was given permission to revise and extend his remarks.)

Mr. HEFNER. Mr. Chairman, I rise in strong support of the fairest, most humane reform bill that has been offered in this House in many, many years.

Mr. DEAL of Georgia. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM], one of the original cosponsors of this legislation.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I am constantly shocked by what I hear on the floor and what I see being put out. Deal taxes welfare moms' benefits. Thirty-three percent of the kids in America do not even qualify for a tax cut, and yet we have a wonderful yellow sheet put together by a political consultant designed for a 20-second spot on TV.

Now let us talk about Deal raises taxes on the middle class. I am surprised to hear that coming from this side of the aisle.

Mr. Chairman, I ask my good friend, the gentleman from Florida [Mr. SHAW], "Do you remember March 29, 1990, roll call 57? We lost that day on the ABC bill. We lost 195 to 225, but you did a heck of a job rounding up Republican votes. All but 14 voted for the same language today that you criticized."

Now we talk about Medicaid spending. Let us talk about Medicaid spending in the Deal bill compared to H.R. 4. Let us talk about that welfare mother that has a child, and takes a job, and earns $1 more than the law allows, and then has to lose her Medicaid coverage. There is not a man or woman on this floor that would take a job under those circumstances, and I say to the gentleman, "You're got the gall to criticize the Deal bill for being inadequate?"

I cannot believe some of the stuff. We have talked about differences that we have got, but some of the criticisms, taxes, Medicaid spending, welfare moms, taxing benefits, absolutely ridiculous.

Mr. Chairman, first, I would like to thank you for the opportunity to debate this important issue and particularly, the Deal substitute. I rise in strong support of Mr. DEAL'S substitute and commend him for his leadership in this effort.

I believe that we have put together a real, workable reform package that achieves the goal we are all striving for—changing the face of our welfare system. The Deal substitute people off welfare and into work and it provides the funding to do so.

By maintaining the funding necessary to carry out our program, the Deal substitute avoids unfunded mandates and increased state and local burdens. In contrast, the National Conference of State Legislatures says that "H.R. 4 contains many un- and underfunded mandates including a federal work requirement with hefty participation rates". The United States Conference of Mayors also says of H.R. 4 that "in addition to the significant negative impact the proposal would have on low income people, it will also further strain local budgets."

As you can see from the chart, the savings from H.R. 4 are much more drastic than the savings in the Deal substitute. In other words, states will receive $18.8 billion less to care for the needy and help get individuals into jobs under the base bill than they would receive under the Deal substitute. More importantly, the Deal substitute directs all of our savings—approximately $7.5 billion—to deficit reduction, not tax cuts for the wealthy. This substitute is the only proposal that can claim any deficit reduction because it is the only proposal which locks those savings away from being spent again.

In addition, the Deal substitute maintains the current federal nutrition programs, such as school lunch and WIC. Rather than being driven by spending cuts, our proposal focuses on moving people from welfare to work. School lunch programs, therefore, should not be, and are not, part of our welfare reform proposal.

We have heard a great deal of talk about nutrition programs, particularly school lunch programs. The talk that really caught my attention, however, was the input I received from the school superintendents in the 17th District. They couldn't understand why we would want to change our school lunch program, when they don't see anything wrong with the way it is now. Because they work in the program at the local level, I trust that they know how well the program is working.

The Deal substitute also follows a responsible approach to changes in the Food Stamp Program, including strong provisions to cut

down on fraud and abuse. The Food Research and Action Center [FRAC] has endorsed the Deal substitute as a "far better approach toward meeting the nutrition needs of families, children, and elderly."

I strongly urge your support for real, workable welfare reform. Support the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HOUGHTON], a member of the committee.

Mr. HOUGHTON. Mr. Chairman, there is much appeal to the Deal amendment, and I have great respect for Mr. DEAL himself in terms of changes in the trend in the current welfare plan. States requiring participation, a whole variety of things like that, but it seems to me the basic weakness comes down to two things. First, there is continued cash payments, and I know I am being repetitive here. Second, there is an open-ended entitlement concept, and I say to my colleagues, if you're going to change welfare, I don't know how you do it with cash payments and open-ended entitlement. It's absolutely contrary to what we're trying to do, and I frankly think the Republican bill here, what we're approaching, is humane, and yet it has an element of discipline and reality to it.

Mr. DEAL of Georgia. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I point out that under the Republican bill it is 2 years before anybody ever has to go to work, but in ours 30 days after they enter they have to begin a job search and sign a self-sufficiency plan.

Mr. Chairman, I yield 2 minutes to the ranking member of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I say to my colleagues, I urge you to vote for the substitute bill prepared by Mr. DEAL and others. The food stamp title of this substitute includes all of the antifraud proposals of the U.S. Department of Agriculture. No one can say that the substitute isn't tough on waste, fraud, and abuse. The food stamp substitute requires people to work. No one can say that this substitute does not have a work provision to receive food stamp benefits.

After 6 months, anyone who is unable to find work, we also have provisions for employment and training. The substitute bill will promote expansion of electronic benefit transfers, or EBT. The substitute requires, and this is very important, this difference between the substitute and H.R. 4: We reduce legitimate costs, but we will not reduce costs from legitimate users of food stamps. These are not the no counts, not the anything else. What H.R. 4 does, it keeps the thrifty food plan at 103 percent, but with no increase. If the cost of food goes up: too bad, you go hungry. We don't do that. And also the substitute bill requires that all net savings must go to reducing the deficit. It does not go to anything else.

Mr. Chairman, let us not punch holes in the safety net in the name of welfare. I say to my colleagues, don't talk to the Ag Committee about reducing expenditures. We have done over $60 billion in 12 years, but, Mr. Chairman and my colleagues, I refuse to use hungry people to get moneys to give tax breaks to wealthy people. The Deal substitute mandates you to use the savings only for deficit reduction.

I urge colleagues to vote for the substitute bill prepared by Mr. DEAL and others. We have worked with Mr. DEAL on the food stamp provisions of that substitute and believe that they present a much better option than the food stamp provisions of H.R. 4.

The food stamp title of the substitute includes all of the antifraud proposals of the U.S. Department of Agriculture, proposals incorporated in H.R. 1093, a bill I introduced on March 1. Although a number of the USDA proposals were included in H.R. 4 as a result of an amendment I offered at our welfare reform markup, the substitute includes all of the Department's proposals. The most significant of the substitute's antifraud provisions will authorize criminal and civil forfeiture when food retailers traffic in food stamps. This provision will create a significant disincentive to food stamp trafficking. The substitute also doubles the penalties for individuals violating program rules, and requires the collection of certain claims against households by Federal tax and salary offset.

The substitute will require that food stamp recipients work at least half-time, participate in a public service program in return for their benefits, or participate in an employment and training program. This requirement will be imposed on able-bodied recipients who have no children, after they have received food stamps for 6 months. This category of recipient is very likely to find work on their own during the first 6 months and no longer need food stamps. If they are unable to find work within that 6 month period and continue to need food stamps, the work requirements will be imposed. Every recipient wishing to continue to receive food stamp benefits after 6 months who is unable to find work, will be assured of a slot in an employment and training program rather than being kicked off of the food stamp program. Of course, the elderly and disabled are exempt, and those families receiving AFDC will be required to follow the AFDC work rules.

The substitute will provide greater coordination between food stamps and AFDC by requiring in many instances that the same rules be used to calculate income and assets. This provision will help caseworkers who now must use different rules for different programs.

The substitute will promote the expansion of electronic benefits transfer, or EBT, by allowing States to begin using EBT without seeking USDA approval first. Of course, the EBT requirements of the Food Stamp Act will still apply, and USDA will still monitor States to make sure that their EBT systems are in compliance with the law, but States will no longer have to prepare and have approved by USDA their plan for EBT. This provision should make it easier for States to implement EBT, and EBT will help us reduce fraud in the program.

The substitute requires that food stamp allotments be based on 102 percent of the thrifty food plan. The thrifty food plan is the cheapest of four food plans designed by USDA, and it assures a family a nutritionally adequate diet. It is adjusted annually to reflect the current cost of food, and food stamp allotments are then adjusted to reflect the changes in the thrifty food plan. This is one way that food stamps are responsive to changes in the economy. When food costs go up, food stamp allotments go up by the same percentage. H.R. 4 will discontinue use of this mechanism to keep food stamp benefits in line with the cost of food, and it will simply require that allotments be raised by 2 percent each year, no matter how much food costs might increase. CBO estimates that by fiscal year 1998, food stamp benefits will fall below what a family will need to maintain a nutritionally adequate diet if H.R. 4 is enacted. The substitute bill will not let that happen. The annual adjustments to reflect the cost of food will still be made, and instead of families getting 103 percent of what they need, they will get 102 percent—the extra 2 percent addresses the lag between the time that the thrifty food plan adjustment is made and when benefits are issued over the next 15 months.

This reduction in food stamp benefits, and several other provisions of the substitute, are included to provide some savings in the projected cost of the food stamp program. I understand that OMB projects the savings from these food stamp provisions at approximately $4 billion over 5 years. These are painful cuts, but we are providing those savings in as humane a way as we possibly can. The substitute bill requires that any net savings must go to deficit reduction and nothing else. This will assure that any reductions in benefits will only go to the employment and training programs, the coordination of AFDC and food stamps, or deficit reduction. To reduce benefits and allow the savings to be used for any other purpose is unacceptable.

Finally, the bill coordinates four commodity distribution programs: the Emergency Food Assistance Program, the Commodity Supplemental Food Program, the program for soup kitchens and food banks, and the program for charitable institutions. These programs will be consolidated into one discretionary program.

This substitute will maintain the safety net for all welfare recipients who are willing to work but unable to find jobs. It will help those recipients find work, and train them for work if that is what is needed. The policy behind the substitute demands that we reform our welfare system so that it is humane and effective as it moves people off of welfare and into jobs. Let us not punch holes in the safety net in the name of welfare reform.

Mr. SHAW. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, may I ask my friend, the gentleman from Texas [Mr. DE LA GARZA], what are the savings in this bill that are going to go against the deficit?

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I say to the gentleman, you haven't told us. You refuse to tell us.

Mr. ARCHER. I am talking about their bill.

Mr. DE LA GARZA. The substitute mandates that it goes to deficit reduction.

Mr. ARCHER. Where are the savings in the Deal substitute?

Mr. DE LA GARZA. The savings are in the way that we revamp the food stamp program and not as much as you revamped it, you reduced them. but——

Mr. ARCHER. I will say to the gentleman, your bill spends $2 billion more.

Mr. SHAW. Mr. Chairman, I yield 2 minutes to the majority whip, the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman. I rise in strong opposition to the Clinton-Deal substitute, and I applaud the gentleman from Georgia [Mr. DEAL] for his efforts to bring a conservative Democrat approach to welfare as we know it. For 30 years we have seen a series of Presidents, from Lyndon Johnson, to Jimmy Carter, to Bill Clinton, who have failed to deliver on their promise to end welfare as we know it. Now we have another approach to tinker around the edges, and a very weak effort in my opinion. The Clinton-Deal bill throws more money at the problem, creates more programs on top of programs, more job programs on top of over 150 job programs that are already out there failing, and it is amazing to me under this bill welfare spending is going to increase from $300 billion this year to $500 billion by the end of this decade.

The gentleman from Texas [Mr. STENHOLM] is so exercised on that kind of issue because the savings under our bill would not explicitly go to deficit reduction. The irony here is there are no substantial savings in the Clinton-Deal substitute to go to deficit reduction under it and a paltry $10 billion in savings as described by the previous speaker over the next 5 years out of a trillion dollars in spending on welfare.

What we have here is very basic. We have a conservative approach by the Democrat Party to take a system that asks a 14-year-old child that has a baby out of wedlock to stay in a public housing system, be isolated in a torn-down public housing unit, live among the rats and cockroaches with the drug pushers standing outside the door, and, as long as she does not get married or work, the cash will keep flowing. Their new system is all of that, living in public housing, not getting married, with the drug pushers standing outside the door. As long as she worked a little bit, the cash will keep flowing.

Mr. DEAL of Georgia. Mr. Chairman, I yield myself 15 seconds to respond to the gentleman from Texas [Mr. DELAY].

Mr. Chairman, I wish he would read my bill. It says we do not continue those benefits to underage mothers. They have to live at home with a parent or an adult, and they do not have the freedom to live in that public housing, and we require they go back to school and complete their high school education.

I would also point out there is no Clinton-Deal bill. It is the Clement-Deal bill. The gentleman from Tennessee [Mr. CLEMENT] has previously spoken.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, I further say to the gentleman from Texas [Mr. DELAY], "Why don't you stop talking labels and start talking substance? It is about time. There is a way to reform welfare, and we must do it, and that is work, work."

Mr. Chairman, the key to breaking cycles of dependence and poverty is moving people on welfare into productive work, and that is why I support the Deal bill. The Republican bill talks about work, but lets participation goals be met by States without a single person being put to work and without putting a single dollar into a Federal partnership with States to get people off work into welfare.

Welfare reform on the cheap will not work. The Deal bill ensures the necessary incentives, including child and medical care, to the person who should move from welfare and additional resources to the States to help make it really happen with reasonable time limits.

In a word, Mr. Chairman, the Deal plan is likely to move people off welfare into work. The Republican plan is more likely to move people off welfare to nowhere at all. The Republican plan is not only weak on work, it is harsh on kids from its hit on school lunches and other nutrition programs to its mandates to the States that they cannot provide a cash benefit for a child if it is born to teen mothers or if it is a second child.

The Republicans' punitive approach is seen in their treatment of middle and low income families with a seriously handicapped, physically handicapped, kid. It cuts $15 billion from the current program and replaces it with a block grant of only $3.8 billion. The Deal bill gets at abuses without being abusive to handicapped kids.

The Republican approach to SSI is a vivid example of the painful fact the Republican bill is extreme. The Deal bill is mainstream. Let us support the Deal bill.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a member of the committee.

Mr. ENGLISH of Pennsylvania. Mr. Chairman, as I have reviewed this so-called Deal substitute, and we do know there is no Clinton bill; I will concede that point; I can understand why there was no bill offered in committee, and I can understand why there was no bill passed by the other side of the aisle last session. What they have offered here is a tax and spend approach to welfare reform which is not going to fly because it is tied to the existing failed welfare system. This bill has cash flow problems because under it cash flows to minors, cash flows to aliens, cash flows to welfare families who have additional kids, and States are even required to pay cash to some who are not working.

Mr. Chairman, State flexibility is gutted under this bill. States need to come back to Washington to get permission to reform their welfare system. Power stays with the HHS bureaucracy, and under this bill, under this existing entitlement structure, the welfare system was preserved like a fly in amber.

There is also a $1.5 billion unfunded mandate on the States, and let us talk about taxes. I say to my colleagues, "You may want to wake up. This is an applause line for you because we're going to talk about how you're raising taxes. You raise taxes on working moms in families with a $60,000 income range. You impose taxes on AFDC benefits and food stamps."

□ 1900

Mr. DEAL of Georgia. Mr. Chairman, I yield 2 minutes to the gentlewoman from Arkansas [Mrs. LINCOLN], one of the original cosponsors of the amendment.

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Chairman, I would just like to get one thing straight, and that is definitely that this bill is not the status quo. If people would learn to check their party sometimes at the door and take a listen to what their people are saying at home to put people above politics and read what we have got here, we would know that.

In my weekly trips home to Arkansas, I constantly hear stories of a government program called "crazy checks." Teachers, doctors, bankers complain to me that parents are coaching their children to misbehave in school to get a no-strings-attached government check. Well, if we do not do something about this program, we are the ones that are crazy.

So in February of last year, I asked the GAO to investigate both the allegations of coaching and the overall integrity of the program.

And after a year of study, the GAO results confirmed my escalating concerns. The program has grown 300 percent since 1989, and the subjective IFA standard left the door open for abuse.

The GAO said, the high level of subjectivity leaves the process susceptible to manipulation and the consequent appearance that children fake mental impairments to qualify for benefits. A more fundamental problem is determining which children are eligible for benefits using this new IFA process.

Well, we eliminate that IFA program, and we do reform that program by trimming 25 percent off the rolls, but we are not cruel to disabled children.

The Office of the Inspector General at HHS said that SSI payments are not being used for special needs of children

with disabilities so that they can be engaged in substantial gainful activity.

We are the only bill that holds the parent accountable to prove that they are using those funds toward the disability of that child. For the first time, we put that accountability into a program.

The Republicans in our letters that we received certainly from the subcommittee was that all of the governors opposed H.R. 4 in terms of the SSI disability for children program.

I acknowledge the hard work that my colleagues Mr. MCCRERY and Mr. KLECZKA have put in. Though I disagree with their approach to solving the problem, I certainly applaud them for making the effort.

The Deal bill is the best one there, and I urge my colleagues to support it.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the gentleman from Nevada [Mr. ENSIGN], a member of the committee.

Mr. ENSIGN. Mr. Chairman, the Deal bill increases taxes on middle-class families. It increases taxes by $2.2 billion by phasing out a child care credit for middle-class working families, $2.2 billion. I campaigned on a middle-class tax cut, not to raise taxes on middle-class families.

The Deal bill also will cost the American taxpayer, get this, $64 billion more than the Republican bill over 5 years. That is $64 billion.

The Deal bill is also weak on work. Let me give you an example of how in the formula you can play games with this. If somebody goes off of welfare into work, does that three times during the year, under the Deal bill this would be counted as three people going into work. That is how you can play games with the formula, and that is why this bill, one of the reasons this bill is so flawed. This bill is more symbolism than it is substance.

I urge my colleagues to vote against the Deal bill and for the Personal Responsibility Act, and I yield back the balance of my time.

Mr. DEAL of Georgia. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Florida [Mrs. THURMAN], one of the original cosponsors of this amendment.

(Mrs. THURMAN asked and was given permission to revise and extend her remarks.)

Mrs. THURMAN. Mr. Chairman, the Republicans pledged to enact a tough welfare reform bill. The Republican plan is more than tough. It is downright cruel. It is brutal to children, the elderly and families that are trying to get back on their feet.

The bottom line here is that the Republican plan takes food out of the mouths of hungry children, children whose only sin is having parents who are working through tough times or elderly folks who have to make daily decisions between buying food or medicine.

Let us set the record straight right now. This not about welfare cheats. This is about food. Make no mistake, $25 billion in cuts in food stamps alone means less food for children and the elderly.

Oh, we have heard the excuses over the weeks. A little here, a little there, it will not hurt anybody. But when a child misses a meal, it hurts that child. It hurts me. And, Mr. Chairman, it should hurt my colleagues on both sides of the aisle because the bill threatens the very future of our society.

I stand up tonight to say this is wrong. Our children are our future. When we sacrifice their well-being, we sacrifice the future of America. The Republican plan will cause children to suffer from cognitive development problems due to malnutrition. They do not eat; they do not learn. They grow up hungry, and they cannot get a job. Then where do we stand?

The Republican plan reduces the ability of hungry people to buy food. In a few years, food stamp benefits will fall below the amount needed to purchase the thrifty food plan, the bare-bones plan that was developed under the Nixon and Ford administrations. What this means is that, first, kids get no butter on their bread, then no bread on their plates, then no vegetable, then no meat. And, finally, the people of the Third World will be watching our starving children on the evening news.

Today, the benefit level is set at 103 percent of that thrifty food plan cost. The Deal plan does drop it to 102 percent but guarantees that it will never drop below the basic benefit level. The Deal plan provides the safety net for those who need it the most. Here is the Deal safety net. Here is the Republican safety net disappearing quickly.

The goal of welfare reform should be to create the most effective welfare system. I beg you to vote for the Deal plan.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the Deal substitute is as weak as water on the subject of work. They say that it is work first. It ought to be called job search first. If you listen closely, they keep talking about job search. They keep talking about work-related activity.

Under the Deal substitute, a person could spend up to 2 years in job search without ever doing any real work. And, ladies and gentlemen, looking is not working.

Then the Deal substitute has a loophole big enough for 500,000 welfare recipients to walk through. You see, caseload attrition counts as work participation. It is a kind of caseload revolving door. One person going on and off the rolls three times in a year would count as three people going to work. The Republican plan requires not only real work but a real net decrease in the caseload.

The Deal substitute does virtually nothing on the subject of illegitimacy and out-of-wedlock births, though the President himself has admitted the clear link between welfare and out-of-wedlock births.

Incredibly, the Deal substitute raises taxes on working moms with children, over $2 billion at the very time we are trying to provide tax relief for the American family. The Deal substitute has spending increases. It is going to cost $2 billion more over the next 5 years, while the GOP plan saves billions of dollars. It is tax and spend again and again, and the American people do not want a welfare reform plan that is going to cost more money.

Mr. SHAW. Mr. Chairman, I yield a minute and a half to the gentleman from Indiana [Mr. MCINTOSH].

Mr. MCINTOSH. Mr. Chairman, I rise in opposition to the Deal amendment.

First, let me say I appreciate the efforts of Mr. DEAL and his colleagues to work towards a welfare bill that would reduce the dependency on welfare, but there are several provisions in there that I find very troubling.

My opposition to the welfare system as we know it today is that I think it ruins the American family. It creates incentives for women to leave their husbands in order to receive benefits, it penalizes families that stick together, and it ultimately undermines the family as an institution in our society.

Provisions in this bill which end up taxing working mothers who are relying on the earned income tax credit and increase the marriage penalty in that program, I think, would be counterproductive.

I also think that allowing a statement that we are going to accept 50 percent illegitimacy rates as being OK sends the wrong signal in this country. We have to be against illegitimacy and strengthen the family and strengthen the roots that it creates in order to overcome the deep social problems that we have in this country.

So, Mr. Chairman, for that reason, I would urge my colleagues to vote against the Deal substitute and stay with the bill that came out of committee.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. CRAMER].

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, I rise in strong support of the Deal substitute, the only deficit reducing welfare reform plan.

Mr. Chairman, we must reform the welfare system from top to bottom. The current system does not work. It was intended to be a safety net for poor children and families, but it has become a burned-out bureaucracy that encourages laziness and discourages people from finding work.

I support welfare reform, and I am going to vote for the strongest plan possible. I am cosponsoring a plan drafted by the coalition,

which is a group I belong to made up of conservative and moderate House Members.

The plan I support is tough but fair. It is the best plan before Congress to get people off welfare and get them into the workforce.

The welfare reform plan I support would:

Impose a 2-year lifetime limit on welfare benefits.

Demand that people who get welfare start their job search immediately upon receiving benefits.

Impose tougher enforcement of child support, with provisions to revoke driver's licenses and withhold income of people who fail to pay child support.

Provide States with funding for job training for recipients so they can get off welfare and into work.

While other welfare proposals have been criticized for cutting the National School Lunch Program, the plan I support does not affect school lunches or any other nutrition program.

The problem with the current welfare system is not the School Lunch Program. The problem is the welfare system doesn't give people any incentive to work.

The plan I support provides benefits for a limited amount of time, during which you must look for a job. No more something for nothing.

My plan is the only one that reduces the deficit. It costs less than the current system, and it specifically directs the savings to go toward deficit reduction. Other plans put their savings toward paying for tax cuts.

This proposal is tough but sensible. It provides reasonable assistance for those in need for a limited amount of time. It provides the means and the incentive to get off welfare and get a job.

The House is expected to hold votes on the coalition's welfare reform plan and competing proposals by Friday afternoon.

Mr. DEAL of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. TANNER], one of the original cosponsors of this legislation.

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Chairman, I want to thank the gentleman from Georgia [Mr. DEAL] and say that the six of us who have been working on this for 3, almost 4 years now, none of us are committee chairmen, none of us are ranking members of a committee, and so the gentleman was right when he said it is really, I think, a tribute to the merit of this work that our staffs and others have done that we are even on the floor tonight.

We looked at our welfare system again about 4 years ago and decided that we needed to change it for three or four reasons.

One, the present system encouraged unwed motherhood, and that is wrong, and we changed that in our bill.

Second, it discouraged two-parent families, and that is wrong, and we changed incentives in the system in this bill.

Third, we knew we had to do child care and some things for kids so that people could accept a job and go to work, and we went about this in a way that was quiet in many respects. But it was like this. We went with one guiding principle, and that is if life, as one man once said, is about nothing else, it is about the dignity that comes with earning one's own way.

Our bill is the only one that really and truly tries to get people back to work with self-sufficiency contracts, with a partnership with the State. We try to fix the things that are wrong with the Federal system before we dump it on the governors and the legislatures and the cities of this Nation.

I have letters from the U.S. Conference of Mayors, the National League of Cities against H.R. 4 because of what they see coming down the road in terms of unfunded mandates. But I am not going to get into all that tonight.

Let me tell you what I am going to talk about with the little time I have got left. Very similar to our bill, 162 Republicans in the last Congress signed a bill just like this, almost like it, and we have been working with them a long time.

The six of us that are sponsors of this bill cannot be accused of being partisan voters. We have had, we collectively have, I would suggest, the most nonpartisan voting record in this House over the time we have been here. And for the criticism that comes from the Republicans tonight on some of the things that they have been for until it was here tonight as our bill, I think, is disgusting and disgusting for this reason. The American people have got enough sense to know that neither party has got a monopoly on wisdom and virtue. And they are tired of partisan gamesmanship and this unbelievable rhetoric at the level that there is, and 162 of you were for it when we had this almost same bill in the last Congress, and now all of a sudden it is bad.

I think it is a shame. I think the American people want this Congress to work for them and do something about our problems. We have got a chance to do it tonight, and I would urge us to lay aside our partisan differences and try to do that.

□ 1915

Mr. SHAW. Mr. Chairman, I would say to the previous speaker that if we started pointing out the good parts, they would start losing votes on that side.

Mr. Chairman, I yield 1½ minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Chairman, I thank the gentleman for yielding time to me.

Let us look at what the Republican bill actually does. It actually requires actual people actually on the welfare case load to work; 2,225,000 people by the beginning of the next decade will have to work under the Republican bill. And it is work as the American people understand work, working at a job.

Let us look at what the Deal bill has. It has job search. It has education and training. It has personal employability plans. Where have we seen that before? In the 1988 welfare bill, which was also called a workfare bill. Do you know how many people are working now that we have had the 1988 bill for 6 years, 26,000 people out of 4½ million people are working. That is how many people are going to be working under the Deal bill. It is the same old wine and it is not even in new bottles. It is the same old wine in the same old bottles.

We are taxing middle-class Americans. We are pouring the money into billions and billions of dollars worth of new bureaucracies, personal employability plans, education and training. No where does the bill define work as work, and nobody will be working.

The bill does nothing about illegitimacy. It allows the illegitimacy rate to continue to grow. It creates new bureaucracies instead of requiring work. It maintains the Federal lock hold on the welfare system. It is the kind of welfare reform that we have had in the past.

Mr. Chairman, it proves that we need not just to end welfare as we know it, we need to end welfare reform as we know it.

Vote for the Republican welfare bill and against the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LATHAM].

Mr. LATHAM. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise to oppose Mr. DEAL's substitute amendment to the Personal Responsibility Act. The current welfare system is fundamentally broken. We must replace it, instead of tinkering around the edges.

The Deal substitute retains ultimate power in the hands of Federal bureaucrats. Allow me to give some examples:

States will still have to come to Washington bureaucrats to get waivers to try anything new or innovative. These waivers can take years to obtain.

The Deal substitute also preserves the Federal bureaucrats power over work programs. More "Washington Knows Best." Job placement vouchers, work supplementation and workfare are all subject to the blessing of Federal bureaucrats.

I support the Personal Responsibility Act because it will not require Governors—who are far ahead of Washington when it comes to welfare reform—to seek permission from Federal bureaucrats for their innovate welfare-to-work programs.

The bottom line is that the Deal substitute fails to meet the public demand to end welfare as we know it. I urge my colleagues to vote against the Deal substitute.

Mr. SHAW. Mr. Chairman, I yield 1½ minutes to the gentleman from Georgia [Mr. COLLINS], a member of the committee.

Mr. COLLINS of Georgia. Mr. Chairman, I thank the gentleman for yielding time to me.

Members, opportunity knocks only once. But temptation will beat your

door down. The Deal substitute is a temptation. It is a temptation that continues an open-end entitlement program.

What is an entitlement? An entitlement simply means that if you fit the criteria of a program, you are entitled to the money that comes from that program. Should not states have the opportunity to adjust their criteria? No, under the Deal substitute, they continue to be faced with mandates of how to beat that criteria.

States should have the flexibility to adjust. A lot has been said about Governors, Republican Governors, mainly, but I want to mention a Democrat Governor from Georgia, Zell Miller, a real leader in welfare reform.

Just last December, he said, "MAC, when it comes to welfare reform, just send me the money. Even if you have to send it be less, I will handle welfare reform in Georgia." And he has and he will continue to do so.

Let us end the Washington bureaucracy. Let us give the States and the local governments the ability to assist their citizens. Compassion begins at home, my colleagues, not in Washington.

Mr. SHAW. Mr. Chairman, I reserve the balance of my time.

Mr. DEAL of Georgia. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas, Mr. GENE GREEN.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, I rise in support of the Deal amendment.

I support the substitute offered by Representative DEAL which provides real reform of our Nation's welfare system without penalizing children, seniors, or economically disadvantaging people. Congress must provide training and transitional assistance to move Americans from welfare to work. Without providing the helping hand to welfare participants, Congress will force them to make a choice between health care benefits, child care and housing assistance, or work. No one should be forced to pick between their children or work.

We must take charge and reform the welfare system which penalizes families for staying together or trying to obtain work which will cause the loss of several assistance programs. The Deal substitute does provide this assistance in the crucial transition period. A 2-year extension for medical assistance allows a welfare recipient to better their life and keep their health care benefits.

The Deal substitute is tough love but it provides the helping hand for recipients to move on to a better life. Deal requires double the number of people to work than the Republicans do and provides more assistance. While the Republicans claim they are tough on requiring work for welfare, the Deal substitute requires it.

The Deal substitute allows nutrition programs to continue under current law. The Republican bill cuts school lunch and completely changes the entire program. Under the Republican's bill, school breakfast and lunch funding is guaranteed to Governors but there is no guarantee of a school lunch meal for our children. The block grant funding system does not allow for any of this and will force the State of Texas to make up for lost funding either by raising taxes or cutting services. Cutting services means fewer meals.

The Comptroller for the State of Texas estimated a loss of federal revenues of over $1 billion in the next 2 years if the Republican welfare bill is passed. Congress must not force this massive cost shift onto the States. We passed the unfunded mandates but this will be an unfunded mandate beyond any other. The State of Texas will be forced to take charge of programs which the Federal Government is abandoning.

We must not turn our backs on the children, seniors, or any Americans. I support the Deal substitute and I ask for its passage.

Mr. DEAL. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I rise in strong support of the Deal substitute. I have worked with him over the past 6 weeks, and we have looked closely at this bill. And we strongly support this substitute for a real work bill.

Mr. DEAL. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. LEWIS].

(Mr. LEWIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Chairman, I rise in support of the Deal bill.

Mr. DEAL. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I said at the outset that we are the Cinderella team here. We are just pleased to be invited to the ball. We had to come as we were. One of our stepsisters got invited. They were supposed to be the one that wore the shipper. We have taken 2 days and 31 visits to the beauty shop to try to improve their dress, to improve their hair style and to give them a facial makeover.

But we are glad to be invited to the ball. We thank all of you for that opportunity.

Let me address some of the issues that you have stated previously. First of all, we think that unfortunately, if you are going to break welfare, you have to get people to work. You saw the charts that were displayed on this side.

The one glaring error is that on the Republican bill you can count somebody in your work requirements just by simply kicking them off the rolls whether they ever to go work or not. We do not allow that.

Let us look at the percentages here. You will see the percentages. As you notice, one of the makeovers did increase the percentages, but it did not give the States any additional revenue to achieve these goals. If it costs money to get people to work, where is the extra revenue to get them to work? We believe it is one of the largest unfunded mandates that States and communities will ever see.

We have a letter from the Conference of Mayors, indicating they think that it is a shift, made reference to the fact that the Governors, Republican Governors Association endorsed a letter against us. I notice that only eight of them signed it. I thought you had significantly more than that. Maybe they will get around to signing it later.

Let me talk to you about the issue of flexibility. We talk about flexibility, and we talk about funding. This is the funding mechanism. you are not going to be able to get people off of work by cutting child care benefits. You are not going to get people off of work without giving them the incentive for additional transitional Medicaid so that a working mother does not lose the health care for her children. And that costs the money. You have got to have incentives for people to go to work. We do it and we save money.

How much is it going to cost? I want to talk to you about how much it is going to cost.

The CBO scores these things. That is what they are there for, and they are now under the Republicans' control. And we have talked about how much things are going to cost.

CBO has scored both bills, and they have looked at it from the standpoint of are you achieving the goal of getting people off of welfare and into work. What do they say? They say that we can meet our work requirements under the bill and probably not use all of the resources.

What do they say about the Republican version? They simply say that none of the 50 States, including the territories, will be able to reach the goals of work that they schedule.

You can talk about us being able to allow people to look for jobs and job search. Yes, we do require that within 30 days from the time we began. But, gentleman and ladies on the other side, you allow people to sit at home for 2 years and never have to go to work. They do not even have to look in the yellow pages or in the work section of the newspaper.

I would urge Members to look at this bill on the merits. We think it is a substantial improvement over what is being offered.

We are Cinderella, and we believe at the end of the ball we will be wearing the slipper.

Mr. SHAW. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have had a long few days. I think we have had some good moments in this Chamber, and I think we have had some of our worst moments in this Chamber. But I am struck by the fact that no one has come to the floor and defended the status quo. despite the fact that for so many years the Democrats of this House have prevented real welfare reform.

The gentleman from Tennessee who spoke just a few moments ago about

working with us on other legislation. he has. The gentleman from Texas [Mr. STENHOLM] mentioned the child care bill. We worked on that together. and we got good legislation.

The problem is here there is too much politics and there is not enough cure. But let us look for a minute. I want to be very complimentary of the gentleman from Georgia [Mr. DEAL] for doing this and being able to bring about some of the Members of his party who are dead fast against any reform to bring them on board.

You say you have been back and forth to the beauty parlor. Some areas you have sat under the dryer too long. I might say. I think that there are areas that your bill is very commendable. But I am not here to tell you where you did good.

I am here to tell you where you messed up. And I know you messed up because of the compromises that you had to make to bring so many of your Members aboard.

You increase the deficit by $2 billion. This is not a time to do this. The Republican bill decreases the deficit. It adds back to $67 billion. That is a big, big difference.

You increase taxes. That is a mistake in this atmosphere. It is a mistake to increase taxes, and you increase it on over 2 million middle-income families. That is a very, very big mistake. You should not have done it. You should not have weakened to that.

It is weak on work. There is no question about it. When you say someone is looking for work. that counts as work. And you say you are tough on work. All you have to do is go home and say. I am working on my resume or send your resume to be president of General Motors and by God you are looking for work. But that should not score.

On our side we say that you cannot. it is not a question of sitting home 2 years. Many of the Governors today. they provide that you have got to work the first day. You absolutely gut the program that is now in place in places such as Massachusetts and Michigan, where they are requiring them to go to work.

Under the Deal bill they can say. I am getting an education and training. I am not going to go to work. I got 2 years.

Under our bill, the States can say, no. you do not. You are going to work right now. because there is work out there and it is there for you and you are going to be able to take it.

The unfunded mandates and keeping the bureaucracy here in Washington is the greatest tragedy of this bill.

Vote "no" on the Deal bill.

Mr. HOYER. Mr. Chairman, the current welfare system is at odds with the core values Americans share: work, opportunity, family, and responsibility.

Instead of strengthening families and instilling personal responsibility, the system penalizes two-parent families, and lets too many absent parents who owe child support off the hook.

It is long past time to "end welfare as we know it." We need to move beyond political rhetoric, and offer a simple compact that provides people more opportunity in return for more responsibility.

I have a few common-sense criteria which any welfare plan must meet to get my vote.

It must require all able-bodied recipients to work for their benefits.

It must require teenage mothers to live at home or other supervised setting.

It must create a child support enforcement system with teeth so that deadbeat parents support their children.

It must establish a time limit so that welfare benefits are only a temporary means of support.

It must be tough on those who have defrauded the system.

And it must give states maximum flexibility to shape their welfare system to their needs, while upholding the important national objectives I have just listed.

Tuesday, in debate on the House floor, Mr. CASTLE said the Republican bill is a "big bang" approach to changing welfare. He was right—and it's the kids who are getting banged up.

As Governor Mike Lowry of Washington State says regarding the Republican bill, "I recognize the serious need to reshape and revitalize our public welfare system, but I oppose prescriptive Federal mandates that would harm children."

I rise today to support the Deal substitute. This is the only bill before this House which meets my criteria. It is the only bill before us which makes fundamental changes to the current system without hurting children.

The Deal substitute reinforces the values which Americans share: Hard work, self discipline and personal responsibility. It is tough on work, fair to kids, holds recipients accountable to the government, and makes both parents responsible for taking care of their children.

The Deal bill is tougher on work than any proposal before the House. As Governor Tom Carper of Delaware wrote, the Republican bill "will not do what the public is demanding—that is, ensure that welfare recipients work."

Under the Deal bill, each individual coming onto AFDC will be required to sign a comprehensive individualized responsibility plan. This contract outlines what welfare recipients must do in order to receive Government assistance. The plan requires that each recipient begin to look for a job immediately, and work to gain the tools which will move them from welfare to work. Nobody who refuses to work will get benefits.

In addition, the Deal bill requires States to meet higher participation rates than the Republican bill does. The Republican bill would count any kind of caseload reduction towards States' work participation rates, whether people are working or not. Under the Deal bill, people will be given the opportunity to gain the skills they need to get a job—with time limits that create the right incentives to do so.

The Deal bill is also better than the Republican bill for what it does not do—it does not make children pay for the behavior of their parents. As Governor Benjamin Cayetano of Hawaii says, "The Republican proposal will bite into the already overburdened safety nets of State and local government and numerous nonprofit organizations. It will bite into the tight budget of families working hard to get off welfare. And, most unfortunately, it will be the children in these families who will suffer the most."

Unlike the Republican bill, the Deal bill maintains the guarantee that no kid will go to school hungry. The Deal bill budgets enough funding for child care to make sure no kid will be left at home alone when mom and dad go to work. As Governor Dean points out, the Republican bill "not only appears to reduce child care assistance by roughly 20 percent over 4 years, it would not account for projected increases in child care needs for welfare recipients who are required to work under the bill." The Deal bill makes sure welfare recipients can go to work without fearing for their children's safety—a critical element of workable welfare reform.

As Governor Roy Roemer of Colorado points out, "it is unacceptable to expect a parent to enter employment if it means their children's safety and well-being is jeopardized by lack of child care or medical assistance." Governor Gaston Caperton of West Virginia tells us that "we need to eliminate the disincentives to work running through our welfare system, by providing transitional health and child care benefits." Unlike the Republican bill, the Deal bill provides adequate funding for child care, and extends Medicaid eligibility for an additional year to help people move from welfare to work.

The Deal bill also cracks down on deadbeat parents to make sure

they live up to their responsibility to support their kids. It sends a crystal clear message to all Americans: You should not become a parent until you are able to provide and care for your child.

The Deal bill puts the teeth into our child support enforcement system that the Republicans took out of their bill. It includes the provisions Mrs. KENNELLY and I fought for in the Rules Committee last week which withholds or suspends the professional and driver's licenses of people who have not made their child support payments.

The Deal bill will send a strong message that parents—even teenagers—must be responsible for their children. Under this bill, teen mothers will be required to live at home and stay in school. We will send the message that we will support children of teenagers only while their parents are preparing to support them independently.

The Deal bill is also better than the Republican bill for what it does not do. The Republican bill wages an attack on the basic food programs that make sure every child in this country has at least one good meal a day. Despite rhetoric to the contrary, the Republican bill cuts spending for child nutrition programs almost $7 billion below the funding that would be provided by current law.

Do not just rely on me to tell you. Gov. Howard Dean of Vermont says, the Republican bill "would decrease funding, repeal nutritional standards and permit States to siphon off school lunch funds to pay for other programs. This is wrong and it should be stopped in its tracks."

In the Republican bill, funding for the Women, Infants and Children Program is reduced compared to current law—and provisions requiring competitive bidding on baby formula have been removed. That decision alone will take $1 billion of food out of the

mouths of children each year, and put the money in the pockets of big business. This simply defies common sense. No one in America could possibly argue that this is "reform."

The Deal bill maintains the current-law competitive requirements in WIC that save money for the taxpayers—and increase the number of women and children we can help in this program.

The Deal bill also maintains current funding levels for foster care. Adoption and foster care services are already overloaded, and are failing our children. At a time when the need for foster care, group homes, and adoption is likely to rise dramatically, the Republican welfare plan would cut Federal support for foster care and adoption by $4 billion over 5 years.

As Governor Lowry says, "The overall effect of the welfare reform proposal may force more children into foster care; yet the State will have fewer funds to meet this increased need. Moreover, if the funds provided are diverted primarily into foster care, then there will be even less money available for family support and preservation, adoption, finding permanent homes for children, or prevention."

The Republican bill restricts State flexibility. Gov. Mel Carnahan of Missouri says that H.R. 1214 "would undermine the reform that has already begun in States like Missouri" because it would "provide (block grants) with very little flexibility. The legislation is full of micromanagement prescriptions. Furthermore, the funding to achieve true reform and provide for recipients in harsh economic periods would be, at best, uncertain." Governor Dean says that H.R. 1214 "is overly prescriptive by telling States how to design their reforms and who they can serve. It fails to meet the commitment of the leadership to grant States the flexibility we view as critical to successful State-based welfare reform."

As Governor Carnahan says, the Deal bill "acknowledges what is needed to help people move from welfare to work. This measure would emphasize work requirements, bind recipients to an individual responsibility contract in order to receive benefits, and encourage responsible parenting."

Both Democrats and Republicans agree the current welfare system needs to be overhauled. The Deal bill is tough on work without being tough on kids. It represents true welfare reform—not the wealth-fare reform the Republicans propose.

The Deal bill is the change we need to end welfare as we know it. I urge your support for this bill.

I would like to submit the text of these letters from Governors across the country for the RECORD.

OFFICE OF THE GOVERNOR.
Montpelier, VT, March 22, 1995.

Hon. RICHARD GEPHARDT,
Democratic Leader, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GEPHARDT: As the House of Representatives debates welfare reform. I wanted to share with you my concerns about the Republican proposal. H.R. 1214. The Personal Responsibility Act.

Vermont was the first state in the nation to implement a statewide welfare reform initiative that includes both work requirements and time limits. Our goals are to strengthen incentives to work, make dependence on cash assistance transitional, and promote good parenting and individual responsibility. Although our reforms took effect in July we are already seeing encouraging results. In the first six months of operation, the number of employed parents in our program increased by 19 percent and their average monthly earnings grew by 23 percent.

We were hopeful that federal reforms promised by the 104th Congress would complement and propel Vermont's reform initiative. However, after closely following the progress of welfare reform in the House and examining the details of H.R. 1214, I can only conclude that this proposal will deal a severe blow to our efforts in Vermont by shifting responsibility and costs to the states.

First, I believe there is a national interest in protecting children and that a child in Mississippi is no less important than a child in Minnesota. Any welfare reform should embrace this national priority and ensure that children are protected and not penalized for the mistakes of others. The Personal Responsibility Act fails to meet this minimum test of decency and represents a declaration of war on America's children.

The failure of the leadership to meet this test is best illustrated by their proposal to block grant the school lunch program, a program that works and puts food directly into the mouths of hungry children. The bill would decrease funding, repeal national nutrition standards and permit states to siphon off school lunch funds to pay for other programs. This is wrong and it should be stopped dead in its tracks.

Second, states have asked for flexibility to tailor welfare reforms to meet the special circumstances present in every state. H.R. 1214 is overly prescriptive by telling states how to design their reforms and who they can serve. It fails to meet the commitment of the leadership to grant states the flexibility we view as critical to successful state-based welfare reform.

Finally, I am convinced, based on our experience in Vermont, that real welfare reform will not save the states or the federal government money in the short run. If the leadership is serious about moving people from welfare to real and meaningful work, it has missed the mark. Slashing $69 billion dollars over five years from the very programs that would help people transition from welfare to work is a demonstration of the leadership's seriousness of purpose in welfare reform. Without sufficient federal support for true welfare reform, H.R. 1214 is simply another unfunded mandate imposed on the states.

Dick, I stand ready to work with you in any way to improve this bill and I appreciate your leadership on this critical issue. Please feel free to call on me if I can be of any assistance.

Sincerely,

HOWARD DEAN, M.D.
Governor.

EXECUTIVE CHAMBERS.
Honolulu, HI, March 21, 1995.

Hon. RICHARD GEPHARDT,
House Democratic Leader, U.S. Capitol, Washington, DC.

DEAR CONGRESSMAN GEPHARDT: On behalf of the State of Hawaii, I want to express my strong support for the efforts of the House Democrats to craft a bill that would produce meaningful and effective welfare reform.

The State of Hawaii believes that real welfare reform invests in people. This means welfare programs that train people for the kinds of jobs that will allow them to earn a decent living, to live a life off welfare, to be self sufficient. Our state Department of Human Services is taking action to make this kind of program a reality. We have in place programs which require recipients to work part-time while receiving job skills training. This type of program empowers the recipients by providing them with meaningful work experience concurrent to learning more effective job skills. It also will save the state millions of dollars.

Under the House Republican bill, welfare stands a good change of becoming well-unfair. Unfair to welfare recipients who will see basic benefits cut and eligibility standards devised which do not work in the real world. And, unfair to the states who will find themselves paying out of their own pocket for programs mandated, but not funded, by Congress.

On the surface, the House Republican bill's goals of turning 336 welfare programs into 8 block grants sounds appealing. It sounds like common sense. It sounds like government being wise. In reality, the sound bites of the House Republicans are just that—sound bites. The Republican proposal will bite into the already overburdened safety nets of state and local government and numerous nonprofit organizations. It will bite into the tight budget of families working hard to get off welfare. And, most unfortunately, it will be the children in these families who will suffer most.

We in Hawaii cannot let this happen. Our community will not stand idly by while others attempt to hobble our ability to care for our vulnerable populations.

I and other Democratic Governors believe that the health and safety of children should be protected. That means welfare reform with compassion. The House Republicans proposal overlooks this key guiding principle of welfare.

This proposal also restricts a state's ability to gain meaningful welfare reform tailored to the specific needs of an individual state. I stand with my fellow Democratic Governors in asking for significant state flexibility which is free of the bureaucratic prescriptive language and hazy funding mechanisms.

Congressman Gephardt, your leadership in crafting a reality based welfare reform bill is heartily appreciated in the Aloha State. The Democratic Governors have been national leaders in the welfare reform movement, and we stand ready to help you in any way possible to fashion a welfare bill that will emphasize personal responsibility, promote self-sufficiency, provide economic opportunity and encourage families to stay together.

With warmest personal regards.

Very truly yours,

BENJAMIN J. CAYETANO,
Governor.

OFFICE OF THE GOVERNOR.
Jefferson City, MO, March 22, 1995.

Hon. RICHARD GEPHARDT,
House Democratic Leader, Washington, DC.

DEAR DICK: I am writing to express my concerns about the welfare reform proposal, H.R. 1214, scheduled this week for debate on the House floor. Unfortunately, this legislation is not a serious attempt to reform welfare. If passed, it would cause more damage than good to Missourians who are trying to improve their lives.

Democratic governors want to accomplish real welfare reform and understand how to achieve it. It has been Democratic governors who have instituted statewide programs to help recipients break the cycle of dependency and go to work. Democratic governors know that to achieve true change, people must become self-sufficient, find and maintain a job, and be responsible for their families.

The welfare reform legislation that was passed in Missouri last year accomplishes all of these goals and more. Missouri's program emphasizes jobs and self-sufficiency. AFDC recipients, for example must enroll in self-

sufficiency pacts that are time-limit contracts with a 24-month time limit and possible 24-month extension. Minor parents must live in their parent's home to receive AFDC.

Missouri's reform does not stop there. Work is rewarded by allowing families to keep a greater share of the money they earn without experiencing a sudden loss of resources. Wage supplements go to employers who create jobs in low-income neighborhoods. Child care is made accessible for those who go to work. Paternity acknowledgment at birth is increased. Perhaps most importantly, Missouri does not tear away the "safety net" for children. These are the responsible ways to help people to help themselves.

Unfortunately, the same cannot be said for H.R. 1214. Self-sufficiency and work are not emphasized. Support for children is not ensured. In fact, this legislation would undermine the reform that has already begun in states like Missouri. For example:

Block grants (which are by their nature intended to provide flexibility to states) would be provided along with very little flexibility. The legislation is full of micro-management prescriptions that are required of States. Furthermore, the funding to achieve true reform and provide for recipients in harsh economic periods would be, at best, uncertain.

Welfare recipients are denied the training, child care, and health care that are needed to help recipients to qualify for, obtain, and keep jobs. In fact, child care assistance would be reduced approximately 20% over the next five years.

Innocent children would be punished because federal funds could not be used to support children born to a young mother, born to current AFDC recipients, or born into a family that has received AFDC for more than five years. Foster care protections currently in place would be eliminated by this bill and the guarantee of child nutrition programs for low-income children would be eliminated.

These are only a few examples of the problems that are evident with the Republican approach to welfare reform. As for alternative approaches, the proposal put forth by Congressman Nathan Deal (the Individual Responsibility Act of 1995) seems to be a much more legitimate approach to improving the current welfare system. This measure acknowledges what is needed to help people move from welfare to work. This measure would emphasize work requirements, bind recipients to an individual responsibility contract in order to receive benefits, and encourage responsible parenting.

Dick, I appreciate your leadership in trying to achieve true welfare reform. There are ways to reform welfare without punishing those who are less fortunate. I am proud of what we are doing in Missouri and pleased to see many other Democratic governors striving to better serve the people of their states.

Please let me know if there are more ways we can work together with Congress to reward self-sufficieny, hard work, and personal responsibility.

Very truly yours,

MEL CARNAHAN,
Governor.

STATE OF DELAWARE,
OFFICE OF THE GOVERNOR,
March 21, 1995.

Hon. RICHARD GEPHARDT,
Washington, DC.

DEAR DICK: As one of the NGA's two lead governors on welfare reform, let me take this opportunity to bring to your attention my serious concerns about the House Republican welfare plan, H.R. 1214, which I understand will be considered by the House this week.

You may be aware that earlier this year, I announced my statewide welfare reform initiative, "A Better Chance." My plan seeks to ensure that 1) work pays more than welfare; 2) welfare recipients exercise personal responsibility; 3) welfare is transitional; 4) both parents help support a child; and, 5) two-parent families are encouraged, and teenage pregnancy is discouraged.

Under this plan, welfare recipients who go to work will receive an additional year of child care assistance and Medicaid, as well as part of their welfare grants for their families and an individual development account for continuing education, job training, and economic stability. Welfare recipients will be required to sign contracts of mutual responsibility, and a two-year time limit on cash assistance for recipients over 19 will be imposed, after which recipients will be required to work for their AFDC checks. Teenagers will be required to stay in school, immunize their children and participate in parenting education. To discourage teenage pregnancy, I've begun a grassroots and media outreach campaign to convince teens to postpone sexual activity or avoid becoming or making someone else pregnant.

In essence, Delaware's plan contains strong work requirements, addresses the —critical need for child care and health care for poor working families, helps recipients find private-sector jobs, outlines a contract of mutual responsibility between welfare recipients and the state, imposes real time limits on benefits, and lifts barriers to the creation of two-parent families.

As I've reviewed the House Republican plan, H.R. 1214, I believe that it will undercut our efforts in Delaware to enact real welfare reform. As written, H.R. 1214 will not ensure that welfare recipients make the transition to work, will not give states the flexibility needed to enact real welfare reform, and will not assure adequate protection for children.

WORK

The House Republican plan, H.R. 1214, will not ensure that welfare recipients make the transition to work. The litmus test for any real welfare reform is whether or not it adequately answers the following three questions 1) Does it prepare welfare recipients for work? 2) Does it help welfare recipients find a job? 3) Does it enable welfare recipients to maintain a job? The Republican proposal, H.R. 1214, fails to meet this litmus test. This proposal will not do what the public is demanding, that is, ensure that welfare recipients work.

Real, meaningful welfare reform requires recipients to work and my welfare reform plan for Delaware contains stiff work requirements. However, this proposal not only does not include any resources for the creation of private sector jobs, but it would repeal the JOBS program, a program focused on assisting welfare recipients in preparing for and obtaining private sector jobs, and reduce funding for combined AFDC and work requirements. The JOBS program, a central component of the 1988 Family Support Act, received strong bipartisan support from Members of Congress, the Reagan Administration, and the National Governors' Association. The JOBS program in Delaware, "First Step", has been nationally recognized for its success in training and placing thousands of welfare recipients in jobs. While I certainly support greater state flexibility in the use of JOBS funding, I am concerned that the elimination of this program without replacing it with a means for ensuring the transition from welfare to work would reduce the focus of welfare reform on work. I believe that additional resources, not less, should be targeted to ensuring that welfare recipients can successfully make the transition to work.

The Republican proposal, H.R. 1214, will not assure that families who work will be better off than those who don't because it would deny welfare recipients who go to work the child care, health care, and nutrition assistance they need to improve their lives and to keep their children healthy and safe. That is simply impractical and wrong.

For example, H.R. 1214 will not assure child care assistance to welfare recipients who go to work, or participate in job training or job search activities. In my state, I will be requiring welfare recipients to go to work, and to ensure that they can prepare for, find and maintain a job. I will be providing significant new state dollars for child care assistance. However, this legislation not only appears to reduce the child care assistance by roughly 20 percent over five years, but it would not account for projected increases in child care needs for welfare recipients who are required to work under the bill. I believe that it is unrealistic to expect many welfare recipients to keep working or participate in job training if they are not provided some assistance with child care.

Additionally, H.R. 1214 allows the one-year extension of Medicaid benefits for welfare recipients who go to work to expire at the end of fiscal year 1998. The expiration of this provision will remove both the work incentive that this provision provides, as well as the assurance that welfare recipients who go to work and their children can continue to receive health care coverage. I authored the one-year extension of Medicaid benefits which was adopted by the House in the 1988 Family Support Act, and I am disappointed that this legislation would not extend such a work incentive. I would urge consideration of an additional year extension of Medicaid for welfare recipients who go to work, as I am seeking in my federal waiver application.

STATE FLEXIBILITY

The House Republican plan, H.R. 1214, will not give states the flexibility needed to enact real welfare reform. In addition to the roughly $69 billion projected loss in funding for these programs, H.R. 1214 significantly alters the federal-state partnership which has assured both federal and state support for children and families in need. Under H.R. 1214, states would not be able to count on increased federal support during times of recession, to help the thousands, perhaps millions of children and families who will need government assistance.

When I came to the Congress in 1982, I recall the state of our nation's economy. Working families who never thought they'd need the government's support, applied for government assistance. Both the federal and state governments reached out to these families and their children by providing critical support through this difficult time. I am deeply concerned about the next recession, or the next disaster, or the next unforeseen circumstance that will occur in my state, in any of our states or in our country, in which the people in our states will call for our assistance. This proposal makes no attempt to address these unforeseen calamities—it does not include adequate adjustments for recessions, population growth, disasters, and other events that could result in an increased need for services. As you may recall, the welfare reform resolution which was unanimously approved by the governors at the National Governors Association meeting in January called for any block grant proposal to address such factors. I've attached a February 23 letter to Chairman Archer, signed by Governors Thompson, Engler,

Carlson, Dean, Camahan, and me, outlining these and other concerns.

While I recognize that the bill includes a Rainy Day Fund, the meager size of the fund and the fact that it is a loan fund which states are required to repay within three years, rather than a grant to states, makes it a wholly inadequate anti-recessionary tool.

In addition, H.R. 1214 expressly prohibits states from using the funding under the cash assistance block grant to serve children born to unmarried mothers under 18, additional children born to mothers who currently receive AFDC, and children and families who have received AFDC for five years or more. Decisions on which populations to serve should be determined at the state level, not mandated by Congress. These provisions should be modified as state options.

Furthermore, states are required, under H.R. 1214, to reduce AFDC benefits for children for whom paternity is not yet established. I favor requiring full cooperation in paternity establishment as a condition of AFDC receipt, but I believe that this particular provision in H.R. 1214 discriminates against women who have fully cooperated.

I believe that this proposal's significant reduction in funding, lack of a safety net and recessionary tools, as well as its numerous prescriptive mandates, threatens to limit the very flexibility I am seeking to ensure successful reform of the welfare system in my own state, and very likely in other states.

CHILDREN

The House Republican proposal, H.R. 1214, will not assure adequate protection for children because it reduces the federal commitment to some of the country's most vulnerable children in a number of significant ways.

For example, H.R. 1214 eliminates the safety net for children by removing the entitlement status of AFDC. Under H.R. 1214, states are expressly prohibited from using these federal funds to serve millions of children, and the bill does not assure children, whose parents go to work, child care, adequate nutritional assistance, or health care coverage. By requiring states to reduce benefits to children for whom paternity has not yet been established, H.R. 1214 will negatively impact millions of children. The most egregious examples are the bill's dramatically reduced federal commitment to assist disabled children, children in foster care and adoptive placements, and children who are abused and neglected. Historically, Congress determined a federal responsibility to support children placed in foster care who came from AFDC-related households in the same way, parents continue to pay child support while their children are in foster care. To end this relationship is a fundamental change in the federal government's national commitment to children.

In addition, H.R. 1214 reduces the federal commitment to a number of crucial child nutrition programs, namely school lunch and school breakfast, as well as WIC. During my tenure in Congress, I, along with most of my colleagues in the House, strongly supported the school lunch and breakfast programs because these programs have been critical in ensuring childrens' health and nutrition, and also strongly supported fully funding the WIC program. Over the past twenty years, WIC has been a critical program in dramatically improving the nutritional status of mothers and their infants. Proper nutrition during pregnancy and in the early years of life is the most critical element in the development of a child. WIC is cost-effective, as a noted Harvard study demonstrated—every dollar invested in WIC saves three Medicaid dollars. I am disappointed that this legislation reduces WIC funding, and eliminates federal cost containment requirements to competitively bid formula rebate contracts, a provision which reduced WIC costs by a billion dollars in FY94.

I am concerned about the serious negative impact of all of the above provisions on children. None of these provisions are essential to transforming the welfare system and in some instances, e.g. child care reductions and removal of a federal guarantee of child care for welfare recipients who go to work, they will have the direct opposite effect on reform efforts.

It is disturbing to me that children who are most at risk are targeted under this bill—this will only serve to put more children at risk and further exacerbate an already overburdened child welfare system. Early proposals in the Contract with America, spoke to the potential increased need for a safety net of foster care when hard time limits for welfare reform are put in place. To reduce funding for foster care while acknowledging increased demand from the very population federal foster care was designed to protect is illogical at best. Essentially, these provisions are outright discriminatory and unconscionable, and should either be modified or entirely removed from the bill.

In sum, this legislation will not transform the welfare system. Rather, it would severely undercut our efforts to reform the welfare system in my state. As I am seeking to ensure that welfare recipients prepare for, find, and maintain jobs. I am deeply troubled by this legislation's negative effect on reforming the welfare system here and elsewhere.

I am strongly opposed to H.R. 1214 and I would urge Members of Congress to vote against this legislation, and instead, support the Deal substitute, which in my view, represents real welfare reform. Representative Deal's legislation focuses on providing assistance to prepare welfare recipients for work, and to help welfare recipients find and maintain jobs, as well as ensure that work pays more than welfare, which H.R. 1214 fails to do.

Representative Deal's legislation, in contrast to H.R. 1214, appropriately establishes the framework of a federal-state partnership to transform the welfare system by giving the states the flexibility to pursue innovative approaches and the resources to successfully implement work-focused welfare reform.

I appreciate the opportunity to share my concerns with you, and I look forward to continuing to work with you in the effort to transform our nation's welfare system.

Sincerely,

TOM CARPER,
Governor.

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
Olympia, Washington, March 22, 1995.

The Hon. RICHARD GEPHARDT,
House Democratic Leader,
Washington, DC.

DEAR CONGRESSMAN GEPHARDT: I am writing to express my concerns about the proposed Personal Responsibility Act (PRA). I believe this bill, which would essentially dismantle this country's social safety net and replace it with a series of block grants, will be detrimental to Washington State and the nation as a whole. This bill contains a number of provisions that will harm children and likely result in higher, hidden costs to states and local governments.

The welfare reform provisions of this bill would disallow cash assistance to both mother and child when a mother under age 18 bears a child out of wedlock. The bill will also deny additional cash assistance for a child born while a parent is on welfare, bar most legal immigrants from receiving public assistance, and stop aid to families with an adult not cooperating with the child support enforcement system.

While I support the broad program goals of the PRA and recognize the serious need to reshape and revitalize our public welfare system, I oppose prescriptive federal mandates that would harm vulnerable children. I would like to see specific policies in place that protect the well-being and safety of children. This is not a state-by-state interest, but a national one. I favor retaining Aid to Families with Dependent Children (AFDC) as an entitlement program open to any needy family and child who qualifies for benefits.

I am also concerned that block granting will not provide our state with the funding needed to make the radical changes to our welfare system mandated by this legislation. Block granting cash welfare as proposed represents the worst of both worlds—not only reduced funding, but also higher program costs for states to meet expensive conditions and restrictions. If block grants are going to be created then the entitlement nature of the programs must be retained and the prescriptive mandates eliminated. Each state should have the flexibility to determine what reform will work best in that state.

Further, the PRA food and nutrition proposals will be determined to the children of Washington State. Due to effective targeting and outreach, there has been a 43 percent increase in the number of children receiving low and no cost school lunches in Washington State over the past four years. We have enjoyed a 23 percent increase in the number of children eating school breakfasts. The need for these programs by the children of our state is growing at a rate much faster than the graduated increases allowed in the proposed federal legislation. The dollars invested in the entire continuum of food programs, beginning with WIC and continuing through the Child and Adult Care Food, school lunches, breakfasts and summer meals are wisely invested in our children. The quantity and quality of these meals must be protected.

The proposed changes to the child welfare programs will eliminate the entitlement to foster care and adoption support. Again, the block grant funding would be capped by a formula that is calculated to be particularly harmful to Washington State. Under my administration, we have moved dramatically toward local control of many prevention and early intervention programs to address the problems faced by our communities and our youth. The overall effect of the welfare reform proposal may force more children into foster care: yet the state will have fewer funds to meet this increased need. Moreover, if the funds provided are diverted primarily into foster care then there will be even less money available for family support and preservation, adoption, finding permanent homes for children or prevention.

The PRA also proposes denying Supplemental Security Income (SSI) for drug addicts and alcoholics. We believe that any progress states have made in helping and treating this population will unravel with this change. There is a clear need to provide these individuals—many of whom have serious medical problems and who are marginally attached to the workforce—with a basic safety net. Because that need will not disappear, state, city and county resources will be taxed. To support this provision, state and local governments need assurance there will be federal funding available to enhance their capacity to provide these individuals with support services and treatment they need for rehabilitation.

In shaping national policies, flexibility in the design and implementation of reform programs is critical if states are to make optimum use of agency resources and develop strategies and approaches that can achieve maximum results. As Congress considers these issues, I urge you to consider the likely outcomes of these reform measures and to give states the latitude to vary from the current proposal in areas we feel will work for us.

I believe there are several key elements that warrant special attention by decision makers. First, these measures would have a devastating effect on the safety net now in place for many low-income families and children. Because the needs of these individuals will continue and likely grow, it could result in more poverty and more spending by states and local communities when we desperately need less. Passage of the bill could well increase the number of children in foster care and other expensive alternative living situations. I understand the need to challenge parents to take responsibility for their own lives and for the children they bring into this world, but I disagree with the approach taken in the PRA, which would punish children for the shortcomings of their parents.

Second, I welcome the opportunity to tailor programs and services in ways that meet the unique needs of our individual states, but the current proposal to cap block grant funding does not take into account uncertain variables like recessions, higher unemployment and other changes that result in higher costs to states. I would like to see fiscal protections in place beyond the "rainy day" fund to ensure states have adequate resources to meet the needs of low-income families and children.

Third, information technology is fundamental for states to effectively deliver services to clients and meet federal reporting requirements. Federal resources must be brought to bear so that states can make necessary changes to their current information systems as well as keep up with advances in management information technology.

Finally, as Governor of a state with a large, growing and vibrant immigrant population, I am concerned that we not tip the balance against these families. While the intent of the legislation is not cost-shifting to states, that would be its effect. In addition, the well-being of many immigrant families and children could be jeopardized.

I urge you to consider amendments which would protect children and give states the funding and support needed to turn the corner on poverty and dependency. Effective welfare reform must include a license suspension program for child support enforcement, continuation of the child care guarantee, and safety net provisions to protect children if jobs are not available to their parents.

I appreciate this opportunity to raise these concerns on the proposed legislation. I want to work with you to create and shape a public welfare system that can make a positive difference in the lives of those in need.

Sincerely,

MIKE LOWRY,
Governor.

STATE OF COLORADO,
Denver, Colorado, March 22, 1995.

Hon. RICHARD GEPHARDT,
House Democratic Leader,
Washington, DC.

DEAR CONGRESSMAN GEPHARDT: As the House of Representatives initiates its floor debate on welfare reform, I am writing to express my encouragement for the development of a bill that will respond to the needs of the nation's children and at the same time effectively reform the welfare system. The current Republican proposal falls short of these goals in my opinion.

I believe true welfare reform should be based on the following principles:

1 States need maximum flexibility in managing the programs to address their unique circumstances and needs.

2. Moving welfare recipients into employment and keeping them there ought to be the primary goal of any legislation. However, in order to accomplish this goal, there must be upfront investments in education, skill development, and job training.

3. Support services such as child care, medical care, transportation and housing are also critical to successful welfare reform. It is unacceptable to expect a parent to enter employment if it means their children's safety and well being is jeopardized by a lack of child care or medical assistance. These services are costly. For example, in Colorado, a parent with two children, making around $9.50/hour would spend from 25 to 40 percent of their income to purchase child care alone. Even though costly, these services are necessary for parents to obtain and maintain a job.

4. Any legislation must establish a requirement for state fiscal participation in its welfare reform effort. Without this commitment, there will be a tendency for programs to be reduced to the level of available federal funding which will be inadequate. Those states choosing to spend state funds to augment their programs may become magnet states for the population seeking employment opportunities. This "race to the bottom" is a short-sighted approach to public policy.

5. Funding must be adequate to support the total cost of work initiatives and support services cited above. Efforts to balance the budget by reducing the federal participation for these programs either shifts costs to the states or results in inadequate work programs to meet the objective of welfare reform. For example, under the current proposal, Colorado would have to increase state spending by over $200 million over the next five years to maintain its existing programs. Increasing participation in employment programs as required in proposed legislation will expand this cost beyond the savings generated by increased flexibility.

Thank you Congressman Gephardt, for your leadership in trying to craft a bill that will lead to real welfare reform.

Sincerely,

ROY ROMER,
Governor.

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, WV, March 21, 1995.

Hon. RICHARD GEPHARDT,
House of Representatives,
U.S. Capitol, Washington, DC.

DEAR CONGRESSMAN GEPHARDT: I am writing in support of your efforts to craft a sensible welfare reform strategy that encourages and supports personal initiative of people involved in our welfare system.

West Virginia has made great strides in recent years bringing its economy back from an enduring recession in the 1980s. We are adding jobs, our population is up and our unemployment is the lowest in 15 years.

Yet, even in the best of times there are hard-working, honorable West Virginians that are unable to find work. Contrary to most stereotypes, in West Virginia the majority of people on welfare live in families headed by two parents. In spite of a lifetime of various manual jobs, these parents may now lack the skills to work in our changing economy. Or they may be unable to afford the child care or health care insurance needed for their children while working a minimum wage job.

We have both a moral and an economic obligation to help these families help themselves. Arbitrary "cut-off" deadlines will not return these people to work nearly as effectively as creating meaningful economic opportunities for them through education and real work experience. Rather, we need to eliminate the disincentives to work running through our welfare system, such as providing transitional health and child care benefits.

Our state's economy used to rely on natural resources extraction. As in other states, jobs in these sectors are declining while technical and service jobs are increasing. This trend has caused and will continue to cause significant disruption and dislocation to families in our state. As public officials, we need to support, not punish, these families in this increasingly complex and competitive world by creating opportunities and expectations to return to the world of work. I am concerned that current proposals under discussions are long on expectations, but short on opportunity. They must go together.

I look forward to working with you and the members of Congress as you address meaningful and effective welfare reform.

Sincerely,

GASTON CAPERTON,
Governor.

Mr. RICHARDSON. Mr. Chairman, I am proud that Congress this week will be saying no to the status quo and yes to welfare reform.

It is time to get rid of the fraud and abuse in a welfare system designed to help people get back to work.

Democrats have worked hard at finding smart ways to fix a system that has been overcome with problems.

The Democratic bill is tough on fraud, it gets rid of abuse, and most importantly, it gets people to work.

The Democratic bill requires responsibility and accountability, provides real programs to move people into work, and does not punish children.

The Democratic bill ensures that recipients are not penalized for working. It provides temporary medical assistance, expands the use of earned income tax credits, and gives parents necessary child care while working.

The Democratic bill requires that recipients establish an individual responsibility plan to move from assistance to the workforce and if a recipient refuses to work—AFDC benefits will be terminated; this is the sort of responsibility and practicality we must demand.

The democratic bill sets an aggressive and realistic compliance schedule for the States, but also allows States to accommodate economic cycles.

The Democratic bill is tough on child support enforcement—requires a central registry to track support orders, makes interstate enforcement uniform, and enforces income withholding for irresponsible parents.

The Democratic bill makes teen parents responsible without punishing their children—it requires teen parents to live at home and sends benefit checks to a responsible adult; most importantly—it demands that teen parents stay in school and establishes a national campaign to stop teen pregnancy.

Finally, the Democratic bill is fair in its treatment of legal immigrants—legal immigrants who have worked and paid taxes in this country for 5 years and not denied benefits, and all legal immigrants can receive medical care.

I support the Democratic bill because it does not tolerate people who refuse to work or parents who abandon their children; also, it does not seek to destroy families or condemn children who are born poor.

The Democratic bill gets to the heart of the matter; it creates a rational, comprehensive, and compassionate avenue to move people from welfare to work—to truly end welfare as we know it.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Georgia [Mr. DEAL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DEAL of Georgia. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 205, noes 228, not voting 1, as follows:

[Roll No. 266]

AYES—205

Abercrombie	Gephardt	Murtha
Ackerman	Geren	Nadler
Andrews	Gibbons	Neal
Baesler	Gonzalez	Oberstar
Baldacci	Gordon	Obey
Barcia	Green	Olver
Barrett (WI)	Gutierrez	Ortiz
Becerra	Hall (OH)	Orton
Beilenson	Hall (TX)	Owens
Bentsen	Hamilton	Pallone
Berman	Harman	Parker
Bevill	Hastings (FL)	Pastor
Bishop	Hayes	Payne (NJ)
Bonior	Hefner	Payne (VA)
Borski	Hilliard	Pelosi
Boucher	Hinchey	Peterson (FL)
Brewster	Holden	Peterson (MN)
Browder	Hoyer	Pickett
Brown (CA)	Jackson-Lee	Pomeroy
Brown (FL)	Jacobs	Poshard
Brown (OH)	Jefferson	Rahall
Bryant (TX)	Johnson (SD)	Rangel
Cardin	Johnson, E. B.	Reed
Chapman	Johnston	Reynolds
Clay	Kanjorski	Richardson
Clayton	Kaptur	Rivers
Clement	Kennedy (MA)	Roemer
Clyburn	Kennedy (RI)	Rose
Coleman	Kennelly	Roybal-Allard
Collins (IL)	Kildee	Rush
Collins (MI)	Kleczka	Sabo
Condit	Klink	Sanders
Conyers	LaFalce	Sawyer
Costello	Lantos	Schroeder
Coyne	Laughlin	Schumer
Cramer	Levin	Scott
Danner	Lewis (GA)	Serrano
de la Garza	Lincoln	Sisisky
Deal	Lipinski	Skaggs
DeFazio	Lofgren	Skelton
DeLauro	Lowey	Slaughter
Dellums	Luther	Spratt
Deutsch	Maloney	Stark
Dicks	Manton	Stenholm
Dingell	Markey	Stokes
Dixon	Martinez	Studds
Doggett	Mascara	Stupak
Dooley	Matsui	Tanner
Doyle	McCarthy	Tauzin
Durbin	McDermott	Taylor (MS)
Edwards	McHale	Tejeda
Engel	McKinney	Thompson
Eshoo	McNulty	Thornton
Evans	Meehan	Thurman
Farr	Meek	Torres
Fattah	Menendez	Torricelli
Fazio	Mfume	Towns
Fields (LA)	Miller (CA)	Traficant
Filner	Mineta	Velazquez
Flake	Minge	Vento
Foglietta	Mink	Visclosky
Ford	Moakley	Volkmer
Frank (MA)	Mollohan	Ward
Frost	Montgomery	Waters
Furse	Moran	Watt (NC)
Gejdenson	Morella	Waxman
Williams	Woolsey	Yates
Wilson	Wyden	
Wise	Wynn	

NOES—228

Allard	Frelinghuysen	Myers
Archer	Frisa	Myrick
Armey	Funderburk	Nethercutt
Bachus	Gallegly	Neumann
Baker (CA)	Ganske	Ney
Baker (LA)	Gekas	Norwood
Ballenger	Gilchrest	Nussle
Barr	Gillmor	Oxley
Barrett (NE)	Gilman	Packard
Bartlett	Goodlatte	Paxon
Barton	Goodling	Petri
Bass	Goss	Pombo
Bateman	Graham	Porter
Bereuter	Greenwood	Portman
Bilbray	Gunderson	Pryce
Bilirakis	Gutknecht	Quillen
Bliley	Hancock	Quinn
Blute	Hansen	Radanovich
Boehlert	Hastert	Ramstad
Boehner	Hastings (WA)	Regula
Bonilla	Hayworth	Riggs
Bono	Hefley	Roberts
Brownback	Heineman	Rogers
Bryant (TN)	Herger	Rohrabacher
Bunn	Hilleary	Ros-Lehtinen
Bunning	Hobson	Roth
Burr	Hoekstra	Roukema
Burton	Hoke	Royce
Buyer	Horn	Salmon
Callahan	Hostettler	Sanford
Calvert	Houghton	Saxton
Camp	Hunter	Scarborough
Canady	Hutchinson	Schaefer
Castle	Hyde	Schiff
Chabot	Inglis	Seastrand
Chambliss	Istook	Sensenbrenner
Chenoweth	Johnson (CT)	Shadegg
Christensen	Johnson, Sam	Shaw
Chrysler	Jones	Shays
Clinger	Kasich	Shuster
Coble	Kelly	Skeen
Coburn	Kim	Smith (MI)
Collins (GA)	King	Smith (NJ)
Combest	Kingston	Smith (TX)
Cooley	Klug	Smith (WA)
Cox	Knollenberg	Solomon
Crane	Kolbe	Souder
Crapo	LaHood	Spence
Cremeans	Largent	Stearns
Cubin	Latham	Stockman
Cunningham	LaTourette	Stump
Davis	Lazio	Talent
DeLay	Leach	Tate
Diaz-Balart	Lewis (CA)	Taylor (NC)
Dickey	Lewis (KY)	Thomas
Doolittle	Lightfoot	Thornberry
Dornan	Linder	Tiahrt
Dreier	Livingston	Torkildsen
Duncan	LoBiondo	Upton
Dunn	Longley	Vucanovich
Ehlers	Lucas	Waldholtz
Ehrlich	Manzullo	Walker
Emerson	Martini	Walsh
English	McCollum	Wamp
Ensign	McCrery	Watts (OK)
Everett	McDade	Weldon (FL)
Ewing	McHugh	Weldon (PA)
Fawell	McInnis	Weller
Fields (TX)	McIntosh	White
Flanagan	McKeon	Whitfield
Foley	Metcalf	Wicker
Forbes	Meyers	Wolf
Fowler	Mica	Young (AK)
Fox	Miller (FL)	Young (FL)
Franks (CT)	Molinari	Zeliff
Franks (NJ)	Moorhead	Zimmer

NOT VOTING—1

Tucker

□ 1946

Mr. BLILEY changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. MEEK of Florida. Mr. Chairman, I missed rollcall vote No. 265. I was unavoidably detained. If I had been here I would have voted "yes."

PERSONAL EXPLANATION

Mr. TUCKER. Mr. Chairman, I missed the last vote. Had I been here I would have voted "aye."

Ms. FURSE. Mr. Chairman, I support responsible welfare reform that is prowork and prochildren. But H.R. 4—the Republicans' bill—undercuts children and it undercuts work.

We all agree: the current welfare system is broken and needs to be fixed. I am committed to welfare reform that moves people from welfare to work. In order to do that, we must ensure that people receive the necessary support to get off welfare and into liveable-wage jobs.

The Republican proposal does nothing to enable adult welfare recipients to become self-sufficient, and it would hurt their children by denying them the basic necessities of life, including nutrition, shelter, and health care. I am committed to providing those necessities to all children living in poverty while we require their parents to assume responsibility for themselves and their family.

Children must not be victimized by welfare reform. Whatever we may feel about the behavior or situation of their parents, as a nation we must not allow children to become victims.

Our focus must be on eliminating poverty and creating the economic conditions in which jobs can flourish. Any welfare reform effort that limits access to welfare without reducing the need for welfare will only increase poverty and hurt needy families.

Mr. Speaker, we committed $264 billion for production of weapons and preparations for war this year. If our Nation is able to do that, we have a moral responsibility to ensure that our citizens do not go hungry, have adequate housing and access to basic health care, and are given opportunities to work at a living wage.

GETTING PEOPLE OFF WELFARE ROLLS AND INTO JOBS

Welfare reform means requiring and assisting people to move out of dependency and into self-sufficiency. It means getting people off the welfare rolls and into jobs.

From the very first day an individual receives benefits, the central focus of any welfare reform legislation should be work. H.R. 4, however, has no work requirements for the first 2 years benefits are received.

I am disappointed the Deal substitute was rejected tonight. I hope the other body will give its provisions thoughtful consideration.

The Deal substitute required individuals who enter the AFDC program to develop a plan which addresses who they will move into the work force. The Deal approach did not wait for 2 years to address the issue of work, as the Republicans' bill does.

I believe in tough, but fair, work requirements. From the very first day of receiving benefits, individuals will only receive assistance if they play by the rules under the Deal substitute. Those who refuse to work or turn down a bona fide job offer will not receive benefits.

As my State's newspaper, the Oregonian, stated, at a time when national attitudes toward welfare reform focus on linking recipients' assistance to behavior, Oregon has a message to send: incentives help.

We have a Federal waiver in Oregon that allows us to make public assistance to teen parents contingent on their participation in the

Job Opportunities and Basic Skills Program, and the strategy pays off. Four years into the program, 89 percent of teen parents on assistance are cooperating in educational plans or have already completed their high school diplomas or GEDs.

The critical yardstick is how many people are moving off the welfare rolls into self-sufficiency. And it's working in Oregon. Recipients are finding work faster. The State's welfare caseload has actually declined.

H.R. 4 doesn't train people for jobs. Few people can pull themselves up by their bootstraps if they haven't any boots. The reality is that some people not only lack basic skills, but also don't know how to go about looking for work in the first place.

The Deal substitute focused on work. It ensured that a welfare recipient would be better off economically by taking a job than by remaining on welfare. From day one of receiving benefits, its focus was on helping individuals join the work force. It extended the amount of time people could retain their health care benefits after leaving welfare for a private sector job from 1 year to 2 years.

Unlike the Republicans' bill, the Deal substitute added $9 billion to assist States in establishing programs to move people into work. As introduced, the Republicans' bill did include $9.9 billion for work funding but that funding has now been removed.

The Deal substitute provided State and local governments the flexibility and resources necessary to deal with the specific conditions they face and move individuals from welfare to work. The school lunch block grants in H.R. 4 will leave States to bear the burden of increased costs from inflation or increased caseload. H.R. 4 will force States and local governments to bear the financial burden of welfare reform.

The Congressional Budget Office has estimated that under the provisions of H.R. 4, none of the 50 States will be successful in reaching the employment goals of the bill. Their views echo those of scholars who have studied welfare-to-work programs.

The U.S. Conference of Mayors has recognized H.R. 4 as just exactly what it is, a huge cost shift to the State and local governments. People need jobs, but we don't need this unfunded mandate.

FEEDING OUR CHILDREN

I want to talk about the damage H.R. 4 does to our Nation's school lunch programs.

In my State, Oregon, 5,800 students would lose eligibility for free or reduced-price lunches. Currently, 62 percent of Portland students qualify for free or reduced-price lunches. Kids are caught in the middle and will pay a heavy price for this change.

Well-fed children learn better than poorly fed children. These cuts set up a cruel cycle where kids fall behind when they've barely begun to grow. School lunches are an education program, not a welfare program. Until now, they have enjoyed bipartisan support.

This reform is mean-spirited and does direct harm to our children. It means $1.2 million less for Oregon alone next year. It certainly does not take into account increases in enrollment, poverty, and food prices. There are no nutritional guidelines. The block grants in H.R. 4 provide incentives to serve fewer and fewer children.

H.R. 4 decreases the amount of funds that must be spent on poor children. The Republicans' bill requires targeting of 80 percent of the funding for children below 185 percent of poverty, while USDA reports that closer to 90 percent of school meal funds are currently spent on these children.

For a family of four, 185 percent of poverty is $27,380 a year. In 1992, one in four children in America lived in poverty. That was up from one in five in 1987. Cutting the School Lunch Program truly hurts the poor and the working poor.

When Republican leaders talk about defense spending, they expect maintaining existing spending levels as a minimum, adjusted for inflation. When they talk about programs to feed kids, provide medical care for veterans, or retirement security for seniors, they use a different measure. They use phrases like "controlling the growth of programs," which means "feed kids less or feed less kids."

H.R. 4 increases bureaucratic requirements for school lunch providers. It retains most Federal administrative burdens such as meal counting and income verification, adds another layer of State bureaucracy, and requires program managers to establish a system to identify the citizenship and visa status of participants.

The School Lunch Program was established in 1946 to prevent future generations from suffering the malnutrition that disqualified many of the draftees for service during World War II.

Today our national security is just as dependent on the nutrition programs put at risk by H.R. 4. That kind of national security—well-fed children—is of at least equal value to the Pentagon which we continue to feed lavishly.

I do not oppose cutting waste in government. Last week, I tried to offer an amendment to the rescissions bill that would have but $8 billion for cold war weapons systems that are still in their research stage, but are no longer needed. Unfortunately, the Republican leadership did not accept my amendment for consideration.

Mr. Speaker, Jesus said, "Suffer the little children to come unto me, for theirs is the Kingdom of heaven." He did not say, "Make the children suffer."

Let's get our priorities straight.

Mr. VENTO. Mr. Chairman, there are many problems with H.R. 4, the Republican welfare reform bill which patches together disparate policy changes on AFDC, governance, School Lunch, Food Stamps, SSI Disability and numerous other public assistance programs. The GOP welfare measure is punitive without purpose or promise and in the final analysis turns out to be weak on work and tough on children and families. There is nothing in this bill that would successfully move welfare recipients back into the world of work. There are certainly problems with our current welfare system but the GOP policy effort is not going to solve those problems. This bill will punish children and leave people to languish on AFDC for 2 years before they would be required to work or be actively engaged in job search or job training. The Republican bill doesn't have the best interests of children or their families at heart. It perpetuates a cruel hoax and is fundamentally flawed in its core "solutions." Current and former welfare recipients have to fight day by day for child care, health care, education and training, all within the shadow of a welfare stigma to become successful. The Federal Government has a role in helping these people and their children.

Today in our society the number of people earning and holding minimum wage jobs is expanding and increasingly, these minimum and low wage workers can't support themselves and their families. Therefore, such low wage workers slide into the welfare system to make ends meet or to make a transition to a skilled, better compensated position. This phenomenon is a reflection of social, economic and numerous other changes in the latter years of the 20th Century and the shortfalls in existing education, training, unemployment and numerous public assistance programs. We need policies that will help people move off of welfare for good. People need jobs that will pay a livable wage with which they will be able to support themselves and their children. They need the transitional services which will enable them to achieve a stable situation in which they can maintain a home, pay their bills and feed their children. This is common sense and the Federal, State and private sectors ought to be partners in such endeavors. This requires more than cutting off benefits with the notion that you can forcefeed change through such harsh action. A rational policy would start with work so that a person is doing what they can for themselves, fostering independence rather than dependence and passivity. Our purpose must be to change the public assistance system once and for all; to protect children; to empower families; and to take the time honored values of the dignity of work and the significance of the individual and place these values at the core of the policy reforms we shape.

Last Friday, I met with two women from my district, St. Paul, Minnesota, who had received welfare, one is now employed and has moved off of AFDC and the other is about to leave the system. One of these women shared with me her experience prior to receiving assistance when she worked in a minimum wage job, diligently trying to support her child and found she was unable to do so. Most minimum wage jobs do not provide health care benefits and adequate, affordable child care is very difficult to find, perhaps the most important threshold need for the single parent.

Yes, there are problems with the current system and they are especially stark when it comes to making the transition from welfare to work in today's economic environment. We already have long waiting lists for child care in my Minnesota district. Cutting funds for child care programs, which this Republican bill does, flies in the face of that need. Child care is a crucial need for single parent families attempting to move away from dependence on welfare and into productive work.

This Republican bill launches an extreme and broad-based attack on poor children and families. From cutting funds for nutrition programs to reducing funds, incredibly, for families who are maintaining a disabled child at home. There have been problems with the SSI Disability Program, but this bill attacks the program without taking proper account of the needs of disabled children and their families. Congress can do better, we can make changes to the system that ensure that the truly disabled are effectively served. The changes in this bill are focused on change at the bottom link producing enough money for tax breaks for the well off, not empowering families with special challenges to successfully participate and achieve greater independence for individual with disabilities.

In my Minnesota district there is a large population of Southeast Asian immigrants, mostly Hmong from Laos. Many of the Hmong are citizens but some are not because of an unusual problem. It has been estimated that 6,000 to 7,000 noncitizens in Ramsey County, Minnesota will lose benefits under the Republican welfare bill. Most of the Hmong in Minnesota face special obstacles to becoming citizens. The Hmong did not have a written language until more recent times and many, especially the older people among them had their lives disrupted in their homeland of Laos by the Vietnam war. Members of that generation have found it very difficult to learn English and to become U.S. citizens. Many are struggling to learn English and are working to improve the lives of their families, becoming productive members of American society.

This Republican bill hurts the Minnesota Hmong by denying these tax-paying families the regular and usual help accorded others in our society. The significant obstacles which the Hmong face to supporting themselves and their families and in becoming citizens is exaggerated by this poor policy of denying noncitizens assistance. The Republican welfare bill arbitrarily drops people, dumping them on the doorstep of the States and counties in which they live. Minnesota and specifically my area didn't choose to be the home of the Hmong; secondary migration has greatly contributed to this concentration. But the Hmong and other noncitizens will continue to have needs which will have to be met and it will be left to the State and local governments to meet these needs without the Federal Government bearing its share of the burden. I might add that even the regular refugee and new immigrant assistance grants were prematurely curtailed and that non-profit groups have done an outstanding job in helping our communities cope with this challenge.

Yet another policy area of deep concern is child protection services which are overburdened today, reducing these resources will not help children or their families. The GOP cuts to child protection services put children in danger. What alternative would such children have when the monetary and professional resources are not there to help their families change their circumstances? How can a family be held together or a child be removed if they are at risk?

Mr. Chairman, initially I thought there were virtually no positive benefits from the Republican welfare reform bill but then it would be positive for one segment of our society—the affluent. This measure gives new meaning to the phrase, "Women and children first." This bill is fundamentally punitive—punishment for children born into a circumstance not of their making—punishment for mistakes that young women and men make. Will this punitive action result in social justice, or a better society. Visiting the minor parent's sins upon their new born child is a big step backwards, it is beyond the pale of a society which is thought of as civilized. Those working at the community level are worried and we should readily understand why. The real needs persist where the rubber meets the road. That is where the programs are implemented and if the House Republican welfare bill were the law they would not have adequate resources to meet the needs and be strapped with punitive new Republican social engineering policies so contradictory to basic fairness, common sense and decency.

I assume we could all support moving welfare recipients from welfare to work but there is nothing in this Republican welfare bill which will have this effect. This Republican bill has all sorts of requirements. It requires that, after being maintained on AFDC for a certain period, that people work but it does not help facilitate States in meeting such requirements. The Republicans say that this measure will move people off of welfare, off of SSI, off of Food Stamps and reduce spending by nearly $70 billion over 5 years. The question is; where are the children, women and the elderly going? The GOP wants to take away their entitlement, the social safety net of education, training, child care, shelter, medical care and food and admonishes the Congress to trust the States because flexibility and block grants are held forth as a cure for all ailments, that frankly makes no sense. No realistic economic countercyclical capacity exists in this GOP policy. There is no common sense to this Republican policy path. The only cents in this bill are the $70 billion worth of cuts that are being extracted from poor and working American families and bestowed on the affluent through the Republican tax give aways already passed by the Ways and Means Committee. The fiscal deficit won't be helped by this action. The States will experience a trickle down tax increase and America's human deficit; the numbers of kids below the poverty level, the underemployed and unemployed, the malnourished, the abused women and kids, the noncitizens without recourse will grow by leaps and bounds. Mr. Chairman, it is time to stop blaming the poor for being poor—stop our abandonment of people in need and to renew real investment in our greatest asset—the American people. We can't afford to desert people, even those who may have made a mistake or two, certainly not those who are simply born into poverty. Mr. Chairman, it seems in this Chamber that some have strayed far from the common sense path of compassion and human understanding. They profess an understanding of cost in dollars but understand the value of nothing. They are incorrect on all counts. This GOP measure should be defeated.

Mr. YOUNG of Alaska. Mr. Speaker, I voted for the rule on H.R. 4, however, I am deeply disturbed and angered that the Rules Committee has chosen to ignore a major committee which has jurisdiction on issues which affect the daily lives of American Indians and Alaska Natives. Many of my colleagues in the Committee on Resources are very concerned that this body has chosen to overlook the concerns of American Indians and Alaska Natives in the welfare reform bill and how deeply this action will affect them. American Indians and Alaska Natives have contributed much to this great country of ours and yet, again have been placed at the bottom of the totem pole.

I offered a bi-partisan amendment to the Rules Committee, however, my amendment was not accepted. My proposed amendment would have set aside 3 percent of appropriations for block grants to Indian tribes. This would have allowed Indian tribes to operate their own block grant programs on the same basis as states. For those tribes who would have declined to assume this program funding, the funds would have reverted to the state. The State would then operate the program in the tribes service area according to their population. My amendment would have allowed American Indians and Alaska Natives to participate fully in the welfare reform process.

Mr. Speaker, there is an obligation here, a trust obligation of fair and honorable dealings with American Indians and Alaska Native tribes. Tribes have a government to government relationship with the Federal Government and a right to self-determination in the operation of programs intended to benefit Indians. Congress and Presidents Nixon to President Reagan have recognized the special government to government relationship. Yet, the Rules Committee has failed to recognize the long standing trust obligations that this body and the Federal Government have to tribes.

At current time, tribal programs suffer from two problems which handicap tribal social service programs. First, tribes generally can only contract for operation of secondary social service programs, since the Bureau of Indian Affairs programs are secondary and available only if an Indian is not eligible for other generally available programs (AFDC). Consequently, reform of the primary welfare system operating in tribal communities is beyond tribal control. Second, tribal social service programs, such as Indian Child Welfare Act, were funded on a competitive basis for 1 to 3-year terms. This disrupts tribal programs when funding interruptions occur. Despite the problems above, tribally run social service programs generally outperform state operated programs in tribal communities. [Indian Child Welfare: A Status Report (IHS/BIA 1988)].

Efforts by tribes to reform welfare programs have been opposed by the Bureau of Indian Affairs [BIA], which in fiscal year 1994 attempted to cut off funding for tribally initiated Tribal Work Experience Program [TWEP] in the Tanana Chiefs Conference and Tlingit and Haida Central Council regions in my state of Alaska. It is interesting to note for this member of Congress that the Assistant Secretary of Indian Affairs took credit for the very TWEP program the Bureau tried to nullify. Within Indian country there is a consensus that welfare reform is needed and that tribes are best equipped to accomplish that task. By excluding tribes from reform of the primary welfare programs, this Congress has abandoned one segment of society truly in need and supportive of welfare reform.

Tribes have some of the highest levels of poverty in the country. At least 51 percent of all reservation Indian families are below the poverty line. While the merits of the current welfare system can be reasonably debated, there is little doubt that it is not working for Indian people. This bill as written, excludes tribes from the primary welfare program. While

it provides a 3 percent set aside for one program only, the Child Care Block Grant program, the bill excludes funding for tribes in all of the other programs of the bill. Again, this body is not meeting the obligation of trust responsibility to American Indians and Alaska Natives and I must voice my grave concern with this inequity. Thank you for the opportunity to vote my objections in omitting American Indians and Alaska Natives in participating in the welfare reform bill currently being debated by this body.

Mr. RANGEL. Mr. Chairman, during my tenure here in Congress, I have seen and participated in several attempts at reforming welfare. The Democrats have always crafted bipartisan bills and the far-reaching 1988 Family Support Act with its JOBS component is one result of cooperative work between Democrats and Republicans. However, in crafting the Personal Responsibility Act, Republicans apparently do not believe in continuing this bipartisan spirit. Out of the 150 amendments submitted to the Rules Committee, only 33 were accepted. And of the 33, only 7 will be offered by the Democrats with the Republicans offering 26 of their own amendments.

It is a shame that an issue that will impact millions of low-income and poor families in our nation is not debated in a democratic forum. The Republicans continue to exclude us even after they have incorporated some of the Democrats' ideas such as allowing immigrants who are veterans and fought to protect this country access to public assistance if they fall on hard times. And although some of the Republican amendments attempt to correct the mean-spirited provisions such as letting states give vouchers to teen mothers, vouchers cannot pay rent or the bus fare to work.

Critics of our welfare system always divide the poor into two groups: the deserving and the underserving poor. Never before have I seen the so-called reformers exaggerate the underservingness of our poor as I have seen in the past couple of months. The Republicans vilify the poor and uses misinformation to justify their welfare cuts.

The typical AFDC mother is seen as an African American teenage girl who has at least three children and is breeding more for money. This gross exaggeration and misperception is used over and over again. The truth is that only 10–15% stay on welfare continuously for five year or more. The rest cycle on and off welfare, finding jobs but never one secure or stable enough to stay off welfare permanently. These people who look for jobs want to work and need help and training so that they can find secure and permanent jobs. Instead, they are described erroneously as undeserving.

Republicans also argue that out of wedlock births and single parenthood causes poverty which in turn, fuels a host of all these other social problems like crime and moral decay. Their cause and effect equation is all wrong. What they fail to see is that poverty is the source of social problems, and joblessness is what destroys hope and dignity. We need to train these parents and educate their children so that they are able to take advantage of opportunities and overcome poverty.

Welfare reform is about helping and investing in people so that they can become economically independent which is not the same thing as refusing help. The Republican welfare bill will refuse to help AFDC recipients who are looking for jobs, those who are working but need child care, and those who are teen mothers. The Republican bill will deny benefits to: 70,000 children whose mothers are under eighteen; 2.2 million children because of they happen to be born to a family on AFDC; 4.8 million children due to the 5 year cutoff even if their parents cannot find jobs; 3.3 million children because they cannot establish paternity even though they are fully cooperating and the states are slow to officially establish patemity.

By the year 2005, an estimated 6.1 million children will be ineligible for welfare benefits. Is this really welfare reform or is it just refusal to help—a refusal to help poor people and children just for the sake of the bottom line or even worse, to finance a tax cut for families making $200,000 a year.

There has been talk of compassion and tough love but is it compassionate to tell a family who cannot find a decent job in 5 years that they will no longer get benefits? Is it compassionate to tell a legal alien who has been working and contributing in the United States for over 20 years that he can't get public assistance? Is it compassionate to cut money for school lunches for poor children just to save money?

Republicans want to foster personal responsibility in these AFDC recipients but the federal government will be guilty of abrogating our responsibility to the poor families and their children in the United States if we pass the bill.

The Federal government should bear part of the responsibility for ensuring that AFDC recipients find jobs or get training to be more marketable so that they can get jobs. This Republican bill doesn't ensure that they are working but rather, counts people who are cutoff from the welfare rolls as meeting work participation rates even if they do not have jobs. In my book, work participation is about people in jobs, not just kicking them off the rolls.

Beyond this issue of welfare reform is this role of the federal government. We have a necessary role to invest in our people, in our children and to rebuild broken families. It is in our national interest to make sure that American families can contribute and that their children can grow up to be productive citizens.

This so-called Personal Responsibility Act does not invest in our people and help make America more productive. Instead, it denies help to people and cuts funding for programs that feed children and in the long run, the human consequences of this bill will come back to haunt us. This bill encourages joblessness, drug abuse, crime and perpetuates hopelessness. In this case, the Republicans are willing to spend $60,000 a year to lock a kid up in jail but not spend $6,000 to keep that kid in school

This bill is not about investment in our children and country but a conspiracy to end assistance to the neediest Americans.

Mr. DINGELL. Mr. Chairman, several amendments have been offered to improve the unwise and unwarranted provisions of H.R. 4, the Personal Responsibility Act, relating to legal immigrants. Sadly, none of them goes far enough to correct a serious defect in this poorly drafted bill.

The legislation now before us prohibits most legal immigrants from receiving certain welfare benefits, food stamps and Medicaid. It also contains an ill-advised "deeming until citizenship" provision that could render legal immigrants ineligible for benefits under a wide range of federal, state and local programs. This punitive approach, that runs counter to our best traditions of fairness and decency, is strongly opposed by the Catholic Church, the Council of Jewish Federations and a host of other prominent organizations.

As we discuss this issue, I would remind my colleagues that under current law legal immigrants are effectively barred from receiving most welfare benefits for several years after entry. Moreover, they are required to fulfill virtually the same responsibilities as citizens. They must pay taxes, and they can be drafted.

Under the proposed restriction, a legal immigrant, who has been working for years and paying taxes, will be denied assistance if he becomes disabled. Many others who have worked hard but never officially become citizens will be refused coverage for valuable health care services.

For those who assert that legal immigrants represent a drain on Government, I commend to them a study conducted last year by the Urban Institute. The Institute estimated that immigrants contribute $30 billion more in revenue than they collect in services each year. These findings echoed an earlier study by the Federal Reserve Bank of New York showing that immigrant families on average contribute about $2,500 a year more in taxes than they obtain in public services. We should also remember why many immigrants come here. Like many of our ancestors they land on these shores because they want to work and be productive, self-sustaining individuals.

I believe it can only be characterized as callous and mean-spirited to bar taxpaying, law-abiding persons from participating in programs that they must help support.

Refusing benefits to legal immigrants will clearly not translate into savings for everyone. State and local governments will be forced to make increased expenditures as those noncitizens left with no means of support turn to their programs. Under the proposed bill, states and localities are able to deny assistance to legal immigrants. However, I believe the damaging repercussions of such a decision will make them reluctant to do so.

I am sure that state and local officials around the country are surprised to see my colleagues creating these financial burdens less than a week after Congress sent unfunded mandate legislation to President Clinton, which he signed.

Eliminating Medicaid coverage for legal immigrants will be particularly costly to state and local governments, as well as hospitals. 1.7 million noncitizens—many of whom are children—will be forced to let their illnesses go untreated until they become emergencies. As we all know, treating persons on this basis is generally far more expensive than providing routine care.

Past experience shows that it can also be fatal. Two studies that appeared in the New England Journal of Medicine are particularly instructive. One focused on the State of California's decision to terminate Medicaid eligibility for 270,000 people in 1982. Public health experts examined the effect on a number of patients with high blood pressure. Within 6 months of losing coverage, these patients suffered an average increase in blood pressure associated with a four-fold increased risk of death.

Another study focused on New Hampshire's limitation on prescription drug coverage in 1981. This policy change, which was reversed 11 months later, limited people to three prescriptions per months. Among chronically-ill elderly patients nursing home and hospital admissions rose significantly. In fact, the resulting increase in mental health costs alone exceeded the $400,000 savings realized by a ratio of more than a 17 to 1.

It is clear that this poorly drafted legislation will leave states and hospitals with unfair choices. Do they absorb 100% of the costs of providing non-emergency care, or do they only treat legal immigrants on an emergency care basis. Focusing on emergency care potentially risks the health of citizens, as well. In addition, as CBO noted in its cost estimate for this legislation, this approach requires significant federal spending. Medicaid expenditures will be needed to finance emergency services and disproportionate share payments to hospitals.

These are just a few examples of the dangers that America's less fortunate will have to face with passage of H.R. 4. I would welcome the opportunity to work with my colleagues across the aisle to enact well-reasoned and effective welfare reform legislation that does not imperil the children, elderly, and legal immigrants of this nation. However, I refuse to blindly support extreme legislation that is contrary to personal responsibility.

Mr. PACKARD. Mr. Chairman, 30 years of "Great Society" Government handouts has transformed America into a tragic society. Our current welfare system subsidizes illegitimacy and promotes personally destructive behavior. It tears apart the very fabric of our society—the American family.

For too long, liberal lawmakers fooled Americans into believing that big Government programs provide the best solution to poverty. Americans have seen the disastrous results and will no longer tolerate the liberal lie. They know that the so-called welfare safety net is really a web which traps welfare recipients in a cycle of dependency and despair.

Hard-working families have poured more than $5 trillion into this bureaucratic black hole. They demand and deserve more for their money. That is why they overwhelmingly support the Republican Personal Responsibility Act.

Our welfare reform bill works to restore family values by replacing the failed welfare system with compassionate solutions. Our bill offers tough love reforms based on the dignity of work and the strength of family. It breaks the cycle of dependency by promoting personal responsibility and self-worth.

Mr. Chairman, the Personal Responsibility Act emphasizes work and life attitudes to rebuild a family-based society. The family represents the core of our society. We must act now to mend the tattered values blanket before another family gets trapped in the Federal bureaucratic safety net.

Mr. RANGEL. Mr. Chairman, the rule governing debate on H.R. 4—the welfare reform bill—was narrowly passed yesterday. I voted no on that rule with a clear conscience because the rule the Republican majority crafted makes certain that we will never debate the fundamental issues raised by welfare reform. Worried about their ability to keep their own troops in line, the Republicans picked 31—minor and generally non-controversial—amendments for debate.

From a policy perspective, their priorities are baffling. Rather than debate whether to guarantee a safe foster home for abused or neglected children, or discuss whether welfare benefits should be terminated if the person is able and willing to work but cannot find a job, the Republican majority chose to have us debate ways of tracking down deadbeat dads who have died, and sense of the Congress language that blames single-parents for crime, violence and most other ills of our society.

In the interest of full disclosure, let me share with you some of the important amendments that Democrats sought to debate. In each instance, the Republican majority REFUSED to grant our request.

A Stenholm (TX) amendment to require that net reductions from this bill be used for deficit reduction.

A Matsui (CA) and Kennedy (MA) amendment to guarantee foster care and adoption assistance for any child who is abused or neglected.

A Kleczka (WI) and Rangel (NY) amendment to give States the option of waiving the 5-year time limit for any individual who is willing to work, but for whom no job is available.

A Kennelly (CT) amendment stipulating that child care be made available for the children of parents required to participate in work, training or education programs.

A Clayton (NC) amendment to require that an individual employed or participating in a work or workfare program shall be paid at least the minimum wage.

A Hall (OH) amendment to preserve the WIC and school lunch and breakfast programs.

A Kleczka (WI) and Kennelly (CT) amendment to prevent States from reducing cash assistance to a family when the child's paternity has not been established due to a State backlog or inefficiency.

A Levin and Rivers (MI) amendment to pay benefits to a teen mother and her child only if she lives under adult supervision, stays in school and cooperates with paternity establishment.

A Levin (MI) amendment to require all States to report child support obligations to credit bureaus.

A McDermott (WA) amendment to require that a State not terminate a recipient's benefits unless it had made available necessary counseling, education, training, substance abuse treatment, and child care.

A Torricelli (NJ) amendment to preclude States from providing welfare to a family who has not vaccinated their minor children.

A Miller (CA) amendment to require that States continue to comply with national nutritional standards until they develop their own standards that the Secretary of Agriculture approves.

A Rangel (NY) amendment to prohibit the use of Federal funds to displace currently employed workers from their jobs.

These are issues the American people expect us to debate. But we can't because the Republican majority has gagged us. That makes me wonder, why are the Republicans afraid to vote on these amendments? Are they simply playing politics or are they interested in true welfare reform? The American people can judge.

Mr. GIBBONS. Mr. Chairman, my Republican colleagues have chafed at suggestions that their welfare reform bill—H.R. 4—is cruel to children. I say again what I have said on the floor: The truth hurts. Let me list for you just ten examples of the cruel policies embedded in the Republican Contract on America:

10. It punishes the child (until the mother is 18 years old) for being born out-of-wedlock to a young parent (title I). Number of children punished: 70,000.

9. It punishes a child—for his entire childhood—for the sin of being born to a family on welfare, even though the child didn't ask to be born (title I). Number of children punished: 2.2 million.

8. It punishes a child—by denying cash aid—when a State drags its feet on paternity establishment (title I). Number of children punished: 3.3 million.

7. It leaves children holding the bag if the State runs out of Federal money (title I). Number of children punished: ?

6. It does not assure safe child care for children when their parents work (title I). Number of children punished: 401,600.

5. It allows children to die while in State care without requiring any State accountability beyond reporting the death (title II). Number of children punished: ?

4. It throws some medically disabled children off SSI because of bureaucratic technicalities (title IV). Number of children punished: 75,943.

3. It denies SSI benefits to children who didn't become disabled soon enough (title IV). Number of children punished: 612,800.

2. There is no guarantee of foster care for children who are abused or neglected (title II). Number of children punished: ?

1. It cuts aid to poor children to pay for tax cuts for the rich. Number of children punished: 15 million.

Is this a cruel bill? I suggest my colleagues ask those 15 million children. There is no question in my mind. Taking $70 billion dollars from programs for poor children to pay for tax cuts for the rich is—without question—cruel.

Mr. FORD. Mr. Chairman, since introducing H.R. 4, the Republican majority has changed the allocation formula for title I of the welfare reform bill four times. Those changes mean millions to the affected States.

For example, Speaker GINGRICH'S State of Georgia gained $45 million after backroom negotiations produced a new formula in the Rules Committee. Those same private deals reduced California's block grant funding over 5 years by $670 million. In every public discussion of the bill, California's share was higher. And, on the way to the Rules Committee, New York lost $275 million.

But that's not all; there's more. After criticism that the subcommittee bill looked like a sweetheart deal for two Republican Govemors—in Michigan and Wisconsin—the formula was revised. Michigan lost $430 million and Wisconsin lost $200 million. By the time the bill got to the Rules Committee, Michigan had recouped $225 million of what they lost. Wisconsin was still nearly $200 million in the hole.

And, Representative BILL ARCHER (R-TX) must have been persuasive in those behind-closed-doors caucuses that Republicans held. By the time the bill left Ways and Means, he had gathered up more than $20 million for his home State of Texas and—surprise, surprise—he held on to most of it in the Rules Committee.

The facts are simple. Under the latest formula, 17 States get less money than the Ways and Means Committee approved; 32 States are winners. The losers are: Alabama, Arizona, California, Colorado, Florida, Guam, Illinois, Indiana, Iowa, Maryland, Minnesota, Missouri, New Mexico, New York, Texas, Virgin Islands, and West Virginia.

For the record, every time the Republicans changed the formula, four States got less. They are: Iowa, Maryland, Minnesota, and West Virginia. Eight States were winners every time. They are: District of Columbia, Hawaii, Idaho, Kansas, Nevada, Puerto Rico, Rhode Island, and Virginia.

And the important point for the American people to understand is this: All of these changes happened without 1 minute of public discussion. So much for government in the sunshine. I guess the Republican majority thinks secret closed-door meetings are OK—so long as they are the ones having the meetings and making the deals. The American people deserve better.

Mr. SHAW. Mr. Chairman. I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CALVERT), having assumed the chair), Mr. LINDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 26 AND H.R. 209

Mr. CHRYSLER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 26 and H.R. 209.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PUTTING AMERICA'S CHILDREN AT RISK

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. FALEOMAVAEGA. Mr. Speaker, I submit to my distinguished colleagues in this chamber that the lives and well-being of some 21.6 million of our nation's children are at risk if we are to allow the proposed welfare reform bill to pass.

I do not believe there has ever been any disagreement on both sides of the aisle of the need to reform our welfare programs. But to do so with such haste as if there is no tomorrow, or that because the Contract With America must be signed, sealed and nailed to the cross within the 100-day period—literally begs the question of why all the rush? Thank God for the U.S. Senate.

Some of my friends across the aisle have repeatedly said the best way to administer these welfare programs is to let the States do it. And without question some States have been very successful at getting people off the welfare rolls, and give them productive jobs and add more meaning to their lives.

The problem, Mr. Speaker, is that not all States operate with the same efficiency, and I can just imagine that with 50 different bureaucracies, with 50 different sets of laws and regulations, with 50 different state court rulings, with 50 different budgetary priorities—will result in what I suspect will be utter chaos and confusion—and if I'm correct Mr. Speaker, when you block-grant a federal program to a state, that state does not necessarily have to spend the funds for what Congress had intended—and if that is the case, Mr. Speaker, my heart goes out to those 21.6 million children that are not going to receive the full benefits of such federal programs.

Let us reform our welfare system, Mr. Speaker, but let us do it like we are flying like eagles, and not run around doing so like a bunch of turkeys.

Mr. Speaker, I include for the RECORD newspaper editorials on this subject, as follows:

WHAT SPECIAL INTEREST?

(By Bob Herbert)

MARCH 22, 1995. NY TIMES.—On Sunday more than 1,000 people, many of them children, rallied outside the Capitol in Washington to protest cuts in the school lunch program, which is just one of many excessive and cruel budget proposals the Republican majority in Congress is trying to hammer into law.

The theme of the rally was "Pick on Someone Your Own Size," which was another way of saying that the G.O.P. bully boys might consider spreading the budget-cutting pain around, rather than continuing their obscene offensive against the young, the poor, the crippled, the weak and the helpless.

The Republican reaction to the rally was interesting. Amazing even. Spokesmen for the party denounced the protest organizers as exploiters of children and defenders of special interests. Exploiters of children! What an accusation from a party that is trying to throw poor children off the welfare rolls; a party that would eliminate Federal nutritional standards for school meals; a party that would cut benefits for handicapped children; a party that would reduce protection for abused and neglected children, even though reported cases of abuse and neglect tripled between 1980 and 1992.

Please, a reality check.

And "defenders of special interests"? A Republican in the era of Newt can say that with a straight face? On Monday, Richard L. Berke wrote in The Times:

"Indeed, many Republicans are seeking to punish groups that did not support them in the past to insure that they are never again abandoned. While Democrats have never been timid about hitting up lobbyists, Republicans are going even further, to the point of dictating whom business groups should hire."

The cold truth is that the Republicans currently in Congress are raising the phenomenon of special interests to dangerous new heights. The lead paragraph on a Washington Post article on March 12 said:

"The day before the Republicans formally took control of Congress, Rep. Tom DeLay strolled to a meeting in the rear conference room of his spacious new leadership suite on the first floor of the Capitol. The dapper Texas Congressman, soon to be sworn in as House majority whip, saw before him a group of lobbyists representing some of the biggest companies in America, assembled on mismatched chairs amid packing boxes, a huge, unplugged copying machine and constantly ringing telephones."

The eager lobbyists had wasted no time in taking up Mr. DeLay's offer to collaborate in the drafting of legislation that would scrap Federal safety and environmental rules that big business felt were too tough. When the bill and the debate moved to the House floor, the Post story said, "lobbyists hovered nearby, tapping out talking points on a laptop computer for delivery to Republican floor leaders."

The mind boggles at the very idea of a Gingrich Republican criticizing anyone as a captive of special interests. Republicans in the era of Newt aggressively hunt down special interests and demand to be taken captive. If, of course, those interests have lots of money.

And when it comes time to make sacrifices to bring the Federal deficit under control, those interests are spared. No pain inflicted there. The Republican zeal for budget cuts comes to an abrupt halt in the face of the real special interests. The so-called Contract With America is actually a contract with big business. Keep in mind the lobbyists writing legislation in Tom DeLay's office. They weren't representatives of the American people, poor or middle class. They represented the real beneficiaries of the contract.

According to the National Center for Children in Poverty, 24 percent of all American children under the age of 6 are poor. Under the twisted values of the new Republican majority, these children become like wounded swimmers in shark-infested waters. Their very vulnerability is a signal that they should be attacked.

James Weill, general counsel of the Children's Defense League, said, "They are taking that part of the American population that is in the deepest trouble to begin with, the group with the highest poverty, the greatest vulnerability, and because they are so politically powerless they are attacking them the most. That, to me, is the worst aspect of what they are doing."

HOUSE TAKES UP LEGISLATION TO DISMANTLE SOCIAL PROGRAMS

(By Robert Pear)

WASHINGTON, March 21.—The House of Representatives today took up sweeping legislation that would dismantle many elements of the social welfare systems put in place by the Federal Government over the last 60 years.

There was little suspense about the outcome; Republicans predicted that the bill would be approved late this week on a party-line vote.

"Based on the hysterical cries of those who seek to defend the failed welfare state, you would have thought Republicans were eliminating welfare in its entirety," rather than just slowing its growth, said Representative Bill Archer, the Texas Republican who is chairman of the Ways and Means Committee.

Mr. Archer, declaring that "the Republican welfare revolution is at hand," said the Republican bill sought "the broadest overhaul of welfare ever proposed."

For their part, Democrats acknowledged that their substitute measure had little chance of passage but predicted that they would make political gains in the debate by attacking the Republicans as cruel to children. Representative John Lewis, Democrat of Georgia, for instance, infuriated the Republicans when he said their "onslaught" on children, poor people and the disabled was reminiscent of crimes committed in Nazi Germany.

[Mrs. SCHROEDER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

[Mr. MILLER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KLINK] is recognized for 5 minutes.

[Mr. KLINK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Ms. SLAUGHTER] is recognized for 5 minutes.

[Ms. SLAUGHTER addressed the House. Her remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. HILLIARD] is recognized for 5 minutes.

[Mr. HILLIARD addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico [Mr. ROMERO-BARCELÓ] is recognized for 5 minutes.

[Mr. ROMERO-BARCELÓ addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. MANTON] is recognized for 5 minutes.

[Mr. MANTON addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. CARDIN] is recognized for 5 minutes.

[Mr. CARDIN addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. ORTON] is recognized for 5 minutes.

[Mr. ORTON addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. FIELDS] is recognized for 5 minutes.

[Mr. FIELDS addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. All Members having been called, no one is seeking additional time under the 5-minute rule.

CAUSES OF POVERTY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Vermont [Mr. SANDERS] is recognized for 35 minutes as the designee of the minority leader.

Mr. SANDERS. Mr. Speaker, I am pleased to be joined tonight by several other Members who will be speaking in a moment.

Mr. Speaker, most of the discussion today dealt with the need for welfare reform, of which there is not a whole lot of disagreement, but I was rather shocked at how superficial in many ways the discussion about welfare reform today has been.

Illegitimate children and the problem of drug addiction and the very serious crime problem that we face as a Nation are not the causes of poverty and are not the causes of the need for welfare. Rather, to a large degree, it is the reverse, the opposite that is true.

In many respects, our country is becoming a poorer and poorer Nation. And not to talk about the causes of poverty, the loss of millions of good-paying manufacturing jobs, the decline in the wages that our working people are receiving, the growth of low-wage jobs, not to talk about that reality when we talk about welfare is absolutely absurd.

Mr. Speaker, between 1979 and 1992, the number of full-time workers earning wages under the poverty line increased from 12 to 18 percent. Eighteen percent of our workers now are earning poverty wages. Between 1990 and 1992, half of the women in the United States who found full-time jobs were earning the poverty wage.

Mr. HOKE. Mr. Sanders, would you be willing to engage in a debate on precisely this point?

Mr. SANDERS. I will tell you what. We have only 35 minutes, and we have got four of us here. I would really love to do that. And if we do agree to do it sometime later this week or next week, I really would love to do that.

But we have got four people. We do not have Rush Limbaugh and G. Gordon Liddy.

Mr. HOKE. You have got the Washington Post.

Mr. SANDERS. I think not. I think not. But I thank you. I would love to do it. I really would.

Mr. HOKE. Thank you.

Mr. SANDERS. In terms of welfare, not to understand that the $4.25 minimum wage today is virtually a starvation wage which forces people into welfare is not to understand the reality of what is going on in America today. The minimum wage today is 20 percent lower in purchasing power than it was in 1970.

If we are serious, it seems to me, about welfare reform, then we must begin to talk about a real jobs program which rebuilds America. There is an enormous amount of work that could be done. We could take people off of welfare and put them to work rebuilding America, but we are not hearing that discussion from our Republican friends.

If we are serious about welfare reform, we must talk about raising the minimum wage to a living wage so people can escape from poverty and earn enough money to take care of their children.

If we are serious about welfare reform, we must improve our child care capabilities. What mother, what father can go out to work and leave his or her children abandoned in a house or an inadequate child care capabilities? That would be wrong.

If we are serious about welfare reform, we must educate our people and provide job training so they can, in fact, go out and earn the wages that they need and the dignity that they want.

The last point I want to make before I give the floor over to my good friend from Ohio [Ms. KAPTUR] is to say that when we talk about welfare reform, which is a very important subject, we should also understand that welfare reform for the poor is only one part of the issue. We should also be talking about welfare reform for the rich and welfare reform for the large multinational corporations.

Studies done by conservative groups such as the CATO Institute, liberal groups like Ralph Nader's Public Citizen, moderate groups like the Democratic Leadership Council's Progressive Policy Institute have demonstrated that there are tens and tens and tens of billions of dollars in welfare that go to the rich and go to the big corporations. So if we are serious about welfare reform, I think it is appropriate we begin that debate as well.

I am now happy to introduce my good friend from Ohio, MARCY KAPTUR.

Ms. KAPTUR. I want to thank Congressman SANDERS for your refreshing point of view and as the only independent Member of the House of Representatives for the extra effort that you put into trying to look behind the curtain and see what is really going on in important programs like the welfare program which is so much in need of reform.

What I liked about the Deal bill that was before us today was it absolutely linked work with welfare reform, and it provided mechanisms to move people into at least reading the want ads, having job conferences, trying to get the skills right away, the minute that the bill went into effect under the Republican version that I guess we will vote on on Friday. You don't even have to read the want ads for two years.

So I like the tight linkage in the measure that we considered earlier today.

But you mentioned women in the work force. And, of course, there are a lot of women and children on welfare in our country today.

And there was a new Brookings Institution study of women who were in their 20's who had received welfare at some point during the late 1970's and 1980's, and what was very interesting about that study was that it showed they did leave welfare. Two-thirds of the people do. But the women earned a median wage of about $5.20 an hour. That is too little to pull a family of three above the poverty line even with full-time work.

And low wages are the reason that two-thirds of those who leave welfare return within 3 years for some period of time, usually to get their footing again, and then they go back out there. I meet these women in my own district, working in bakeries, working in laundromats, working in restaurants.

By the way, nonunion restaurants, where they are not guaranteed of health benefits. But a lot of them fall back on to welfare. They don't want to be there.

I am sure there are loafers on every program, and we have problems with family structure in this country, but let us recognize that for many people and half of the people in my district on welfare work.

What a terrible, terrible indictment of this society that people who go out there, 40, 50, 60 hours a week, are on welfare. The system isn't working for them. In fact, the numbers show that a person who works 40 hours a week, 50 weeks per year at the current $4.25 minimum earns only $8,500 a year, not really enough to support a family.

If the gentleman would just indulge me one extra minute here.

I was thinking as I was driving through my city the other day about my mother's life. And she doesn't get C-SPAN. She doesn't get cable. So she can't hear me tonight. But how her life really differed from those of the women who are growing up in the neighborhoods that she lived in that she grew up as a child.

And the big difference is that the jobs that were there that she could walk to, because no family was more poor than my mother's family poor, Champion Sparkplug is no longer in Toledo. Chase Bank, that was right up the street where my aunt worked, closed its door, moved offshore. The glove factory that my cousin worked at isn't there anymore. Dana Corporation moved 3,500 jobs to Mexico and out of our city. Bostwick Brown. Durwick Corporation. Swift and Armour. All the bicycle manufacturing capacity of the country was moved to Taiwan. When you think about what has happened to people, it isn't easy for them to find good-paying jobs.

Mr. SANDERS. If I could just jump in and say not to understand that reality and when we discuss welfare reform is totally absurd.

If I might, we have been joined by the gentleman from Louisiana [Mr. FIELDS]. An interesting night because we have somebody from the Midwest, somebody from the south. Mr. BECERRA is from California, and I am from Vermont, so I think it should be a good discussion.

□ 2300

Mr. FIELDS, would you like to join us.

Mr. FIELDS of Louisiana. I thank the gentleman from Vermont for yielding. I just wanted to echo some of the sentiments of my colleagues about the need to create jobs and the need to improve the minimum wage. We have people wake up every morning, as each of you know, and they go to work everyday, and at the end of the day they are still poor. It is not because they are lazy, but simply because we need to raise the minimum wage.

We have Members of this Congress who have the gall to walk into this august body making $560 a day and telling people making $680 a month that they do not deserve a minimum wage increase, and then we say we need to get people off of welfare and we need to put people on payrolls. And if we really want to put people on payrolls, I mean, does the gentleman realize last week we took 600,000 or 1.2 million young people off the payrolls? So if you really want to put people on payrolls, you do not do it by cutting summer jobs. So I think all this is all somewhat inconsistent.

But if I may, if the gentleman would yield a few more seconds, I would like to make note of a scroll I received from my district, to change the subject a little bit, because students at Queensborough Elementary School received a lot of criticism, the teachers as well, by Rush Limbaugh, because these students decided to write a scroll and send this scroll to Washington, DC, concerned about their school lunch program. I just take strong issue with anybody criticizing students for writing their Member of Congress.

Mr. SANDERS. Rush Limbaugh is that low income fellow that has a hard time feeding himself, is that the fellow?

Mr. FIELDS of Louisiana. I do not think he has missed a meal.

Mr. SANDERS. That makes $25 million a year, I believe, the same fellow.

Mr. FIELDS of Louisiana. If not more. The problem I have with that, the kids have a right to be concerned about their school nutrition program, because the fact of the matter is if you look at the Republican proposal, there is no nutritional standards in the school nutrition program. Not only that, 20 percent of their money can be used for other purposes.

So I want to thank the gentleman for yielding, and I want to thank these kids and all these teachers for writing these very, very distinguished scrolls.

Mr. SANDERS. I yield to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. I thank the gentleman from Vermont for not only yielding, but also for scheduling this special order and giving us all an opportunity to discuss further some of the aspects of this whole debate we are going through on the contract on America. I am glad I can join my colleagues. Ms. KAPTUR and Mr. FIELDS on this particular debate, because it is very interesting.

We are now at a point where we are discussing so-called welfare reform, and what we find in the bill before us, H.R. 4 on the floor, it is the version, sort of a pseudo-version of what was in the contract on America.

What we find is that the Republicans claim that they are going to save about $66 billion through this welfare reform package, yet they are not going to cut school lunches, day-care. Somehow they are going to save without making cuts they say, but we know in fact they will cut.

But perhaps the most egregious aspect of these cuts is not just that they go after kids, not just that some of these cuts they are making overall go after elderly, not that they go after the disabled, but the use of these cuts. We had yesterday debated on the floor of this House a particular amendment that was supposed to be technical. It was a change that was made, and I know the cameras can't pick this up for our colleagues to see, but what I want to read what that amendment said. This is what we had to spot. It said page 393, strike line 4 and all that follows through line 7. Page 393, strike line 5, strike "technical amendment."

What that line did was it changed what the bill said which required that monies that would be cut and therefore would be available for deficit reduction would no longer be earmarked for deficit reduction, but instead could be used for things like financing tax cuts. Which tax cuts? Well, we know the capital gains tax cut is being proposed under the Republican's contract on America, and they need about $200 billion to pay for these tax cuts.

So all of a sudden we are finding that welfare reform, which is being used by the Republicans to save monies by cutting children's programs, school lunch, by cutting the disabled programs, by cutting programs for the elderly, are going to be used no longer for deficit reduction, as much as you may not have liked all the cuts, but now they are available to be used for tax cults. As the gentleman from Vermont has indicated, most of these tax cuts will

go to the wealthiest Americans earning more than $200,000.

Mr. SANDERS. Next week I believe the tax bill will be coming before the House. Last week the House Committee on Ways and Means, as I understand it, passed a provision, this is hard to believe, especially for people, those real deficit hawks concerned about the large deficit, that would repeal the minimal corporate tax.

Now, some people may remember that in the early 1980's, when the large corporations in America were writing tax law in this country, what we had is the outrage, was the outrage of huge multibillion dollar corporations like General Electric, AT&T, du Pont, wealthy, powerful corporations, who were paying in the early 1980's zero in taxes. Zero in taxes.

Well, the embarrassment became so deep that finally in 1986, a minimal corporate tax was passed that said, corporations, even with all your good lawyers you can go through all the loopholes you have put into the system and you pay nothing in taxes, there has got to be a minimal tax.

Recently, last week, the House Committee on Ways and Means proposed to do away with that minimal tax. But I know that there is another aspect of corporate welfare that has interested Ms. KAPTUR very, very much, and that is the bailout of Mexico. And maybe in terms of the discussion that we are having now, in which last week we cut back, the Republicans voted to cut back on fuel assistance for 5 million Americans, cut back on the WIC program, cut back on senior citizen housing, now, tell us perhaps how could we find $20 billion, not just the Republican problem by the way, how can we find $20 billion to bail out Mexico?

Ms. KAPTUR. I am glad you asked that question Congressman SANDERS, because it is just another one of those Washington miracles that happens without a vote of Congress. As hard as we tried to get the Speaker of this House to bring a bill on the floor to allow us to stop disbursements of additional dollars to Mexico, he would not bring up that bill, because he was a partner to the decisions that were made by the Clinton administration.

Mr. SANDERS. Let us be fair. This was bipartisan leadership.

Ms. KAPTUR. Yes, about six Caucasian men made this decision for 250 million people. And we effectively, the other 432 Members of this body, had nothing to say about it, and it is amazing to me how few people are even raising their voices. And yet $5 billion is out the door, another $15 billion is ready to go, and who knows how much more, because three banks in Mexico collapsed a week and a half ago.

They are having difficulty refinancing their tesobono offerings, and yet our Government could find $20 billion basically to give to Mexico so she could pay her Wall Street creditors, the speculators who are earning 66 percent interest on bonds that they had bought. They should have eaten their losses, as they ate their earnings over the last 5 years. But they have a special call at the Treasury of the people of the United States, and yet the people from my district, 25,000 of them who got their heating assistance cut, they had no special call in Washington. No Washington miracle happened for them. For those millions of kids that will not get a summer job, there was no Washington miracle for them.

Mr. SANDERS. If I might interrupt, Mr. FIELDS from Louisiana, what does it look like when kids are going to see cutbacks in nutrition programs and $20 billion is spent bailing out Mexico?

Mr. FIELDS of Louisiana. It is quite hard to go home and explain to kids in Louisiana that will not have a summer job this summer if this proposal passes the Senate and is signed by the President of the United States of America. It is difficult to stand up in a town hall meeting and tell the parent of a kid who will not have a summer job that we just sent $20 billion to Mexico.

Then to add insult to injury, while we cut domestic aid, we spend $14 billion overseas. It is all right if you live outside of America and you want a summer job, because we are going to spend $14 billion to do it. It is all right if you live outside of America and you want a balanced meal, because we are going to spend $2.2 billion to do that.

The last point I want to make to the gentleman is we spent a lot of time on the balanced budget amendment. We should be spending some time on a balanced meal amendment, because under this proposal that will pass this House tomorrow, there is no standard, no national standard whatsoever. Yes, you got groups looking at it, talking about what should be done in the future, but there is no national standard. I think that is an insult to the children of our country.

Mr. SANDERS. Mr. BECERRA, what does it look like to the people in California?

Mr. BECERRA. Let me tell you, I have a chart here that I would like to go through a bit with all of my colleagues here, because I think it makes a very interesting point. We find that in the contract with America, we have those who gain, and those who lose. And although I think the writing may be a little bit difficult to read from a distance, what we are talking about is in terms of those who gain, $200 billion, well, if you happen to earn more than $75,000 a year, $94 billion of the 200 billion you can expect to go to you. That group of people. Of course, if you earn over $200,000 a year, you find you get the lion's share of that money. Those between $50,000 and 75,000 in income get 51 billion. You start to go to those of $40- to 50,000 income, 24 billion. Income of 30- to 40,000 dollars, you get 22 billion of the 200 billion.

□ 2310

Incomes of 20,000 to 30,000, you are going to get about 13 billion out of an entire 200 billion pot. If you earn less than 20,000, you will get about 5 billion. So when you look at the average American family, incomes probably below 50,000, you see that you get less than a third of all the benefits of these tax cuts that are being proposed in the Contract on America.

That is not bad enough. Let us take a look at who pays: 24 billion is paid for by poor families with children, mostly through the cuts that we are hearing about in the welfare bill that we have, H.R. 4; 2 billion is being taken from abused and neglected children programs; 19 billion is being taken from food stamp recipients, 12 billion is being taken from kinds who lose school lunches, child care and WIC; 21 billion taken from legal aliens.

I want to mention something here. These are individuals who have every night to be in this country. Ultimately will become U.S. citizens once they achieve 5 years in this country. They are law abiding. They pay every single tax that a citizen must pay. They even serve in our armed services defending this country in time of war.

So they are law abiding. They provide every single kind of tax that is a citizen does, yet they are bearing the brunt of the cost in the so-called reform of welfare under the Republican welfare reform bill. We are taking $10 billion from Medicare. We are taking 12 billion from Civil Service pensions, people who have worked, a lot of them, in our military. And we are taking $100 billion in spending cuts yet to be identified. That means, in other words, that those who sponsor the Contract on America have not yet told us where they are getting 100 billion. So clearly those who gain, if you earn over $100,000, you gain. Those who lose, well, usually if you are middle income or low income, you will pay for those tax cuts that are going to go to top, that earn over $100,000 or $200,000.

Mr. SANDERS. If I could just ask the gentleman a question, within the last couple of months there were two very well publicized fundraising events here in the Nation's Capital. On one night, I believe it was about a month ago, the Republican party raised in one night $11 million. On another occasion, Senator GRAMM, who is a Republican candidate for their nomination for president, raised, I believe, over $3 million on one night. On another occasion, Speaker GINGRICH held a fundraiser for his television network at $50,000 a plate.

Now, I find it interesting that the Contract With America, must have been just an oversight, I am sure, just by accident, they forgot to put in campaign finance reform, clearly an oversight, clearly has nothing to do with what you have just been talking about.

In other words, we all understand that this system is dominated by money and big money. When people contribute $11 million in one night, when the wealthiest people in America make those contributions, they are not

doing it because they are nice guys. It is an investment. And the investment that they are making is precisely what Mr. BECERRA was talking about a moment ago. Tax breaks for the rich.

Mr. BECERRA. I think we should point out one particular aspect of that third fundraising event that you mentioned. That is the event where Speaker NEWT GINGRICH helped raise money for his television network that has a political slant to it. That $50,000 a plate dinner was tax deductible. So about a third of the cost of that $50,000 that is contributed for what will ultimately be fairly political activities, is being written off by those wealthy individuals. And who pays? Obviously, the rest of us middle- and low-income taxpayers, because somebody has to make up the cost of that subsidy that we are paying the wealthy individuals to take.

Mr. SANDERS. At the same time as we are talking about defunding public radio and public television.

Ms. KAPTUR, the relationship of campaign finance reform to our discussion.

Ms. KAPTUR. Maybe we could work out a deal for our senior citizens who just got cut off their heating assistance. Maybe we could give them an equal tax cut where they could get a credit just like those companies got that contributed $50,000, did you say, a plate? But we will turn it into a new form of tax credit and refund their winter heating assistance to them in the same why.

I wonder if Speaker GINGRICH would help us amend the tax code in order to help all those seniors across this country who some from northern climates that are going to have a very difficult time paying their bills? It seems to me what is fair is fair. And I do not support that form of back door campaign financing, but I would think we might use the same measure for people who are truly in need.

Mr. SANDERS. Mr. FIELDS, do many of your constituents spend $50,000 for a dinner..

Mr. FIELDS of Louisiana. Very few. As a matter of fact, I do not know any right off the bat, any of my constituents who would spend that kind of money. It goes to show you this whole debate is not about helping poor people and making them self-sufficient. It is about taking as much as possible away from the poor and giving it to the rich.

It is no surprise that 68 percent of these cuts are coming, laying on the backs of poor people and children. And there is certainly no surprise, the fact that we got people who live on trust funds who try to tell people on welfare how to live. When they talk about how they want to make people self-sufficient and then they penalize babies and they say, we are not penalizing babies.

This is not a surprise to me, and I am sure it is no surprise to you that an infant cannot wake up in the morning and buy milk. An infant just cannot do that. When you take milk away from an infant, you are penalizing the baby. You are not penalizing the mother as much as you are penalizing that infant.

Mr. BECERRA. There is something really strange and perverse about a society when we can have people fly from across the country, if they are wealthy enough to come lobby Members of Congress, go out and have lunch. Deduct it because it is a business expense of coming down here, deduct that $50 dollar lunch that they may have, deduct it and come over here and tell us that we should be cutting school lunch programs for kids while they are writing off as a tax deduction a business tax deduction, the cost of a lunch they may have at a very expensive restaurant. What we are doing is, a lot of us are standing up and saying, what is going on here.

We want to reform welfare. We just voted on a Democratic alternative by some Members, more conservative Members of the Democratic Caucus, that would have reformed welfare but what it would have said is, let us make you work. If you are on welfare, it is a transition to get you to work. And let us understand that we have to be realistic. If you have got a daughter or a son and you need to go to work, well, you are going to probably need some day care. So we are going to help you so you can keep that job by providing you with some day care, making sure you do not lose your medical benefits because, obviously, as soon as you lose those medical benefits and you have some problems with the child getting sick, you are going to drop your job and you are going to get back on welfare.

So let us be realistic. Let us reform, but let us make sure in the process of reforming what we are saying is, get to work.

Mr. SANDERS. If I might, I find really one of the more outrageous outrages of the Contract With America is when we talk, every single day on the floor of this House, people talk about the virtues of education. We hear it all of the time. And yet built within the Contract With America are major cutbacks which will make it increasingly difficult for millions of young Americans to afford to go to college.

I am sure the situation is the same in Ohio, Louisiana or California. Certainly it is in Vermont. I am getting letters every day where people say, Congressman SANDERS, do not let them cut back on the Pell grants. That is what keeps me in college. Do not have them force me to pay interest while I am in college on my loans. It means I am going to drop out of college. Do not let them cut back the work study program.

When everybody understands that it is extremely difficult today to earn a good living without a college degree, the shortsightedness and the selfishness of saying to working-class Americans, sorry, we are giving tax breaks to the rich or maybe we are going to put $50 billion in star wars, but for young Americans, I got a letter today, Congressman SANDERS, I am working two jobs, taking a full-time load in my college in Vermont. Do not let them cut back. Yet some people think star wars, tax breaks for the rich, are a greater priority.

I do not understand that at all.

Mr. FIELDS of Louisiana. National Service is a prime example, National Service. The Republican party decided to take money away from National Service, a program that gives young people an opportunity to earn their way through college, not welfare. But a workfare program, a program where young people go to work every morning and work with civic service organizations and then pay their way through college. Cut it out.

Is that real welfare reform? And is that real, is that what we do for our young people in America? I think not. I think that is one of the problems in this country. It is all about what we do for those who have the most.

Mr. SANDERS. Ms. KAPTUR.

Ms. KAPTUR. I wanted to add a comment there on student loans. In the State of Ohio, we literally, in the last month and a half, have had students arrested. I have not seen this in a couple generations. Arrested in our capital city of Columbus, concerned about the fact that what you said, Congressman SANDERS, that the cost of their loans would be going up even more than they have already gone up, that they would have to be paying interest on their borrowings immediately. And we know that even now most of the students that graduate, graduate in huge debt. And when they graduate, what kind of a job can they go to?

□ 2320

A lot of them are going into jobs that are $14,000-a-year jobs, and they are shocked even with a college degree at how little they earn. I know I have talked to people from Congressman FIELD's State, women who work on those shrimp, in those shrimp operations where they are doing I do not know how many hundreds of those things an hour, they all get carpal tunnel syndrome by the time they are in their mid 30s, and they are making about 3 bucks an hour. Now, those are working people and yet they do not earn a living wage, so whether you are a college graduate in this country, loaded up with debt and the contract says we are going to load you up with more debt and more interest or whether you are working in a shrimping operation in Louisiana or in a dry cleaners shop in Toledo, HO, you can't earn a living wage even if you work 40 hours a week.

Mr. SANDERS. I would just simply say, and I say this, by the way, as an independent, and in my view it is wrong just to blame the Republicans and not to hold Democrats in criticism as well, but I think one thing that has disturbed me very much as we discuss the problems facing this country is

that in this recent election in November when the Republicans took power in both houses, all of 38 percent of the American people came out to vote. Sixty-two percent of the people are so turned off by the political system they did not bother to vote. Most poor people in America, many working people in America do not vote. So what ends up happening is you have 38 percent of the people who vote, you have people who contribute huge amounts of money to the political system, they are able to finance candidates of their choice, so you have one whole group is invisible. If you do not vote and you are earning the minimum wage, who do you think is going to care about you? If somebody contributes, they buy a table for $10,000 at the Republican fundraiser, that 10 people will have far more influence over the political process than 20,000 people in Louisiana who are working for minimum wage or farmers in Vermont who are trying to get by on $10,000 a year.

So I would simply hope that we can revitalize the political process. If we increase voter turnout by 20 percent, this institution would be radically different. Mr. BECERRA.

Mr. BECERRA. I thank the gentleman for yielding again.

I think the gentleman from Vermont is hitting on a very important point. I think a lot of us take our time at 11:30 at night to be here to discuss this because obviously we are not just trying to talk to our colleagues but we are also trying to communicate to the American people. We have to make sure we let folks understand what is going on. This Contract that was a political contract lobbied and campaigned upon back in November, what did it mean, and what is happening with that because really when you take a look at what is being done, there really is an inconsistency with trying to be American and promote America, and what is being done in contracts that say things and when you read those find details of the contract, you find something different. The gentleman from Vermont raised an interesting point. We are talking right now over the last week or so about cuts to children's programs, school lunches, other nutrition programs, child care for kids. You have to say what is next. Then all of a sudden you find on the horizon that the next thing is not just on kids, but now it is on our young people that are getting ready to go to college with student loans and student grants where we are going to cut a lot of the moneys that we provide for our young people to afford a college education.

I have got to say one thing here. I have a 22-month-old daughter. I sat down with a financial planner, my wife and I about 3 months ago, 4 months ago, and we asked that financial planner what will it cost us to get our child through college when she grows up. We were told, well, it depends. Public school, you can probably count on something approaching $150,000. Private school, and I was very fortunate to go to Stanford University, they said Stanford University, you can expect to spend about $400,000 for your child to get educated. What is next? Student loans. My goodness.

Mr. SANDERS. I thank the gentleman from California [Mr. BECERRA], the gentleman from Louisiana [Mr. FIELDS], and the gentlewoman from Ohio [Ms. KAPTUR] very much.

WELFARE REFORM

The SPEAKER pro tempore (Mr. CALVERT). Under the Speaker's announced policy of January 4, 1995, the gentleman from Kentucky [Mr. LEWIS], is recognized for 35 minutes as a designee of the majority leader.

Mr. LEWIS of Kentucky. Mr. Speaker, I would like to yield my time right now to my good friend from Ohio to start us off this evening.

Mr. CHABOT. I thank my good friend from Kentucky [Mr. LEWIS], for yielding this time. What we are going to be doing is discussing the welfare system in this country and why Republicans and some Democrats as well believe that the welfare has been so destructive in this country that we feel very strongly that we need to change the welfare system dramatically.

We have heard a lot of Democrats this week, and in fact since I have been a Member of Congress, be cute when they refer to the Contract With America, and they keep saying it is a Contract On America, which is ludicrous.

It is a Contract With America. This is a document that we all signed. After talking with people all across this country, and they said these are the things that we want. If we elect a majority of Republicans, these are the things we would like you to change when you get there.

Well, the people in my district saw fit to send me here, and one of the main things they wanted to change was the welfare system. They realized, I heard over and over again, that the welfare system is wrong. We spend far too much money on welfare, and most of that money is counterproductive. We are hurting more people than we are helping on welfare.

I was a school teacher in Cincinnati for a number of years in an inner city school. I worked for the recreation department in an inner city area, and I saw kids over and over and over again who came from homes where there was no father in the home.

The vast majority of these families did not have a father in the home. They had the government, in effect, as their father. The Federal Government sent a welfare check every month. No father in the home, no father figure. They expected the government to pay for them from basically from cradle to grave, and that is what we have to change.

We have got kids in homes all across this country who never see an adult in the home go to work. We have to change that. The welfare system is broken.

What I think we are hearing on the other side of the aisle, what we have been hearing the past couple of days from particularly the liberal Democrats on the other side of the aisle is the last gasps of a dying philosophy, a philosophy that says the government is the way to go, the government owes everybody a living, people do not have to work, people do not have to be responsible for their own lives, American families are to support other people's kids.

Not only do they have to support their own kids, but the Federal Government takes a large portion of their money, sends it up here to Washington, it gets eaten up in this bureaucracy, this welfare bureaucracy.

Some of it gets sent back to the States, and much of that money is wasted, and it is counterproductive. We have to change that, and that is what we are here to talk about this evening.

I am very pleased that I am joined here by my good friend from Ohio [MARTIN HOKE], and a very good friend from Arizona [J.D. HAYWORTH], who are also going to contribute and talk in this colloquy.

Mr. HOKE. May I ask the gentleman a question?

Mr. CHABOT. Absolutely.

Mr. HOKE. Does this sound familiar? Who said, "I will eliminate welfare as we know it today"? Does that sound familiar?

Mr. CHABOT. I believe it was our President who said that in the campaign a couple of years ago.

Mr. HOKE. A couple years ago, 1992, all summer 1992. Was this a sucker punch?

Mr. LEWIS of Kentucky. Yes.

Mr. HOKE. Is that what was going on? Now, in the 103d Congress I do not recall any welfare reform bill whatsoever ever coming to the floor of this Congress.

Mr. CHABOT. That is exactly right. Of course, that is the same President who told us he was going to give us a middle-class tax cut and then did just the opposite and raised taxes on the American people. That is one reason that the American people said enough and changed Congress and sent folks like us here to change Congress.

Mr. HAYWORTH. If my friends from Ohio would yield, and I recognize my friend from Kentucky controls the time, and as I have been checking in other quarters, a certain school from Kentucky controls the basketball game tonight.

Mr. LEWIS of Kentucky. Good

Mr. HAYWORTH. Between the University of Kentucky and Arizona State. Much to his delight, much to my chagrin. But it really brings forth a description of both that basketball tournament and I believe it is safe to say what has transpired here in the halls of the Congress, and that is March madness that is really without parallel. I

could not help but notice my friends on the other side during the course of their 35-minute special order enlist the help of one of their aides, and I am not here to demean that aide in any ways, but I thought it was very interesting, a scroll that was festooned about his person, I suppose in documentation of the working poor, and I would salute the working poor, indeed we are holding them up and championing their efforts. I listened with interest to the gentlelady from Ohio, but I could not help but notice the similarity of that gentleman working to provide that visual aid, if you will.

□ 2330

And instead of really offering stirring testimony to the working poor, it really resembled someone wearing a bed sheet as a ghost as if this were Halloween, and I could not help notice the parallels because this is what it has come down to, a debate from the other side largely devoid of fact, filled with sentiment, much of it heartfelt, but also much of it, I would say, calculated, designed, to scare everyone in America; first the elderly, then the working poor, and now the children.

Children have been used in this debate as pawns in the political process, teachers requesting that students write letters not born of any heartfelt philosophical viewpoint on the part of the young students, but born of an indoctrination of a failed liberal state.

Again I want to say we are not here to demonize those who are down on their luck. We are not here to discourage the working poor. Quite the contrary. We salute their efforts, but what we are here to do in this 104th Congress is to change for the better a failed system, perhaps noble in its intent, but somehow glaringly ignoble because it deprives the very people it purports to help, it deprives them of their dignity, it deprives them of the opportunity to work, and it robs from them not only their rights as individuals, but their responsibilities in a free society.

Mr. HOKE. I wonder if I could ask you to yield some time here because I thought the gentleman from Vermont began the remarks of the earlier special order with what was a pretty honest beginning, and that was to say that we have not spent enough time actually debating the underlying issue here, and the underlying issue has to do with causation, and, by the way, I think I should point out with respect to the remarks of the gentleman from Vermont, whom I have a lot of respect for, he has pointed out a number of times that he is an Independent and the only Independent in the Congress, but I think it is probably only fair and instructive to state that he votes with the Democrats almost all of the time. His committee seniority is with the Democrats, he sits with the Democrats on the committees that he is on, and, as the mayor of Burlington, he was not an Independent, he was a socialist. So I do not know if that means that the Democrats are not liberal enough for him, but I think that—I mean just in the interests of fairness I think those things ought to be pointed out. But I think he was right to ask the question, "Why aren't we talking more about the root causes," and what he would say is that the root causes of the behaviors, and the behaviors he is talking about I think are illegitimacy, developmental problems in school, the chances of being on welfare as a welfare child becoming a welfare mother herself, a welfare child becoming a male on welfare himself. Those behaviors, he clearly stated, are the result of poverty.

What I would like to do is explore that just a little bit because DANIEL PATRICK MOYNIHAN, Democratic Senator from New York, has written extensively on this, and he wrote in 1964, quote, poverty is the principal reason why these young men fail to meet those physical and mental standards. He was saying poverty is the problem; in 1964 he said that. Then in 1989, in his book "Towards a Post-Industrial Society," he wrote, "Why did I write that this was the result, these behaviors were the result, of poverty in 1965? Why did I write that? Why did I not write that poverty was the result of this; ignorance?"

As Dr. Johnson observed, I do not know how to describe my understanding of social structure a quarter of a century ago except to say that it was not especially formed. He went on to say, "What I had not adequately grasped was the degree to which these unequal distributions of property were, in fact, themselves dependent upon a still more powerful act, the behavior of individuals in communities. In other words, I had not,"—DANIEL PATRICK MOYNIHAN—"I had not myself understood that it is the behaviors that have fundamental impact on the results as opposed to the result, poverty, being the agent that causes the behaviors," and that goes precisely to what the gentleman from Vermont was talking about, and it truly does inform the differences in the debate and the differences in how you can come up with an in-government-we-trust solution, which is what we have gotten from the other side as opposed to in individual responsibility in the private sector, in neighborhoods, in communities we trust, in G-d we trust attitude that we are trying to reform welfare on this side.

Mr. LEWIS of Kentucky. The bottom line is that the War on Poverty has not taken care of poverty. I ask, "Isn't it true we have more poverty now than when we started?"

Mr. CHABOT. That is exactly what has happened.

As my colleagues know, it really started getting out of control during the so-called Great Society, the Lyndon Johnson years in the sixties, and it has grown worse, and worse, and worse, and illegitimacy has grown in tremendous numbers since that time as have welfare payments. They have both been pretty consistently going up, and you know the real tragedy of the way the current system works now is basically our government, under the way welfare works, it makes a deal with welfare mothers all over this country. I says:

"We'll send you a check every month. We'll get you food stamps, free housing, free cash money. You got to do two things though to get this money. No. 1, you got to not work. You're not allowed to work. And the other thing: You can't get married to anybody who works."

Mr. Speaker, that is just a prescription for tragedy, and that is what happened in this country, and that is what we are going to change starting tomorrow.

Mr. HOKE. Can you imagine saying to your daughter as she is reaching the age of maturity, 19, 20, 21, 22, getting ready to leave home; you say, "Well, honey, I want you to know that we will always be here for you. We're always going to be behind you 100 percent, and we're going to support you financially. We're going to be there, you can count on us, but there are two conditions. No. 1 is you've got to agree—it's wonderful you have kids; that's great. But you got to agree you won't get married. And No. 2, you got to agree you won't go to work, and we'll continue to support you."

That is what we do as a Federal Government. We are saying to your son, "Son, listen. You know I'm always going to be there for you, but I want you to know one thing. You can go out and father as many children by as many different women as you want; that's great. But just don't marry them, don't get married, and I don't want you to work either. As long as you do those things, we'll continue to support you."

It is insane, it is perverse. What a perverse norm. What a sick and twisted form of compassion that is. None of us would do that as parents, and yet that is exactly what the Federal Government is doing. How could you possibly expect anything but the kind of results that we are getting?

Mr. LEWIS of Kentucky. Absolutely, and you know the other side keeps saying Contract on America instead of what we actually signed was a Contract With America, and I would like to say right now the Contract With America is not a Republican contract, it is an American contract that the Republicans signed onto to do the will of the American people.

And let me say if there is a Contract on America, it has been the last 30 years of a welfare system that has destroyed individuals and families.

Mr. HAYWORTH. And the incredible observation that we hear from the other side—our good friend from Wisconsin [Mr. ROTH] says it is the yeah-buts. The gentleman from Ohio [Mr. HOKE], my friend, had another description earlier on this. It boggles the mind, and I believe it is summed up in Marvin Olasky's new book entitled,

"The Tragedy of American Compassion," and, Mr. Speaker, it is wonderful to have this time here tonight for a little straight talk among friends and to realize that we are poised to change this system for the better.

□ 2340

Mr. HAYWORTH. I wish we could say that in every circumstance in every human endeavor things will change for the better, but I think that would be both practically and intellectually dishonest. We harbor no delusions that this is a perfect plan. But we have seen the height of imperfection and the notion of tragedy born of the last 30 years of so-called compassion.

To spend in excess of $5 trillion, and understand we are just approaching that in terms of our national debt, and that in itself is a tragedy, but to spend in excess of $5 trillion on programs noble in their intent, since we should always assume the best of those with whom we disagree, but to have them fail so completely.

As has often been noted during the course of this debate, if you were going to declare war on the American family, on responsibility, on our very fabric as a society, you could not have done better than the so-called war on poverty, because it, in essence, changed the scope of how we react as a society; and it took away the notion that for every right there is a responsibility.

Indeed, it seems that now the defenders of the old order would say, "I am, therefore I am entitled," instead of, "I understand as an American that I have rights and those rights are coupled with responsibilities and my rights stretch only as far as the rights of another, and it is my responsibility not to infringe on another's rights."

Instead, now we have a situation where the working poor and those who are not classified in the working poor, those who are fortunate enough to prosper in this society, many who come to this Nation from other shores legally to live the American dream, find themselves paying and paying and paying into this system.

Mr. LEWIS of Kentucky. Mr. HAYWORTH, I just want to add to that. Another tragedy, and you have just led up to that, is that the average family, the working family, we hear the working class and the working family, the working family today is paying on an average 40 percent of their income in State and local and Federal taxes, 40-plus. If you add in the hidden taxes, it is probably reaching close to 50 percent, utility taxes, gasoline taxes. That is a tragedy.

We wonder why mothers and fathers are both having to work. Because they have to pay their Federal bill. That is a burden that cannot go on. And that is why we are trying to fix this system so that we can have good, wholesome, strong, prosperous families all across this Nation.

Mr. CHABOT. That is an excellent point.

The thing that really gets me is when you think of the average middle-class families out there where sometimes one parent, sometimes both parents are working, they are trying to rase their kids, they are obeying the laws, they are paying their taxes and so much of their money comes up here to Washington or in some instances goes to the State capitals. But it goes to government. And then in our welfare system we then send those dollars back to people who basically are not supporting their own kids.

And as the gentleman from Ohio [Mr. HOKE] had said, so many of these fathers are going around fathering kids and are just assuming somebody else is going to take care of their kids. Because that is the way it works, quite frankly. Let us fact it. They are fathering kids now, and they are not supporting those kids, and we are doing it. The taxpayers, the middle-class people out there, are paying higher taxes so they cannot take care of their families to the degree they want to because they are sending their money up here to Washington.

I was watching a program a couple of weeks ago, it was 48 Hours, on welfare reform. I found an excellent segment on there. They had a young woman, single mother in a wheelchair. This woman was working two jobs to support her own kids, and she was saying, "I would not go on welfare. I am going to work as hard as I can. I am going to support my own kids."

But the thing that she was complaining about was that so much of her money was taken in taxes and given to other people who would not support their own kids.

That is not fair. That is what is wrong with the system. That is why we have got to fix it. And we begin to do that tomorrow when we finally vote for welfare reform.

Mr. HOKE. I thought one of the most moving speeches I have heard here recently was from our good friend, the gentleman from Georgia [Mr. NORWOOD] earlier this evening. I do not know if you all heard it, but he spoke about his own father. He spoke about the absolute necessity of fathers in our lives.

I thought of my father, who created an example. He created on a daily basis an example of integrity and character. And when I did not measure up to it, he made sure that I knew it, and he made sure that I was accountable, not always in ways that I particularly appreciated at the time but I do sure appreciate today.

It did occur to me that there is absolutely no substitute for that. There is no substitute whatsoever on Earth. The government cannot be the substitute. There is no substitute.

Mr. HAYWORTH. The gentleman from Ohio [Mr. HOKE] is absolutely right.

And what we have done is we have taken an uncle, Uncle Sam, and not even plugged him as a surrogate father. Instead, we have made him Big Brother in Orwellian fashion, in 1994 instead of 1984.

And now, 1995, we have a significant segment of a once-proud political party engaged in Orwellian newspeak and the tactics of fear, saying that opportunity is somehow perverse, saying that work and responsibility, while giving a rhetorical tip of the cap to those virtues but maintaining that it is the government that is the sole generator of same, and I do not believe that we have seen for those, and I know you have run across people like this.

I think one of the throw-away lines we encounter from time to time is, "There is not a dime's worth of difference between the two major parties." I would beg to differ a great deal.

But the irony will be we will see a number of fair-minded Democrats come with us because, as we have seen on other items in this Contract, when you get away from the smoke and mirrors, when you get away from the Orwellian newspeak, when you get away from the tragedy of a once-proud party now bereft of new ideas, indeed one publication on the Hill said of the Deal plan that the leadership of the other side grudgingly accepted that as an alternative.

Mr. HOKE. I have to share something with you.

Mr. HAYWORTH. Sure.

Mr. HOKE. Name that tune. Name that speaker. Because if we are going to bash the Democrats, and maybe there is something that we can learn here. "The lessons of history confirmed by the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

Who spake those words?

□ 2350

Mr. LEWIS of Kentucky. Franklin D. Roosevelt.

Mr. HOKE. Franklin D. Roosevelt. The father of the modern Democratic Party spoke those words. John Kennedy spoke not dissimilar words in his inaugural address. He inspired me, inspired I know many of my colleagues. And yet somehow that has gone so, so incredibly awry.

I want to share, if I can, one other item, maybe to lighten the mood a little. This is from P.J. O'Rourke, that I think you might enjoy. He says in his preface to the Mystery of Government, "I have only one firm belief about the American political system, and that is this:"

You have to remember P.J. O'Rourke. I feel a very special kinship with P.J., because we are both sort of refugees from the sixties in disguise. I know we do not talk about this very much, but I know there are many on this side of the aisle who also have been reclaimed from the sixties as well.

But he says:

I have only one firm belief about the American political system, and that is this: God is a Republican and Santa Claus is a Democrat.

God is an elderly or, at any rate, middle-aged male, a stern fellow, patriarchal rather than paternal and a great believer in rules and regulations. He holds men strictly accountable for their actions. He has little apparent concern for the material well-being of the disadvantaged. He is politically connected, socially powerful and holds the mortgage on literally everything in the world. God is difficult. God is unsentimental. It is very hard to get into God's heavenly country club.

Santa Claus is another matter. He's cute. He's nonthreatening. He's always cheerful. And he loves animals. He may know who's been naughty and who's been nice, but he never does anything about it. He'd give everyone everything they want without thought of a quid pro quo. He works hard for charities, and he's famously generous to the poor. Santa Claus is preferable to God in every way but one: There is no such thing as Santa Claus.

Thank you, P.J. O'Rourke.

Mr. LEWIS of Kentucky. You know, there is one thing though that I have noticed in the debate the last few days that I do not think our friends on the other side of the aisle are too willing to give, and that is a tax break to the middle class of this country.

Mr. HAYWORTH. What I find amazing, and we do not want to move too quickly, because I think that we have almost numbed the American people, I hope at the end of these 100 days, when we enact these sweeping changes, I know the reaction of the liberal media in this town and the folks who make up this culture, almost diametrically opposed to the reforms we bring, they will try to stifle a yawn and say, "Well, so what?" We can predice that reaction.

But the American people, and this is the key, as my friend from Kentucky points out, the American people recognize that their work helps generate the wealth that they have a stake in that wealth by their very labor, and that they are entitled to keep more of their hard-earned money, and send less of it to Washington, D.C.

My friend from Ohio, from Cincinnati, said it so well, as there is a myopia, or a tunnel vision when it comes to this topic. So many times I have heard other friends, and maybe we just disagree, talk about the money they will quote-unquote "lose" in certain projects, but they fail to understand this: It is not the government's money. The President may have proposed it in the largest tax increase in American history. It may have won by one vote in this Chamber, in the 103d Congress, by one vote in the Chamber in the 103d Congress. It may have been foisted upon the American people in the name of so-called deficit reduction, even though those numbers we know are subject to sleight of hand, or shall we say a charitable interpretation by the White House.

But the fact is, the money does not belong to the Federal Government. It belongs to those who labor those hours, who earn that money, and who give in unparalleled fashion freely, voluntarily, into our tax system, obeying our tax code in so many ways. And it is not the Federal Government's money. It is just interesting to see that interpretation that would be so statused in its approach that it would begin and end with the Federal Government.

To the contrary, we say. It begins with the individual and it end with the individual, and responsibility rests with the individual, working together in corporate fashion, for education, for spiritual enlightenment, and, yes, for government, based on a society of law, and for civil order.

And it is an all-encompassing picture that recognizes the sanctity and the primacy of the individual and the freedom and the liberty he or she enjoys in this Nation, in this constitutional Republic. We place our faith not only in God, but ultimately in the American people to decide what is best for themselves.

Mr. CHABOT. I have heard this, and I think your points are absolutely correct, J.D., and I know we are almost out of time, so we probably need to wrap it up.

I guess a couple points I want to make. One thing is I have heard the term mean-spirited so many times the last couple of days from our colleagues on the other side of the aisle that if I hear it one more time I think I am going to scream. But I think there is no question in my mind that there could be nothing more mean-spirited to the kids of this country than the welfare system that we have got now. It destroys lives; it will continue to do so until we change it. We are ready finally to change it.

The school lunch program, they still keep saying, I heard it tonight, that we are going to cut the school lunch program. We are increasing the funding to the school lunch programs all across this country. What we are doing is we are cutting out the bureaucrats here in Washington, and we are sending the money directly to the States. Let the school teachers and the local school boards and the parents decide how they want to spend their own money. Not our money, their money.

Finally, I think the bottom line, and I have only been here 2 months, but what I have seen from my colleagues such as the gentlemen that are here this evening, the difference I think between this side and the folks on the other side of the aisle, is the bottom line is the folks on the other side over there think that Washington knows best, that the decisions ought to be made up here where we are tonight. We ought to decide how the American people's money should be spent, that Washington knows better than the people all over this country.

I do not believe that. I think the decisions should be made and those families, the moms and dads ought to decide how they want to spend money for their kids, not the bureaucrats up here in Washington. Despite all the rhetoric I have heard, calling us mean spirited, we do not care about kids, for God's sake, I have kids myself, a 5-year-old son and 13-year-old daughter, probably in bed right now so they cannot hear me talking, hopefully, because they have school tomorrow, but I think the American people can see through all this rhetoric.

Mr. HAYWORTH. What is more mean spirited than leaving an ever-increasing debt and burden and responsibility like that on the younger generation and on generations yet unborn? The time to change it is now. The steps are being taken in these first 100 days. We take another major step tomorrow with welfare reform.

Mr. HOKE. STEVE, I absolutely agree with you. I think the American people, I have absolute utter confidence in their ability to discern. They cast their ballots last November. They asked that we keep our word, we keep our promises. We are doing everything we can to do that.

Frankly, I think we are right where we ought to be, we are on the right path. We have to keep our shoulder to the wheel and keep pushing and keep telling the truth, because it is obvious there is a massive disinformation campaign going on. We have got to cut through that.

But you know what? We do not have to do all of that work. We have to do a lot of the work, but the public is not going to be fooled. The people will find out. They will find out on their own. They care enough to discern it, to require the information, and to find it, and I am very confident about that.

Mr. LEWIS of Kentucky. I think it goes back to what I said earlier, that we are keeping a contract that we signed, that the American people gave to us. We found out what they wanted, and we said we are going to do it, and we are. We are going to keep our word and we are going to do it. And we are going to reform the welfare system and make it work for people that have real needs.

Mr. CHABOT. I think the American people are a whole lot smarter than the people on the other side of the aisle give them credit for.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FIELDS of Louisiana) to revise and extend their remarks and include extraneous material:)

Mr. GUTIERREZ, for 5 minutes, today.

Ms. PELOSI, for 5 minutes, today.

Mr. MFUME, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. DELAURO, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

In my State of North Carolina, we call it sleight of hand.

If it was not so sad, it would be very funny.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. CUNNINGHAM). This concludes the 1-minutes this morning. Further 1-minutes will be taken at the end of legislative business.

PERSONAL RESPONSIBILITY ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 119 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4.

□ 1057

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence, with Mr. LINDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, March 23, 1995, the amendment in the nature of a substitute consisting of the text of H.R. 1267 offered by the gentleman from Georgia [Mr. DEAL], had been disposed of.

For what purpose does the gentlewoman from Hawaii [Mrs. MINK] rise?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mrs. MINK of Hawaii:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Stability and Work Act of 1995".

SEC. 2. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 3. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—IMPROVING AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 101. INCREASE IN STANDARD EARNED INCOME DISREGARD.

Clause (ii) of section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)(ii)) is amended by striking "$90" and inserting "$170".

SEC. 102. INCREASE IN STATE FLEXIBILITY REGARDING RECIPIENT PARTICIPATION IN JOBS PROGRAM.

(a) CHANGES IN STATE PLAN REQUIREMENTS.—Paragraph (19) of section 402(a) (42 U.S.C. 602(a)(19)) is amended to read as follows:

"(19) provide—

"(A) that the State has in effect and operation a job opportunities and basic skills training program which meets the requirements of part F;

"(B) that, not later than 30 days after approving the application of a family for aid under the State plan approved under this part, the State shall—

"(i) conduct an initial assessment of the self-sufficiency needs of the family that includes an assessment of the family circumstances, the educational, child care, and other supportive services needs, and the skills, prior work experience, and employability of each recipient;

"(ii) determine whether it would be appropriate to require or permit any member of the family to participate in the program of the State under part F; and

"(iii) advise the family of the availability of child care assistance under section 402(g) for participation in education, training, and employment;

"(C) that—

"(i) the costs of attendance by a recipient at an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965), or a school or course of vocational or technical training, shall not constitute federally reimbursable expenses for purposes of section 403; and

"(ii) the costs of day care, transportation, and other services which are necessary (as determined by the State agency) for such attendance in accordance with section 402(g) are eligible for Federal reimbursement so long as the recipient is making satisfactory progress in such institution, school, or course and such attendance is consistent with the employment goals in the recipient's self-sufficiency plan developed under part F;

"(D) that—

"(i) if an individual who is required by the State to participate in the program of the State under part F fails without good cause to participate or refuses without good cause to accept employment in which such individual is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined to be a bona fide offer of employment—

"(I) the family of the individual shall cease to be eligible for aid under this part; unless

"(II) such individual is a member of a family in which both parents are living at home, and his or her spouse has not failed to comply under this clause, in which case the needs of such individual shall not be taken into account in making the determination with respect to his or her family under paragraph (7) of this subsection;

"(ii) any sanction described in clause (i) shall continue until the failure to comply ceases;

"(iii) no sanction shall be imposed under this subparagraph—

"(I) on the basis of the refusal of an individual to accept any employment (including any employment offered under the program), if the employment does not pay at least the Federal minimum wage under section 6(a) of the Fair Labor Standards Act of 1938; or

"(II) on the basis of the refusal of an individual to participate in the program or accept employment (including any employment offered under the program), if child care (or day care for any incapacitated individual living in the same home as a dependent child) is necessary for an individual to participate in the program or accept employment, such care is not available, and the State agency fails to provide such care; and

"(H) the State agency may require a participant in the program to accept a job only if such agency assures that the family of such participant will experience no net loss of cash income resulting from acceptance of the job; and any costs incurred by the State agency as a result of this subparagraph shall be treated as expenditures with respect to which section 403(a)(1) or 403(a)(2) applies;".

(b) CHANGE IN PAYMENT TO STATES.—Section 403(l) (42 U.S.C. 603(l)) is amended by striking paragraph (2).

SEC. 103. ELIMINATION OF DIFFERENT TREATMENT OF 2-PARENT FAMILIES.

(a) IN GENERAL.—Section 402(a) (42 U.S.C. 602(a)) is amended by striking paragraph (41).

(b) CONFORMING AMENDMENTS.—

(1) Section 402(a)(38)(B) (42 U.S.C. 602(a)(38)(B)) is amended by striking "or in section 407(a)".

(2) Section 402(a) (42 U.S.C. 602(a)) is amended by striking paragraph (42).

(3) Section 402(g)(1)(A)(ii) (42 U.S.C. 602(g)(1)(A)(ii)) is amended by striking "hours of, or increased income from," and inserting "income from".

(4) Section 406(a)(1) (42 U.S.C. 606(a)(1)) is amended by striking "who has been deprived" and all that follows through "incapacity of a parent".

(5) Section 406(b)(1) (42 U.S.C. 606(b)(1)) is amended by striking "and if such relative" and all that follows through "section 407".

(6) Section 407 (42 U.S.C. 607) is hereby repealed.

(7) Section 472(a) (42 U.S.C. 672(a)) is amended by striking "or of section 407".

(8) Section 473(a)(2)(A)(i) (42 U.S.C. 672(a)(2)(A)(i)) is amended by striking "or section 407".

(9) Section 1115(b) (42 U.S.C. 1315(b)) is amended by striking paragraph (5).

(10) Section 1115 (42 U.S.C. 1315) is amended by striking subsection (d).

(11) Section 1902(a)(10)(A)(i) (42 U.S.C. 1396a(a)(10)(A)(i)) is amended by striking subclause (V) and by redesignating subclauses (VI) and (VII) as subclauses (V) and (VI), respectively.

(12) Section 1905 (42 U.S.C. 1396d) is amended by striking subsection (m).

(13) Section 1905(n)(1) (42 U.S.C. 1396d(n)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking "(or" and all that follows through "407)"; and

(ii) by adding "or" at the end; and

(B) by striking subparagraph (B).

(14) Section 1925(a) (42 U.S.C. 1396r-6(a)) is amended by striking "hours of, or income from," and inserting "income from".

(15) Section 204(b)(2) of the Family Support Act of 1988 (42 U.S.C. 681 note) is amended by striking the semicolon and all that follows through "1998".

SEC. 104. EXTENSION OF TRANSITIONAL CHILD CARE GUARANTEE.

Clause (iii) of section 402(g)(1)(A) (42 U.S.C. 602(g)(1)(A)(iii)) is amended to read as follows:

"(iii) A family shall only be eligible for child care provided under clause (ii)—

"(I) for a period of 24 months after the last month for which the family received aid to families with dependent children under this part; or

"(II) until the income of the family exceeds by more than 200 percent the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved;

whichever occurs first.".

SEC. 105. INCREASE IN FEDERAL MATCHING RATES FOR CHILD CARE.

(a) AFDC AND TRANSITIONAL CHILD CARE.—

(1) INCREASE IN RATES FOR SEVERAL STATES AND DISTRICT OF COLUMBIA.—Clause (i) of section 402(g)(3)(A) (42 U.S.C. 602(g)(3)(A)(i)) is amended by striking "1905(b))." and inserting "1905(b)), increased by 10 percentage points.".

(2) INCREASE IN RATES FOR OTHER STATES.—Clause (ii) of section 402(g)(3)(A) (42 U.S.C. 602(g)(3)(A)(ii)) is amended by striking "1118)." and inserting "1118), increased by 10 percentage points.".

(b) AT-RISK CHILD CARE.—Subparagraph (A) of section 403(n)(1) (42 U.S.C. 603(n)(1)(A)) is amended by inserting "increased by 10 percentage points" before "of the expenditures".

SEC. 106. INCREASE IN JOBS PROGRAM FUNDING.

Paragraph (3) of section 403(k) (42 U.S.C. 603(k)(3)) is amended—

(1) in subparagraph (E), by striking "and" at the end;

(2) in subparagraph (F), by striking "and each succeeding fiscal year," and inserting a comma at the end; and

(3) by inserting after subparagraph (F) the following:

"(G) $1,500,000,000 in the case of fiscal year 1997,

"(H) $1,900,000,000 in the case of fiscal year 1998,

"(I) $2,800,000,000 in the case of fiscal year 1999,

"(J) $3,700,000,000 in the case of fiscal year 2000, and

"(K) $5,000,000,000 in the case of fiscal year 2001.".

SEC. 107. REQUIREMENT WITH RESPECT TO JOBS PROGRAM PARTICIPATION RATE.

(a) REQUIREMENT.—Section 402 (42 U.S.C. 602) is amended by inserting after subsection (c) the following:

"(d)(1) With respect to the program established by a State under part F, the State shall achieve a participation rate for the following fiscal years of not less than the following percentage:

"Fiscal year:	Percentage:
1997	15
1998	20
1999	25
2000	30
2001	35
2002	40
2003 or later	50.

"(2) As used in this subsection, the term 'participation rate' means, with respect to a State and a fiscal year, an amount equal to—

"(A) the average monthly number of individuals who, during the fiscal year, participate in the State program established under part F; divided by

"(B) the average monthly number of individuals who, during the fiscal year, are adult recipients of aid under the State plan approved under part A or participate in the State program established under part F.

"(3) Each State that operates a program under part F for a fiscal year shall submit to the Secretary a report on the participation rate of the State for the fiscal year.

"(4)(A) If a State reports that the State has failed to achieve the participation rate required by paragraph (1) for the fiscal year, the Secretary may make recommendations for changes in the State program established under part F. The State may elect to follow such recommendations, and shall demonstrate to the Secretary how the State will achieve the required participation rates.

"(B) Notwithstanding subparagraph (A), if a State fails to achieve the participation rate required by paragraph (1) for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State program established under part F.".

(b) CHANGE IN PAYMENT TO STATES.—Section 403(l) (42 U.S.C. 603(l)) is amended by striking paragraphs (3) and (4).

SEC. 108. INCREASE IN MATCHING RATES FOR STATES WHOSE RECIPIENTS LEAVE AFDC FOR PAID EMPLOYMENT.

(a) INCREASE IN JOBS MATCHING RATE.—Section 403(l) (42 U.S.C. 603(l)), as amended by section 102(b), is amended by inserting after paragraph (1) the following:

"(2)(A) Notwithstanding paragraph (1), the Secretary shall pay to a State, with respect to expenditures made by the State that are described in paragraph (1)(A)(ii)(II), an amount equal to the greater of 70 percent or the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section 1905(b) in the case of any other State) increased by 10 percent if the number of qualified families with respect to the State for a fiscal year equals or exceeds the proportion specified in subparagraph (B) for such year of the total number of individuals participating in the State program established under part F during such year.

"(B) The proportion specified in this subparagraph is—

"(i) ¼ for fiscal year 1998;

"(ii) ⅓ for fiscal year 1999;

"(iii) ½ for fiscal year 2000, and for each fiscal year thereafter.

"(C) For purposes of subparagraph (A), the term 'qualified family' means, with respect to a State for a fiscal year, a family—

"(i) that was receiving aid from the State under this part during such year;

"(ii) a member of which ceased to participate in the State program established under part F during such year as the result of the employment of such member in a job (other than a job provided under the job creation and work experience program under section 482(e)); and

"(iii) ceased to receive such aid as a result of such employment."

(b) INCREASE IN TRANSITIONAL CHILD CARE RATE.—Paragraph (3) of section 402(g) (42 U.S.C. 602(g)(3)) is amended by adding at the end the following:

"(C) Notwithstanding subparagraph (A), in the case of amounts expended for child care pursuant to paragraph (1)(A)(ii) by any State that satisfies the requirement in section 403(l)(2)(A), the applicable rate for purposes of section 403(a) shall be the percentage specified in subparagraph (A) for such amounts, increased by 10 percentage points.".

SEC. 109. INCREASE IN AT-RISK CHILD CARE FUNDING.

Subparagraph (B) of section 403(n)(2) (42 U.S.C. 603(n)(2)(B)) of the Social Security Act is amended—

(1) in clause (iv), by striking "and" at the end;

(2) in clause (v), by striking "1995, and for each fiscal year thereafter." and inserting "1995;"; and

(3) by adding at the end the following:

"(vi) $300,000,000 for fiscal year 1996;

"(vii) $800,000,000 for fiscal year 1997;

"(viii) $1,300,000,000 for fiscal year 1998;

"(ix) $1,800,000,000 for fiscal year 1999;

"(x) $2,300,000,000 for fiscal year 2000; and

"(xi) $2,800,000,000 for fiscal year 2001.".

SEC. 110. IMPROVEMENTS IN JOBS PROGRAM SELF-SUFFICIENCY PLANNING AND CASE MANAGEMENT.

Section 482(b) (42 U.S.C. 682(b)) is amended—

(1) by amending the subsection heading to read as follows:

"(b) SELF-SUFFICIENCY PLAN.—";

(2) by striking paragraph (1)(A), redesignating paragraph (1)(B) as paragraph (1)(A), and adjusting the placement and margins of paragraph (1)(A) (as so redesignated) accordingly;

(3) in paragraph (1)(A) (as redesignated by paragraph (2))—

(A) by striking "such assessment." and inserting "the initial assessment of self-sufficiency under section 402(a)(19)(B).."; and

(B) by striking "employability plan" each place such term appears and inserting "self-sufficiency plan";

(4) in paragraph (2)—

(A) by striking "initial assessment and review and the development of the employability plan" and inserting "initial assessment of self-sufficiency and the development of the self-sufficiency plan";

(B) by striking "the State agency may require" and inserting "the State agency shall require"; and

(C) by striking "If the State agency exercises the option under the preceding sentence, the State agency must" and inserting "The State agency must"; and

(5) in paragraph (3)—

(A) by striking "may assign" and inserting "shall assign"; and

(B) by adding at the end the following:

"Case management services under this paragraph shall continue for a period of not fewer than 90 days after a participant becomes employed, and, at the option of the State, the State may extend such period to not more than 365 days.".

SEC. 111. CHANGE IN MANDATORY SERVICES AND ACTIVITIES UNDER THE JOBS PROGRAM.

(a) MANDATORY AND PERMISSIBLE SERVICES AND ACTIVITIES.—Subparagraph (A) of section 482(d)(1) (42 U.S.C. 682(d)(1)(A)) is amended to read as follows:

"(d) SERVICES AND ACTIVITIES UNDER THE PROGRAM.—(1)(A) In carrying out the program, each State shall make available a broad range of services and activities to aid in carrying out the purpose of this part. Such services and activities—

"(i) shall include—

"(I) educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency;

"(II) job skills training;

"(III) job readiness activities to help prepare participants for work;

"(IV) job development and job placement;

"(V) a job creation and work experience program as described in subsection (e); and

"(VI) group and individual job search as described in subsection (f); and

"(ii) may include—

"(I) on-the-job training; and

"(II) any other work experience program approved by the Secretary.".

(b) ELIMINATION OF REQUIREMENT WITH RESPECT TO CERTAIN EDUCATIONAL ACTIVITIES.—Section 482(d) (42 U.S.C. 682(d)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 112. JOBS CREATION AND WORK EXPERIENCE PROGRAM.

Section 482 (42 U.S.C. 682) is amended—

(1) by striking subsections (e) and (f);

(2) by redesignating subsections (g), (h), and (i) as subsections (f), (g), and (h); and

(3) by inserting after subsection (d) the following:

"(e) JOBS CREATION AND WORK EXPERIENCE PROGRAM.—

"(1) IN GENERAL.—In carrying out the program, each State shall establish a jobs creation and work experience program in accordance with this subsection.

"(2) GENERAL REQUIREMENTS.—A jobs creation and work experience program is a program that provides employment in the public sector or in the private sector in accordance with the following requirements:

"(A) PARTICIPATION.—A State shall require an individual to participate in the jobs creation and work experience program if the individual—

"(i) is eligible to receive aid under the State plan approved under part A;

"(ii) is prepared to commence employment, as determined under the self-sufficiency plan developed for the individual under subsection (b)(1)(A); and

"(iii) has demonstrated that the individual is not otherwise able to obtain employment in the public or private sectors.

"(B) PERIODIC JOB SEARCH REQUIRED.—As a continuing condition of eligibility to participate in the jobs creation and work experience program, each participant in the program shall periodically engage in job search.

"(C) ENTRY-LEVEL POSITIONS.—

"(i) IN GENERAL.—Subject to clause (ii), the jobs creation and work experience program shall provide entry-level positions, to the extent practicable.

"(ii) NO INFRINGEMENT ON PROMOTIONAL OPPORTUNITIES.—A job shall not be created in a promotional line that will infringe in any way upon the promotional opportunities of

persons employed in jobs not subsidized under this subsection.

"(D) MAXIMUM PERIOD OF SUBSIDIZED EMPLOYMENT AT SAME POSITION.—The jobs creation and work experience program shall not permit an individual to remain in the program for more than 24 months.

"(E) MINIMUM WAGE REQUIREMENT.—An individual participating in the jobs creation and work experience program may not be required to accept any employment if the wage rate for such employment does not equal or exceed the minimum wage rate then in effect under section 6 of the Fair Labor Standards Act of 1938.

"(3) WAGES TREATED AS EARNED INCOME.—Wages paid under a program established under this subsection shall be considered to be earned income for purposes of any provision of law.

"(4) PRESERVATION OF ELIGIBILITY FOR CHILD CARE ASSISTANCE AND MEDICAID BENEFITS.—Any individual who becomes ineligible to receive aid under a State plan approved under part A by reason of income from employment provided under a program established under this subsection to the caretaker relative of the family of which the individual is a member shall for purposes of eligibility for child care benefits under section 402(g)(1)(A)(i) and for purposes of eligibility for medical assistance under the State plan approved under title XIX, be considered to be receiving such aid for so long as the subsidized employment provided to the individual under this subsection continues.".

SEC. 113. PROVISIONS GENERALLY APPLICABLE TO THE JOBS PROGRAM.

Section 484 (42 U.S.C. 684) is amended by striking subsections (b), (c), and (d) and inserting the following:

"(b)(1)(A) Funds provided for a program established under section 482 may be used only for programs that do not duplicate any employment activity otherwise available in the locality of the program.

"(B) Funds provided for a program established under section 482 shall not be paid to a private entity to conduct activities that are the same or substantially equivalent to activities provided by a State in which the entity is located or by an agency of local government with jurisdiction over the locality in which the entity is located, unless the requirements of paragraph (2) are met.

"(2)(A) An employer shall not displace an employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by the employer of a participant in a program established under section 482.

"(B) No work assignment under a program established under section 482 shall result in any infringement of the promotional opportunities of any employed individual.

"(C)(i) A participant in a program established under section 482(e) shall not perform any services or duties or engage in activities that would otherwise be performed by an employee as part of the assigned duties of the employee.

"(ii) A participant in a program established under section 482 shall not perform any services or duties or engage in activities that—

"(I) will supplant the hiring of employed workers; or

"(II) are services, duties or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.

"(iii) A participant in a program established under section 482 shall not perform services or duties that have been performed by or were assigned to any—

"(I) presently employed worker if the participant is in a program established under section 482(e);

"(II) employee who recently resigned or was discharged;

"(III) employee who—

"(aa) is the subject of a reduction in force; or

"(bb) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;

"(IV) employee who is on leave (terminal, temporary, vacation, emergency, or sick); or

"(V) employee who is on strike or is being locked out.

"(c)(1) Sections 142(a), 143(a)(4), 143(a)(5), and 143(c)(2) of the Job Training Partnership Act shall apply to employment provided through any program established under section 482 of this Act.

"(2) Sections 130(f) and 176(f) of the National and Community Service Act of 1990 shall apply to employment provided through any program established under section 482 of this Act.

"(d)(1) A participant in a program established under subsection (e) of section 482 may not be assigned to fill any established unfilled position vacancy.

"(2)(A) A program established under section 482 may not be used to assist, promote, or deter union organizing.

"(B) A program established under section 482 may not be used to impair existing contracts for services or collective bargaining agreements.".

TITLE II—MAKING WORK PAY

SEC. 201. TRANSITIONAL MEDICAID BENEFITS.

(a) EXTENSION OF MEDICAID ENROLLMENT FOR FORMER AFDC RECIPIENTS FOR 1 ADDITIONAL YEAR.—

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: ", and that the State shall offer to each such family the option of extending coverage under this subsection for any of the first 2 succeeding 6-month periods, in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) CONFORMING AMENDMENTS.—Section 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

(A) in the heading, by striking "EXTENSION" and inserting "EXTENSIONS";

(B) in the heading of paragraph (1), by striking "REQUIREMENT" and inserting "IN GENERAL";

(C) in paragraph (2)(B)(ii)—

(i) in the heading, by striking "PERIOD" and inserting "PERIODS", and

(ii) by striking "in the period" and inserting "in each of the 6-month periods";

(D) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(E) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(F) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period.".

(b) IMPOSITION OF PREMIUM PERMITTED ONLY DURING ADDITIONAL EXTENSION PERIODS.—

(1) IN GENERAL.—Section 1925(b)(5)(A) of such Act (42 U.S.C. 1396r-6(b)(5)(A)) is amended by striking "(D)(i))." and inserting "(D)(i)) occurring during the second or third additional extension period provided under this subsection,".

(2) CONFORMING AMENDMENT.—Section 1925(b)(1) of such Act (42 U.S.C. 1396r-6(b)(1)), as amended by subsection (a)(1), is amended by inserting after "same conditions" the following: "(except as provided in paragraph (5)(A))".

(c) EXTENSION OF COVERAGE FOR LOW-INCOME CHILDREN.—Section 1925(b) of such Act (42 U.S.C. 1396r-6(b)) is amended by adding at the end the following new paragraph:

"(6) EXTENSION OF COVERAGE FOR LOW-INCOME CHILDREN.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title shall provide that the State shall offer (in the last month of the third additional extension period provided under paragraph (1)) to each eligible low-income child who has received assistance pursuant to this section during each of the 6-month periods described in subsection (a) and paragraph (1) the option of coverage under the State plan, in the same manner and under the same conditions as the option of extending coverage under paragraph (1) for the second and third additional extension periods provided under such paragraph.

"(B) ELIGIBLE LOW-INCOME CHILD DEFINED.—In subparagraph (A), the term 'eligible low-income child' means an individual who has not attained 18 years of age and whose family income does not exceed 200 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

SEC. 202. TEMPORARY EXCLUSION OF EARNED INCOME FOR PURPOSES OF DETERMINING RENT PAID FOR UNITS IN FEDERALLY ASSISTED HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, the amount of rent payable by a qualified family for a qualified dwelling unit may not be increased because of the increased income due to the employment referred to in subsection (b)(2)(A) for the period that begins upon the commencement of such employment and ends—

(A) 24 months thereafter, or

(B) upon the first date after the commencement of such employment that the income of the family exceeds 200 percent of the official poverty line (as defined by the Office of Management and Budget and revised periodically in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved,

whichever occurs first.

(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) QUALIFIED DWELLING UNIT.—The term "qualified dwelling unit" means a dwelling unit—

(A) for which assistance is provided by the Secretary of Housing and Urban Development in the form of any grant, contract, loan, loan guarantee, cooperative agreement, rental assistance payment, interest subsidy, insurance, or direct appropriation, or that is located in a project for which such assistance is provided; and

(B) for which the amount of rent paid by the occupying family is limited, restricted, or determined under law or regulation based on the income of the family.

(2) QUALIFIED FAMILY.—The term "qualified family" means a family—

(A) whose income increases as a result of employment of a member of the family who was previously unemployed; and

(B) who was receiving aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act immediately before such employment.

SEC. 203. CONTINUATION OF FOOD STAMP BENEFITS.

(a) AMENDMENT.—Section 5(c) of the Food Stamp Act of 1977 (7 U.S.C. 2014(c)) is amended by adding at the end the following:

"Notwithstanding any other provision of this subsection, in the case of a household that receives benefits under part A of title IV of the Social Security Act and whose income increases because a member of such household obtains employment, the earned income from such employment shall be excluded during a 2-year period for purposes of determining eligibility under such standards unless the aggregate income of such household exceeds the poverty line by more than 200 percent.".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall not apply with respect to certification periods beginning before the date of the enactment of this Act.

TITLE III—IMPROVING CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility and Other Matters Concerning Title IV-D Program Clients

SEC. 301. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) USE OF CENTRAL CASE REGISTRY AND CENTRALIZED COLLECTIONS UNIT.—Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e), except as provided in subparagraph (C); and

"(C)(i) parties subject to a child support order described in subparagraph (B)(ii) may opt out of the procedure for payment of support through the centralized collections unit (but not the procedure for inclusion in the central case registry) by filing with State agency a written agreement, signed by both parties, to an alternative payment procedure; and

"(ii) an agreement described in clause (i) becomes void whenever either party advises the State agency of an intent to vacate the agreement.".

(b) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) provide that such State will undertake—

"(A) to provide appropriate services under this part to—

"(i) each child with respect to whom an assignment is effective under section 402(a)(26), 471(a)(17), or 1912 (except in cases where the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(ii) each child not described in clause (i)—

"(I) with respect to whom an individual applies for such services; and

"(II) (on and after October 1, 1998) each child with respect to whom a support order is recorded in the central State case registry established under section 454A, regardless of whether application is made for services under this part; and

"(B) to enforce the support obligation established with respect to the custodial parent of a child described in subparagraph (A) unless the parties to the order which establishes the support obligation have opted, in accordance with section 466(a)(12)(C), for an alternative payment procedure."; and

(2) in paragraph (6)—

(A) by striking subparagraph (A) and inserting the following:

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)"; and

(C) in each of subparagraphs (B), (C), and (D)—

(i) by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(ii) by striking the final comma and inserting a semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 302. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) IN THE CASE OF A FAMILY RECEIVING AFDC.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) amounts received in a month which represent payments for that month; and

"(B) amounts received in a month which represent payments for a prior month which were made by the absent parent in the month when due;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family.";

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AFDC.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(a)(8)(A)(vi) shall be taken from each of—

"(A) amounts received in a month which represent payments for that month; and

"(B) amounts received in a month which represent payments for a prior month which were made by the absent parent in the month when due;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) DISTRIBUTION TO A FAMILY NOT RECEIVING AFDC.—

(1) IN GENERAL.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of

the Federal Government to the extent of its participation in the financing):

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1999.

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Amounts".

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations—

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than one family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving Aid to Families with Dependent Children, designed to minimize irregular monthly payments to such families.

(f) CLERICAL AMENDMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11), by striking "(11)" and inserting "(11)(A)"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

(1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42 U.S.C. 602(a)(8)(A)(vi)) is amended—

(A) by striking "$50" each place such term appears and inserting "$50, or, if greater, $50 adjusted by the CPI (as prescribed in section 406(i))."; and

(B) by striking the semicolon at the end and inserting "or, in lieu of each dollar amount specified in this clause, such greater amount as the State may choose (and provide for in its State plan);".

(2) CPI ADJUSTMENT.—Section 406 (42 U.S.C. 606) is amended by adding at the end the following:

"(i) For purposes of this part, an amount is 'adjusted by the CPI' for any month in a calendar year by multiplying the amount involved by the ratio of—

"(1) the Consumer Price Index (as prepared by the Department of Labor) for the third quarter of the preceding calendar year, to

"(2) such Consumer Price Index for the third quarter of calendar year 1996,

and rounding the product, if not a multiple of $10, to the nearer multiple of $10.".

SEC. 303. DUE PROCESS RIGHTS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 102(f) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for procedures to ensure that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C)(i) individuals adversely affected by the establishment or modification of (or, in the case of a petition for modification, the determination that there should be no change in) a child support order shall be afforded not less than 30 days after the receipt of the order or determination to initiate proceedings to challenge such order or determination; and

"(ii) the State may not provide to any noncustodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 304. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 454) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Program Administration and Funding

SEC. 311. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal year 1997, 69 percent,

"(B) for fiscal year 1998, 72 percent, and

"(C) for fiscal year 1999 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) MAINTENANCE OF EFFORT.—Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified for such fiscal year under subsection (a)(2)(A), (B), or (C)(i), shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 312. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—For purposes of this section—

"(1) the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(A) the total number of out-of-wedlock children in the State under one year of age for whom paternity is established or acknowledged during the fiscal year, to

"(B) the total number of children born out of wedlock in the State during such fiscal year; and

"(2) the term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 111(a) of this Act, is amended—

(1) by striking the period at the end of subparagraph (C)(ii) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the subsection, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A), in the matter preceding clause (i)—

(i) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(ii) by striking "(or all States, as the case may be)";

(B) in subparagraph (A)(i), by striking "during the fiscal year";

(C) in subparagraph (A)(ii)(I), by striking "as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(D) in subparagraph (A)(ii)(II), by striking "or (E) as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(E) in subparagraph (A)(iii)—

(i) by striking "during the fiscal year"; and

(ii) by striking "and" at the end; and

(F) in the matter following subparagraph (A)—

(i) by striking "who were born out of wedlock during the immediately preceding fiscal year" and inserting "born out of wedlock";

(ii) by striking "such preceding fiscal year" both places it appears and inserting "the preceding fiscal year"; and

(iii) by striking "or (E)" the second place it appears.

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended by inserting after subsection (b) the following:

"(c)(1) If the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV-D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of the paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 6 nor more than 8 percent, or

"(B) not less than 8 nor more than 12 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 12 nor more than 15 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(27), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—

(A) Section 403 (42 U.S.C. 603) is amended by striking subsection (h).

(B) Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended by striking "403(h)" each place such term appears and inserting "455(c)".

(C) Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(c)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) The amendments made by subsections (a), (b), and (c) shall become effective October 1, 1997, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of enactment of this Act.

(B) The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date one year after the date of enactment of this Act.

SEC. 313. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and insert "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV-D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458,".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(c) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements,

concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date one year after enactment of this section.

SEC. 314. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 104(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 315. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and perform such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with report to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) MONTIORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanism, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of enactment of this subsection.".

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 304(a)(2) and 314(b)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1995, meeting all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of enactment of this Act.

(but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

(A) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(B) by striking "so much of"; and

(C) by striking "which the Secretary" and all that follows and inserting ", and"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of State expenditures described in subparagraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), or meeting such requirements without regard to clause (D) thereof.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in subparagraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A, subject to clause (iii).

"(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

"(I) 80 percent, or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

(d) ADDITIONAL PROVISIONS.—For additional provisions of section 454A, as added by subsection (a) of this section, see the amendments made by sections 21, 322(c), and 333(d) of this Act.

SEC. 316. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements. Such studies shall examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) FREQUENCY OF STUDIES.—The Secretary shall complete the first staffing study required under paragraph (1) by October 1, 1997, and may conduct additional studies subsequently at appropriate intervals.

(3) REPORT TO THE CONGRESS.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 317. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 115(a)(3) of this Act, is amended by adding at the end the following new subsection:

"(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING STATE PROGRAMS.—(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in the paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to—

"(A) 1 percent, for the activities specified in subparagraphs (A) and (B) of paragraph (1); and

"(B) 2 percent, for the activities specified in subparagraph (C) of paragraph (1).".

SEC. 318. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part:" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (I) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) DATA COLLECTION AND REPORTING.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle C—Locate and Case Tracking

SEC. 321. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 315(a)(2) of this Act, is amended by adding at the end the following:

"(e) CENTRAL CASE REGISTRY.—

"(1) IN GENERAL.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) PAYMENT RECORDS.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrears, interest or late payment penalties, and fees);

"(B) the date on which or circumstances under which the support obligation will terminate under such order;

"(C) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(D) the distribution of such amounts collected; and

"(E) the birth date of the child for whom the child support order is entered.

"(3) UPDATING AND MONITORING.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) DATA MATCHES AND OTHER DISCLOSURES OF INFORMATION.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) DATA BANK OF CHILD SUPPORT ORDERS.—Furnish to the Data Bank of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) minimal information (to be specified by the Secretary) on each child support case in the central case registry.

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchange data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) AFDC AND MEDICAID AGENCIES.—Exchange data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) INTRA- AND INTERSTATE DATA MATCHES.—Exchange data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 322. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 304(a) and 314(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) ESTABLISHMENT OF CENTRALIZED COLLECTION UNIT.—Part D of title IV (42 U.S.C. 651-669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(27), the State agency must operate a single centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by two or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 315(a)(2) of this Act and as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within two working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 323. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—(1) Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—

(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking all that follows "administered by" and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) in inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D)—

(i) by striking "employer who discharges" and inserting "employer who—(A) discharges";

(ii) by relocating subparagraph (A), as designated, as an indented subparagraph after and below the introductory matter;

(iii) by striking the period at the end; and

(iv) by adding after and below subparagraph (A) the following new subparagraph:

"(B) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) DEFINITION OF TERMS.—The Secretary shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 324. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 323(a)(2) of this Act, is amended by inserting after paragraph (7) the following new paragraph:

"(8) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 325. EXPANDED FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting the following:

", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed, including such individual's social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.": and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information specified in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))";

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) REIMBURSEMENT FOR DATA FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the fourth sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data)".

(c) ACCESS TO CONSUMER REPORTS UNDER FAIR CREDIT REPORTING ACT.—

(1) Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(A) by striking ", limited to" and inserting "to a governmental agency (including the entire consumer report, in the case of a Federal, State, or local agency administering a program under part D of title IV of the Social Security Act, and limited to"; and

(B) by striking "employment, to a governmental agency" and inserting "employment, in the case of any other governmental agency)".

(2) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES AND CREDIT BUREAUS.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary is authorized to reimburse costs to State agencies and consumer credit reporting agencies the costs incurred by such entities in furnishing information requested by the Secretary pursuant to this section in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data).".

(d) DISCLOSURE OF TAX RETURN INFORMATION.—(1) Section 6103(l)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking ", but only if" and all that follows and inserting a period.

(2) Section 6103(l)(8)(A) of the Internal Revenue Code of 1986 is amended by inserting "Federal," before "State or local".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), and 663(e)) are each amended by inserting "Federal" before "Parent" each place it appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c)(2) of this section, is amended by adding at the end the following:

"(h) DATA BANK OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, In order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry to be known as the Data Bank of Child Support Orders, which shall contain abstracts of child support orders and other information described in paragraph (2) on each case in each State central case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1), as specified by the Secretary, shall include sufficient information (including names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order.

"(i) DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—Not later than October 1, 1998, In order to assist States in administering their State plans under this part and parts A, F, and G, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated directory to be known as the directory of New Hires, containing—

"(A) information supplied by employers on each newly hired individual, in accordance with paragraph (2); and

"(B) information supplied by State agencies administering State unemployment compensation laws, in accordance with paragraph (3).

"(2) EMPLOYER INFORMATION.—

"(A) INFORMATION REQUIRED.—Subject to subparagraph (D), each employer shall furnish to the Secretary, for inclusion in the directory established under this subsection, not later than 10 days after the date (on or after October 1, 1998) on which the employer hires a new employee (as defined in subparagraph (C)), a report containing the name, date of birth, and social security number of such employee, and the employer identification number of the employer.

"(B) REPORTING METHOD AND FORMAT.—The Secretary shall provide for transmission of the reports required under subparagraph (A) using formats and methods which minimize the burden on employers, which shall include—

"(i) automated or electronic transmission of such reports;

"(ii) transmission by regular mail; and

"(iii) transmission of a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986.

"(C) EMPLOYEE DEFINED.—For purposes of this paragraph, the term 'employee' means any individual subject to the requirement of section 3402(f)(2) of the Internal Revenue Code of 1986.

"(D) PAPERWORK REDUCTION REQUIREMENT.—As required by the information resources management policies published by the Director of the Office of Management and Budget pursuant to section 3504(b)(1) of title 44, United States Code, the Secretary, in order to minimize the cost and reporting burden on employers, shall not require reporting pursuant to this paragraph if an alternative reporting mechanism can be developed that either relies on existing Federal or State reporting or enables the Secretary to collect the needed information in a more cost-effective and equally expeditious manner, taking into account the reporting costs on employers.

"(E) CIVIL MONEY PENALTY ON NON-COMPLYING EMPLOYERS.—(i) Any employer that fails to make a timely report in accordance with this paragraph with respect to an individual shall be subject to a civil money penalty, for each calendar year in which the failure occurs, of the lesser of $500 or 1 percent of the wages or other compensation paid by such employer to such individual during such calendar year.

"(ii) Subject to clause (iii), the provisions of section 1128A (other than subsections (a) and (b) thereof) shall apply to a civil money penalty under clause (i) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).

"(iii) Any employer with respect to whom a penalty under this subparagraph is upheld after an administrative hearing shall be liable to pay all costs of the Secretary with respect to such hearing.

"(3) EMPLOYMENT SECURITY INFORMATION.—

"(A) REPORTING REQUIREMENT.—Each State agency administering a State unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act shall furnish to the Secretary of Health and Human Services extracts of the reports to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals required under section 303(a)(6), in accordance with subparagraph (B).

"(B) MANNER OF COMPLIANCE.—The extracts required under subparagraph (A) shall be furnished to the Secretary of Health and Human Services on a quarterly basis, with respect to calendar quarters beginning on and after October 1, 1996, by such dates, in such format, and containing such information as required by that Secretary in regulations.

"(j) DATA MATCHES AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—(A) The Secretary shall transmit data on individuals and employers maintained under this section to the Social Security Admistration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct or supply to the extent necessary and feasible, and report to the Secretary, the following information in data supplied by the Secretary pursuant to subparagraph (A):

"(i) the name, social security number, and birth date of each individual; and

"(ii) the employer identification number of each employer.

"(2) CHILD SUPPORT LOCATOR MATCHES.—For the purpose of locating individuals for purposes of paternity establishment and establishment and enforcement of child support, the Secretary shall—

"(A) match data in the directory of New Hires against the child support order abstracts in the Data Bank of Child Support Orders not less often than every 2 working days; and

"(B) report information obtained from such a match to concerned State agencies operating programs under this part not later than 2 working days after such match.

"(3) DATA MATCHES AND DISCLOSURES OF DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—The Secretary shall—

"(A) perform matches of data in each component of the Federal Parent Locator Service maintained under this section against data in each other such component (other than the matches required pursuant to paragraph (1)), and report information resulting from such matches to State agencies operating programs under this part and parts A, F, and G; and

"(B) disclose data in such registries to such State agencies,

to the extent, and with the frequency, that the Secretary determines to be effective in assisting such States to carry out their responsibilities under such programs.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, the costs incurred by the Commissioner in performing the verification services specified in subsection (j).

"(2) FOR INFORMATION FROM SESAS.—The Secretary shall reimburse costs incurred by State employment security agencies in furnishing data as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such data).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—State and Federal agencies receiving data or information from the Secretary pursuant to this section shall reimburse the costs incurred by the Secretary in furnishing such data or information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and matching such data or information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Data in the Federal Parent Locator Service, and information resulting from matches using such data, shall not be used or disclosed except as specifically provided in this section.

"(m) RETENTION OF DATA.—Data in the Federal Parent Locator Service, and data resulting from matches performed pursuant to this section, shall be retained for such period (determined by the Secretary) as appropriate for the data uses specified in this section.

"(n) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(o) LIMIT ON LIABILITY.—The Secretary shall not be liable to either a State or an individual for inaccurate information provided to a component of the Federal Parent Locator Service section and disclosed by the Secretary in accordance with this section.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting "; and"; and

(C) by adding after paragraph (9) the following new paragraph:

"(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 326. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 301(a) of this Act, is amended by adding at the end the following new paragraph:

"(13) SOCIAL SECURITY NUMBERS REQUIRED.—Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees; and

"(B) of both parents, on birth records and child support and paternity orders.".

(b) CLARIFICATION OF FEDERAL POLICY.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended by striking the third sentence and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.".

Subtitle D—Streamlining and Uniformity of Procedures

SEC. 331. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301(a) and 328(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) INTERSTATE ENFORCEMENT.—

"(A) ADOPTION OF UIFSA.—Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August, 1992.

"(B) EXPANDED APPLICATION OF UIFSA.—The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) JURISDICTION TO MODIFY ORDERS.—The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(D) SERVICE OF PROCESS.—The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.

"(E) COOPERATION BY EMPLOYERS.—The State law adopted pursuant to subparagraph (A) shall provide for the use of procedures (including sanctions for noncompliance) under which all entities in the State (including for-profit, nonprofit, and governmental employers) are required to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor.".

SEC. 332. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only one court has issued a child support order, the order of that court must be recognized.

"(2) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 333. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666) is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due

process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records; and

"(ii) certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(E) INCOME WITHHOLDING.—To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

"(F) CHANGE IN PAYEE.—(In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(G) SECURE ASSETS TO SATISFY ARREARAGES.—For the purpose of securing overdue support—

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(I) SUSPENSION OF DRIVERS' LICENSES.—To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including Social Security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) (in the case of a State in which orders in such cases are issued by local jurisdictions) a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(c) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking "(d) If" and inserting the following:

"(d) EXEMPTIONS FROM REQUIREMENTS.—

"(1) IN GENERAL.—Subject to paragraph (2), if"; and

(2) by adding at the end the following new paragraph:

"(2) NONEXEMPT REQUIREMENTS.—The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

"(D) subsection (a)(13) (concerning recording of Social Security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(d) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 115(a)(2) of this Act and as amended by sections 121 and 122(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).".

Subtitle E—Paternity Establishment

SEC. 341. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) by striking "(5)" and inserting the following:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—";

(2) in subparagraph (A)—

(A) by striking "(A)(i)" and inserting the following:

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE EIGHTEEN.—(i)"; and

(B) by indenting clauses (i) and (ii) so that the left margin of such clauses is 2 ems to the right of the left margin of paragraph (4);

(3) in subparagraph (B)—

(A) by striking "(B)" and inserting the following:

"(B) PROCEDURES CONCERNING GENETIC TESTING.—(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement (I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties, or (II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;";

(C) by inserting after and below clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the punitive father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(4) by striking subparagraphs (C) and (D) and inserting the following:

"(C) PATERNITY ACKNOWLEDGMENT.—(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and

birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(v) Such procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

"(D) STATUS OF SIGNED PATERNITY KNOWLEDGMENT.—(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.";

(5) by striking subparagraph (E) and inserting the following:

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.";

(6) by striking subparagraph (F) and inserting the following:

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(7) by adding after subparagraph (H) the following new subparagraphs:

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to jury trial.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) WAIVER OF STATE DEBTS FOR COOPERATION.—At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security account number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 342. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)) is amended by adding at the end the following new subparagraph:

"(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials as health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts (including at least one contact of each parent whose whereabouts are known, except where there is reason to believe such follow-up efforts would put mother or child at risk), providing—

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall become effective October 1, 1997.

(2) The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

Subtitle F—Establishment and Modification of Support Orders

SEC. 351. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—The Commission shall develop a national child support guideline for consideration by the Congress that is based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(c) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filed in the manner in which the original appointment was made.

(d) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(e) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 352. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) PROCEDURES FOR MODIFICATION OF SUPPORT ORDERS.—

"(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be established by the Secretary and provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

Subtitle G—Enforcement of Support Orders

SEC. 361. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—Section 6402(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking "The amount" and inserting "(1) IN GENERAL.—The amount";

(2) by striking "paid to the State. A reduction" and inserting "paid to the State.

"(2) PRIORITIES FOR OFFSET.—A reduction";

(3) by striking "has been assigned" and inserting "has not been assigned", and

(4) by striking "and shall be applied" and all that follows and inserting "and shall thereafter be applied to satisfy any past-due support that has been so assigned.".

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457 (a)(4) or (d)(3), in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(D) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

(c) TREATMENT OF LUMP-SUM TAX REFUND UNDER AFDC.—

(1) EXEMPTION FROM LUMP-SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: "but this paragraph shall not apply to income received by a family that is attributable to a child support obligation owed with respect to a member of the family and that is paid to the family from amounts withheld from a Federal income tax refund otherwise payable to the person owing such obligation, to the extent that such income is placed in a qualified asset account (as defined in section 406(j)) the total amounts in which, after such placement, does not exceed $10,000;".

(2) QUALIFIED ASSET ACCOUNT DEFINED.—Section 406 (42 U.S.C. 606), as amended by section 302(g)(2) of this Act, is amended by adding at the end the following:

"(j)(1) The term 'qualified asset account' means a mechanism approved by the State (such as individual retirement accounts, escrow accounts, or savings bonds) that allows savings of a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distribution' means a distribution from a qualified asset account for expenses directly related to 1 or more of the following purposes:

"(A) The attendance of a member of the family at any education or training program.

"(B) The improvement of the employability (including self-employment) of a member of the family (such as through the purchase of an automobile).

"(C) The purchase of a home for the family.

"(D) A change of the family residence.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 362. INTERNAL REVENUE SERVICE COLLECTION OF ARREARS.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting a comma;

(4) by adding after paragraph (4) the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 363. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—

(1) Section 459 (42 U.S.C. 659) is amended in the caption by inserting "INCOME WITHHOLDING," before "GARNISHMENT".

(2) Section 459(a) (42 U.S.C. 659(a)) is amended—

(A) by striking "(a)" and inserting "(a) CONSENT TO SUPPORT ENFORCEMENT.—

(B) by striking "section 207" and inserting "section 207 of this Act and 38 U.S.C. 5301"; and

(C) by striking all that follows "a private person," and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.".

(3) Section 459(b) (42 U.S.C. 659(b)) is amended to read as follows:

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.".

(4) Section 459(c) (42 U.S.C. 659(c)) is redesignated and relocated as paragraph (2) of subsection (f), and is amended—

(A) by striking "responding to interrogatories pursuant to requirements imposed by section 461(b)(3)" and inserting "taking actions necessary to comply with the requirements of subsection (A) with regard to any individual"; and

(B) by striking "any of his duties" and all that follows and inserting "such duties.".

(5) Section 461 (42 U.S.C. 661) is amended by striking subsection (b), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (b) (as added by paragraph (3) of this subsection) the following:

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS.—(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish (i) in the appendix of such regulations, (ii) in each subsequent republication of such regulations, and (iii) annually in the Federal Register, the designation of such agent or agents, identified by title of position, mailing address, and telephone number.".

(6) Section 459 (42 U.S.C. 659) is amended by striking subsection (d) and by inserting after subsection (c)(1) (as added by paragraph (5) of this subsection) the following:

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than fifteen days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to

subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.".

(7) Section 461 (42 U.S.C. 661) is amended by striking subsection (c), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (c) (as added by paragraph (5) and amended by paragraph (6) of this subsection) the following:

"(d) PRIORITY OF CLAIMS.—In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than one person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.".

(8) Section 459(e) (42 U.S.C. 659(e)) is amended by striking "(e)" and inserting the following:

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—".

(9) Section 459(f) (42 U.S.C. 659(f)) is amended by striking "(f)" and inserting the following:

"(f) RELIEF FROM LIABILITY.—(1)".

(10) Section 461(a) (42 U.S.C. 661(a)) is redesignated and relocated as section 459(g), and is amended—

(A) by striking "(g)" and inserting the following:

"(g) REGULATIONS.—"; and

(B) by striking "section 459" and inserting "this section".

(11) Section 462 (42 U.S.C. 662) is amended by striking subsection (f), and section 459 (42 U.S.C. 659) is amended by inserting the following after subsection (g) (as added by paragraph (10) of this subsection):

"(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(iii) worker's compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.".

(12) Section 462(g) (42 U.S.C. 662(g)) is redesignated and relocated as section 459(i) (42 U.S.C. 659(i)).

(13)(A) Section 462 (42 U.S.C. 662) is amended—

(i) in subsection (e)(1), by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii); and

(ii) in subsection (e), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B).

(B) Section 459 (42 U.S.C. 659) is amended by adding at the end the following:

"(j) DEFINITIONS.—For purposes of this section—".

(C) Subsections (a) through (e) of section 462 (42 U.S.C. 662), as amended by subparagraph (A) of this paragraph, are relocated and redesignated as paragraphs (1) through (4), respectively of section 459(j) (as added by subparagraph (B) of this paragraph, (42 U.S.C. 659(j)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (i) (as added by paragraph (12) of this subsection).

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661), as amended by subsection (a) of this section, are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new paragraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree of settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by striking "to spouse" and inserting "to (or for benefit of)"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 364. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—for purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10. United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10. United States Code. is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(a)(26) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisy the amount of child support set forth in a court or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 365. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking "(4) Procedures" and inserting the following:

"(4) LIENS.—

"(A) IN GENERAL.—Procedures"; and

(2) by adding at the end the following new subparagraph:

"(B) MOTOR VEHICLE LIENS.—Procedures for placing liens for arrears of child support on motor vehicle titles of individuals owing such arrears equal to or exceeding two months of support, under which—

"(i) any person owed such arrears may place such a lien;

"(ii) the State agency administering the program under this part, shall systematically place such liens;

"(iii) expedited methods are provided for—

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

"(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.".

SEC. 366. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301(a), 328(a), and 331 of this Act, is amended by adding at the end the following new paragraph:

"(15) FRAUDULENT TRANSFERS.—Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 367. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301(a), 328(a), 331, and 166 of this Act, is amended by adding at the end the following new paragraph:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 368. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent by 90 days or more in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 389. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by striking "(9) Procedures" and inserting the following:

"(9) LEGAL TREATMENT OF ARREARS.—

"(A) FINALITY.—Procedures";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by indenting each of such clauses 2 additional ems to the right; and

(3) by adding after and below subparagraph (A), as redesignated, the following new subparagraph:

"(B) STATUTE OF LIMITATIONS.—Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be read to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 370. CHARGES FOR ARREARAGES.

(A) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 301(a), 328(a), 331, 366, and 367 of this Act, is amended by adding at the end the following new paragraph:

"(17) CHARGES FOR ARREARAGES.—Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 371. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 315(a)(3) and 317 of this Act, is amended by adding at the end the following new subsection:

"(i) CERTIFICATIONS FOR PURPOSES OF PASSPORT RESTRICTIONS.—

"(1) IN GENERAL.—Where the Secretary receives a certification by a State agency in accordance with the requirements of section 454(28) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 171(b) of this Act.

"(2) LIMIT ON LIABILITY.—The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 304(a), 314(b), and 322(a) of this Act, is amended—

(A) by striking "and" at the end of paragraph (26);

(B) by striking the period at the end of paragraph (27) and inserting "; and"; and

(C) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(i) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24

months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 372. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(A) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 304(a), 314(b), 322(a), and 371(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ": and"; and

(3) by inserting after paragraph (28) the following:

"(29) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases.".

Subtitle H—Medical Support

SEC. 381. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following: "if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section, and

(B) such plan amendment applies retro-actively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

Subtitle I—Effect of Enactment

SEC. 391. EFFECTIVE DATES.

(A) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) provisions of this title requiring enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the first day of the first calender quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if it is unable to comply without amending the State constitution until the earlier of—

(1) the date one year after the effective date of the necessary State constitutional amendment, or

(2) the date five years after enactment of this title.

SEC. 392. SEVERABILITY.

If any provision of this title or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without regard to the invalid provision or application, and to this end the provisions of this title shall be severable.

TITLE IV—REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT

SEC. 431. REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter—

"(1) such sums as may be necessary for fiscal year 1995;

"(2) $1,000,000,000 for fiscal year 1996;

"(3) $1,500,000,000 for fiscal year 1997;

"(4) $2,000,000,000 for fiscal year 1998;

"(5) $2,500,000,000 for fiscal year 1999;

"(6) $3,000,000,000 for fiscal year 2000; and

"(7) $3,500,000,000 for fiscal year 2001.".

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. INCREASE IN TOP MARGINAL RATE UNDER SECTION 11.

(a) IN GENERAL.—The following provisions of the Internal Revenue Code of 1986 are amended by striking "35" and inserting "36.25":

(1) Section 11(b)(1).

(2) Section 11(b)(2).

(3) Section 1201(a).

(4) Paragraphs (1) and (2) of section 1445(e)

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after October 1, 1996, except that the amendment made by subsection (a)(4) shall take effect on October 1, 1996.

TITLE VI—EFFECTIVE DATE

SEC. 601. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

The CHAIRMAN. Pursuant to the rule the gentlewoman from Hawaii [Mrs. MINK] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I yield myself such time as I may consume.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I rise today to speak for the millions of women and children whose lives will be deeply affected by what we do. In the name of reform, we are about to destroy the foundations which have been built over the years to build a framework of support and help. What was a reform effort has now turned into a savage effort to cut away needed funds for our most vulnerable children in order to pay for the tax cuts for the wealthiest in America. Changing the AFDC Program from an entitlement to a block grant means that you blow away its foundation of support. Changing the National School Lunch Program from an entitlement to a block grant means that you place every schoolchild in jeopardy that their school may have to drop out of the program. What good is it to say that there are funds for needy children if the schools they attend have no school lunch program at all? Changing the child care programs from entitlements to block grants means that you diminish the level of commitment to child care as the most important element required to achieve work and self-sufficiency.

The Republican attack against our efforts to build back a future for welfare families by job training, job search, and child care argues that all we do is defend the status quo. For most of this century America has stood tall as a country that helped its poor, and fed its children, and nursed its sick. If this is the status quo, I am proud to defend it because this is what I believe America is all about.

It is not about bashing women as illicit and unfit mothers. It is not about bashing legal aliens. It is not about bashing children because they were born out of wedlock.

America is about having the greatness to offer help where needed. I rise today because I passionately reject the meanness that I see and hear. I reject that the poor are less deserving of our love and affection.

The facts my colleagues is what gives me the spirit to fight back today. The facts, if you care to read, tell you that

50 percent of the adult poor on welfare, work. You don't need to force them to get up everyday like you think. They struggle to feed their families. They know that they want something better for themselves. They don't need a law to force them to love their children. More than half of the adults on welfare have 4 years of work experience. They are not lazy and seeking dependency as a way of life. They are despondent because of events beyond their control, sickness, being laid off a job because of corporate downsizing, divorce, or death.

Our substitute bill that we offer is the truth about America. It acknowledges that States should have greater flexibility in designing the job training and child care programs. But we guarantee the funds with which to do it. If Federal funds are to be spent there must be uniformity throughout the Nation on such things as eligibility standards, but beyond that the States must have the ability to decide how to achieve the goals of job placement which are required in this bill.

We reward families that work by not pulling them out of essential support like food stamps, housing, and child care.

We extend support to low-income working families not on welfare, but as much in need of help, by providing them with child care services as well.

In truth, Mr. Chairman, this substitute bill which has 75 cosponsors is an expression of belief and hope which is the icon of American ideology. Best of all it demeans no one because they are poor, and it protects children and legal aliens by refusing to segregate their rights and privileges because of status, and assures stability of Federal support while allowing maximum flexibility to the States to provide for jobs, job training and child care. Yes, it cuts off support if the parent refuses a job offer, but it does not set an arbitrary time limit which could not be met either by the State or by the community. To cut off a family in need when there is neither job, nor job offer, is cruel. What will the children do to survive? Separate the siblings in foster care, in orphanages? A job must be found before any funds are cut. That is the object, isn't it? Help families find work that earns their way off of welfare. This is our goal. This is the goal of an American that cares. This is not the status quo, because there is no such goal in current law. Vote for the Mink substitute.

FAMILY STABILITY AND WORK ACT (H.R. 1250) SPONSORED BY CONGRESSWOMAN PATSY T. MINK

SUMMARY

The Welfare debate has been centered around getting people off of welfare through arbitrary time limits and denying benefits to teenage mothers and children born into welfare families, all in an attempt to reduce federal welfare spending. Very little has centered around what is truly necessary to help families get off of welfare and stay off.

The Mink plan is a forthright and honest plan which seeks to move welfare families to self-sufficiency through employment. It provides the resources necessary to give welfare recipients the education, job training, job research assistance and child care that they need to find a job and sets them on a course toward employment through the Job Creation and Work Experience program. It also includes a strong work requirement and increases state flexibility.

Foremost is the fact the Mink plan protects children. It does not allow states to deny benefits to teenage mothers and children born into families already on AFDC. It does not allow children to be out on the street because they have been thrown off of welfare after two years. It helps to keep children and families off of welfare by allowing health care, child care, housing and Food Stamp benefits to continue for a short term after the family is off of AFDC. It increases child support enforcement so that single-parent families have a contribution from the absent parent to help sustain the family. And it eliminates the discrimination of two parent families in the AFDC system.

The major differences between the Mink plan and other welfare proposals are: retains entitlement status of the program; no arbitrary cut off of benefits (people who refuse to work or turn down a job are denied benefits); protects children because it does not include requirement to deny benefits to teenage mothers or children who are born to families already on AFDC; rewards states for successfully moving welfare recipients into jobs; makes the investments necessary to prepare welfare recipients for work; helps families stay off of welfare by allowing them to retain health, child care, housing and Food Stamp benefits for up to two years, and does not finance welfare by denying benefits to legal immigrants.

I. WORK OPPORTUNITIES AND REQUIREMENTS

Work and preparing for work are essential elements in a welfare reform. The Mink plan provides welfare recipients with the education, job training and child care necessary to obtain a job and stay employed. State are provided more flexibility in implementing the JOBS program to help prepare welfare recipients for work and enhances JOBS with a new work program (The Jobs Creation and Work Experience Program). This is not a one-size fits all approach. It eliminate cumbersome requirements under the JOBS program and allows states flexibility in determining who is required to participate in JOBS and who is exempt. There is no arbitrary time limit for AFDC benefits but allows states to work with individual families to determine what is necessary to get them off of welfare and become self-sufficient through employment.

The Mink plan includes a strong work requirement. Every recipient with a self-sufficiency plan must be in a job after the education, training or job search activities required in their self-sufficiency plan are completed. If they cannot find a job they must participate in the Job Creation and Work Experience Program for two years. States are given maximum flexibility to design the Work program to fit the needs of their AFDC families and their community.

The basic components of this program are:

Participation rates.—States decide who participates and who is exempt, so long as the following participation rates are achieved: 15 percent of AFDC families in FY 1997; 20 percent of AFDC families in FY 1998; 25 percent of AFDC families in FY 1999; 30 percent of AFDC families in FY 2000; 35 percent of AFDC families in FY 2001; 40 percent of AFDC families in FY 2002; and 50 percent of AFDC families in FY 2003 and each succeeding year.

Self-sufficiency plan.—Within 30 days of being determined eligible for AFDC, a preliminary assessment of the self-sufficiency needs of the family and whether they qualify for the JOBS program is required. A more detailed self-sufficiency plan must be developed for every participant in the JOBS program. The plan will explain how the State will help and what the recipient will do to pursue employment. It will identify the education, training and support services that will be provided to reach the goal of self-sufficiency, and it will set a timetable for achieving the goals.

Work Requirement.—Every recipient with a self-sufficiency plan must work after education, training, job search or any other preparatory activity required by their self-sufficiency plan. If the recipient cannot find a job, the state must provide a subsidized job through the Job Creation and Work Experience program for at least two years.

Components of the Job Creation and Work Experience Program.—Each State designs its own program to provide employment in the public or private sector for AFDC recipients. The jobs must pay at least Federal minimum wage and may be subsidized. Child care and Medicaid eligibility must be sustained throughout the program. Protections against displacing existing employees at a company or organization participating in a subsidized job program are included.

Time limits.—There are no arbitrary time limits on AFDC benefits. Requires a recipient to get a job once they have completed education or training as determined by their self-sufficiency plan. If a job is not available, they must be placed in the Job Creation and Work Experience program for at least two years. Any one who refuses to work or turns down a job will be cut off of welfare. However, AFDC recipients who play by the rules but cannot find a job because there are no jobs do not get punished by being cut off of welfare.

Jobs and work funding.—The Job Creation and Work Experience Program is a new program under JOBS. Funding for JOBS will continue to be based on a Federal/State share and remain a capped entitlement to the States at the following levels (including the $1 billion currently authorized for JOBS): $1.5 billion in FY 1997; $1.9 billion in FY 1998; $2.8 billion in FY 1999; $3.7 billion in FY 2000, and $5.0 billion in FY 2001.

Rewards success.—Increases Federal share of the JOBS program and Transitional Child Care program by 10 percent for States which meet a certain success rate in moving families on welfare into work (actual rate increase for JOBS program would equal 70% or the Federal Medicaid Match plus 10%). In order to receive the increased federal share the number of JOBS participants who leave the AFDC program due to employment (does not include subsidized employment) within the given year must equal: ¼ of JOBS participants in fiscal year 1998, ⅓ of JOBS participants in fiscal year 1999, and ½ of JOBS participants in fiscal year 2000 or any year thereafter.

Promotes families.—Eliminates requirements discriminating against two-parent families.

II. CHILD CARE

Child Care is essential in order for AFDC mothers to work or participate in an education or job training program. Child care is often the most difficult support service for mothers to find and the most expensive. The Mink plan increases the Federal investment in child care so that AFDC mothers can work to support their families and extend transitional child care assistance so that families who have left the AFDC system can stay off of welfare. In addition, the Mink

plan makes a significant investment in child care for other low-income families through the At-Risk Child Care program and the Child Care Development Block Grant program.

Child Care Guarantee.—Retains the Child Care Guarantee for AFDC recipients and JOBS participants. Extends the Transitional Child Care program for families who leave AFDC for an additional year. (current program is one year). Families who leave AFDC would be eligible for transitional child care for two years or until their family income reaches 200% of poverty.

Increase Federal Match.—Increases the federal share for the AFDC & Transitional Child Care by 10%.

Child Care for Non-AFDC families.—Increases the Federal Match for the At-Risk Child Care program by 10% and increases capped entitlement to: $800 million in fiscal year 1997; $1.3 billion in fiscal year 1998; $1.8 billion in fiscal year 1999; $2.3 billion in fiscal year 2000, and $2.8 billion in fiscal year 2001.

Reauthorizes the Child Care Development Block Grant program for five years with the following authorization levels: $1.0 billion in fiscal year 1996; $1.5 billion in fiscal year 1997; $2.0 billion in fiscal year 1998; $2.5 billion in fiscal year 1999; $3.0 billion in fiscal year 2000, and $3.5 billion in fiscal year 2001.

III. MAKING WORK PAY

Helping former AFDC families stay off of welfare must be one of our primary goals. Currently over ½ of the AFDC population cycles on and off of welfare. Low wage jobs which do not provide enough money to sustain a family coupled with the loss of health care, child care, housing and food stamps, often puts a family right back into the dire financial situation which put them on welfare in the first place. We must reward AFDC recipients who go to work and not punish them by taking away necessary assistance which will help stabilize the family. The Mink plan allows AFDC families to retain short-term assistance in the areas of health, housing, nutrition and child care to help stabilize the family and assure that they will not fall back into welfare. including:

Rewards work.—Eliminates disincentives for AFDC recipients to work by increasing the amount of earned income not included in calculation of AFDC benefits from $120 per month to $200 per month in the 1st year and $90 to $170 after fir first year.

Transitional health benefits.—Extends Medicaid benefits for an additional year (with state option to require families to pay a portion of the premium) after a family leaves AFDC and extends Medicaid benefits for the children until they reach 18 years of age or the family's income reaches 200 percent of poverty.

Transitional nutrition benefits.—Income earned by AFDC recipients and former AFDC recipients will not be counted for the purposes of Food Stamp eligibility until the family's income reaches 200% of poverty or for two years after the termination of AFDC benefits.

Transitional housing benefits.—Income earned by AFDC recipients and former AFDC recipients will not be counted for the purposes of Federal Housing assistance eligibility or rent determination until the family's income reaches 200% of poverty or for two year after the termination of AFDC benefits.

IV. CHILD SUPPORT

Failure to enforce child payments plays a key role in keeping single parent families in poverty. The FSWA incorporates the child support enforcement provisions developed by the Women's Caucus. It improves state and interstate child support enforcement through:

Establishment of state automated systems on child support orders;

Establishment of a Federal automated system which will include state data on child support orders and a directory of new hires;

Requiring all states to adopt the Uniform Interstate Family Support Act, which establishes a framework for determining which state retains jurisdiction of interstate cases and governs the relationship amongst states in this area.

Improved sanctions including, state guidelines for driver's license suspension, and the denial of passports for individual who are more than $5000 or 24 months arrears;

Granting families who are owed child support first right of access to an IRS refund credited to a delinquent non-custodial parent;

Increasing the Federal matching rate from 66% to 75% and including incentive payments of up to 15% for state's based on paternity establishment and overall performance of state program. 80% Federal matching rate for the development of automated systems.

V. FINANCING

Corporate America benefits from billions of dollar worth of corporate welfare—subsidies, tax breaks, credits, direct federal spending—every major corporation and business receives some kind of benefit from the Federal government. Corporations must do their share in investing in our nation's most vulnerable in our society.

The Mink bill is financed through raising the top corporate income rate by 1.25% to 36.25 percent. This is estimated to raise $20.25 billion over 5 years.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania [Mr. GOODLING] rise?

Mr. GOODLING. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 30 minutes.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the Mink substitute. I believe it is an expansion of our current system rather than real reform.

Mr. Chairman the fundamental difference with the substitute, of course, is that it retains the entitlement status of the AFDC. But it goes beyond that, it increases the administrative burdens and imposes costly new unfunded Federal mandates on the States. It is mostly deficient for what it does not do. It does not give the States the flexibility to respond to the crisis we have before us.

Mr. Chairman, during our Committee on Ways and Means hearings on welfare reform we repeatedly heard from Governors and others closer to the delivery of public assistance that in order to affect real welfare reform, we need to stop the one-size-fits-all Federal approach and let States design welfare programs that are designed to meet the real needs of the population.

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Such an approach removes a whole layer of expensive Federal bureaucracy that will free up more resources, more resources, Mr. Chairman, to try innovative, new approaches at the local level to truly change people's lives. This substitute before us does not do that. It keeps the same expensive Washington welfare bureaucracy in place, and, in fact, increases costs and Federal requirements. It requires States, as an example, to provide a public sector or subsidized private sector job paying minimum wage for at least 2 years for each recipient. It raises the jobs program participation requirements 5 percent annually, and it guarantees former AFDC families child care indefinitely, until their income reaches 200 percent of poverty. It is the status quo, as the gentlewoman from Hawaii [Mrs. MINK] has said, but it is more than that. It is more of the same.

Again, I believe this substitute traps us in the failed welfare system of the past, so what we need to do is we need to end the perverse incentives of the past. We need to make people work, we need to encourage families to stay together, we need to slash the costly and ineffective Federal welfare bureaucracy.

Thomas Jefferson once said, "I believe that the States can best govern our home concerns." I think he was right. Many of today's thinkers echo those words, sociologist James Q. Wilson among others. Quite frankly, Mr. Chairman, we have to oppose this substitute because it just increases the bureaucracy and the failed welfare system. We need to look ahead. We need to support the committee bill which gives our State partners the flexibility they need.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS], a member of my Committee on Economic and Educational Opportunities.

Mr. WILLIAMS. Mr. Chairman, along with the gentlewoman, I, too, along with many of my colleagues, have spent a lot of time thinking about welfare and trying to figure out how to reform it, a thing that this Congress has done many times, by the way, since welfare was first created. It is not easy, but there are some clear conclusions that one arrives at.

First, and the American people agree with this more than anything else, we have got to make being off of welfare more profitable than being on it. This bill does that better than any bill before us. The American people say, "You've got to educate people, you got to job train them to take that job once they get on welfare."

Now check it. This bill, Mr. Chairman, the gentlewoman from Hawaii's bill, does that better than any bill that is before us. I say to my colleagues, "You have to improve employment

services so that the former welfare recipients now trained for a job can actually find a job." No bill does that better than this bill offered by the gentlewoman from Hawaii [Mrs. MINK], and it does something else. It is tough. It requires that the States increase the number of recipients who take jobs from the current 15 percent up to 50 percent, and I think it does that better than any bill that is before us.

I say to my colleagues, "If you ask the American people what they don't want to do in welfare reform, they'd say, 'For heaven's sakes, don't cut the kids nutrition programs, don't cut school lunch.'" This bill does not cut it.

Mr. Chairman, I voted for the Deal bill last night because I thought it was a lot better than the Republican substitute. I say to my colleagues, "I like Mrs. MINK's bill even better than the Deal bill."

Now let me finally say a word about the Republican substitute. I know it is a major part of the contract, almost the crown jewels of the contract, and Republicans talk a lot about change. Now here is their great idea for change on welfare reform: Pass the buck to the Governors. Let the Governors do it.

I ask, "Is that the best you can do in your contract? Is that the only change you could think of for welfare reform, if we don't know how to do it, let's let the Governors do it?"

No wonder the American people want their money back on the contract.

Mr. GOODLING. Mr. Chairman, I ask unanimous consent that my time be controlled by the gentlewoman from Kansas [Mrs. MEYERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I oppose the Mink substitute. It maintains the entitlement nature of this program, and I think that is a serious mistake. It vastly expands the welfare state. It means a $13 billion increase in expanded jobs training programs. It means a $14.9 billion increase in expanded child care programs. It extends Medicare coverage for an additional year after beneficiary begins working. They already have 1 year Medicaid, I believe. It lets welfare beneficiaries earn more and still collect welfare.

Mr. Chairman, all of this will add over $30 billion a year to the $70 billion that we spend on the AFDC population now.

After 2 years in a job training program, the Federal Government requires States to provide make-work public jobs or subsidized employment for at least 2 years under the substitute offered by the gentlewoman from Hawaii. Now, while in this make-work job, beneficiaries must earn more than they did on AFDC. In other words, the Government is required to give them a job. While they are in this make-work job, they must earn more than they did on AFDC.

The corporate tax rate is going to be increased by 1.25 percent to subsidize welfare workers who are doing make-work jobs.

The Mink substitutes does not address out-of-wedlock births at all. Mr. Chairman, by the year 2000, 80 percent of minority children and 40 percent of all children in this country are going to be born out of wedlock. The younger that a woman has a child, the more likely it will be that she will end up on welfare and stay there for at least 8 to 10 years.

We know, Mr. Chairman, statistically—I am not saying that welfare children are bad. I do not believe that. Many children turn out extremely well, but we know from statistics and studies that children who get started in the welfare system get a very bad start in life sometimes. They do not have a lot of structure in their life. Frequently they do not have a father. Sometimes they do not even have enough food and clothing, and statistically we know that throughout their life they are going to have more trouble with education, health and crime. We are consigning people to a very bad life when we expand this system, and I vigorously oppose the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I stand to support the substitute offered by the gentlewoman from Hawaii [Mrs. MINK]. She definitely reforms AFDC, and that is where most of the problems are.

I say to my colleagues, "Now, you can put any label on us as you want to. You can call us liberals or conservatives. But the main thing the children and the people of this country want: Benefits. They want services. They don't care what party you're in, and they don't care what rhetoric you spout. When a hungry stomach is hungry, they care nothing about whether you're conservative or liberal. That's why PATSY MINK is saying, 'Get a way to get us out of this morass, get some jobs, define them, show them how to get there.'"

Now there are jobs out there, and I say to my colleagues, "Don't let anyone fool you, there are jobs, but you must train people to get to the jobs, and that's what PATSY MINK does. She requires them to work, but with some skill so they can keep those jobs and not get on this hamburger chain from one McDonald's and one Burger King to the other because of all these ill-defined job programs that just making the people who started this train of illiteracy and poor work habits get on the train and not help them as they've never been."

So let us make a deal. Deal tried to do it last night. My colleagues would not accept his substitute.

Let us make a deal and show that the substitute offered by the gentlewoman from Hawaii [Mrs. MINK] delivers a better trail, it delivers better jobs, it delivers better work, it delivers better benefits for poor people.

Now let me tell my colleagues something about helping people on welfare. The substitute offered by the gentlewoman from Hawaii does this, does job training, it does education, it will put emphasis on quality child care.

I ask, "How do you expect people to work, mothers, if they don't have child care?" Knowing that their babies are safe will make them have some incentive to go out and find a job. It will put emphasis on school lunches, that children are hungry. Go out there in the community, and my colleagues will see these hungry children.

It is time to do the real reform. We do not care about labels. I say to my colleagues, "It's not what you call me, it's what I answer to."

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 2½ minutes to the gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Chairman, it appears that the Mink substitute is yet another form of big government—more money, more bureaucracy, fewer answers. For more than 30 years we have tried welfare one way. What do we have to show for it?

We have a system that penalizes families, that penalizes a mother for wanting to marry the father of her children, that penalizes savings, and penalizes the person who wants to own property.

The Mink substitute increases spending by at least $1 billion over 5 years just for transitional child care. And, that's only one tiny part. For example, it expands the JOBS program by $14.9 billion and that program has not been proven effective. And it also increases taxes to the point where business may not be able to provide the very jobs we are training them to fill.

And that is just the beginning.

I would ask all of us to consider. What do we have to show for 30 years of throwing money at a problem?

We have more people on welfare with no hope of getting off. One of the other results is an inflated, overextended budget. Currently, the bankrupt budget burdens families with excessive taxes.

We need to get beyond the old law. We're the government and we're to help to the point where we can say, we're the government and we're going to get out of the way and let you dream your dreams.

Beyond the problems of the Mink substitute, there is a philosophical shift that needs to be made here. We need to make sure that we no longer measure compassion by how many people are on welfare and how much money we throw at welfare but by how few people are on welfare and how little money we take from our citizens to

get those who are down and out addicted to the government dole.

We have tried it one way for 30 years now and it hasn't worked. Throwing more money at the problem and increasing the bureaucracy is not the answer.

The answer lies in restoring hope—offering a helping hand—in the form of temporary assistance and then giving a hand up not just a hand out. The Mink substitute is not the answer. I urge a "no" vote.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to our distinguished ranking member, the gentleman from Missouri [Mr. CLAY].

(Mr. CLAY asked and was given permission to revise and extend his remarks.)

Mr. CLAY. Mr. Chairman, I am proud to serve as a cosponsor of the Mink substitute because it is the most humane of the three proposals before us.

The Mink substitute is justifiably silent on the nutrition issues that have so divided this House during the welfare reform debate. It says nothing about these issues because it doesn't need to say anything. Existing Federal nutrition programs work remarkably well. Leave the system alone. Each day, 26 million children are fed school lunches, and 7 million women, infants, and children participate in the WIC Program. The Mink substitute reminds us not to throw the baby out with the bath water.

Mr. Chairman, not one witnesses who testified before the Committee on Economic and Educational Opportunities this session supported block granting Federal nutrition programs.

Our Republican colleagues keep denying that their bill will hurt women and children. In fact they have become rather angry, complaining that they are being unfairly accused of cutting WIC and school lunch and breakfast programs. But the truth is, the Republican bill doesn't just cut these nutrition programs, it decimates them. National nutrition standards, gone; summer food programs, gone; child care food programs, gone; the guarantee that all children will be protected from hunger, gone; the automatic trigger to increase nutrition support when the economy worsens, gone. The Republican proposal relieves the Federal Government of all responsibility and blame.

Mr. Chairman, my Republican colleagues claim the will increase funds for nutrition programs. This is part of the distortion. It is the big lie. They quote authorizations as appropriations.

At least 6 million children will go to bed hungry every night if this bill becomes law. This Republican bill is not designed to address the programs of those on welfare, but to relieve the well-to-do of any tax obligations. It is nothing more than a money-laundering scheme, a shell game; take from the poor and give to the rich.

Mr. Chairman, if one child goes hungry because of the Republican proposal, shame on this Congress. If one child is born prematurely because his mother is denied WIC services, shame on this Congress. If one child dies from malnourishment because a tax cut was given to the rich, shame on this Congress, and on those insensitive voters who are supporting the callous provisions of this obnoxious Contract With America.

I urge my Republican colleagues to support the Mink substitute. It protects our Nation's children from the nightmare of the Republican bill.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. SOUDER].

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Mr. SOUDER. Mr. Chairman, listening to this debate, I am struck by self-doubt. Maybe the Democrats are right. Maybe we are being too rash and too impulsive in trying to change the welfare system from the last three decades.

John Lennon said give peace a chance. Maybe my friends are correct that we just need to give the welfare state a chance. After all, we have only been at it for about 30 years. Nearly two-thirds of the households at the lowest one-fifth of the income distribution are headed by persons who work. Today that has declined by one-third. But maybe we should just give it a little bit more time and spend just a little bit more money.

In 1966 when the war on poverty began, the poverty rate was 14.7 percent. Today's poverty rate is even worse, 15.1 percent. But maybe we are being rash on this side and we should not really try to reform the system and just put a little bit more money in and that will help. Should we wait until illegitimacy rates reach 95, 100 percent in our public housing projects? Should we wait until 50 to 75 percent of white babies and over 90 to 100 percent of African-American babies are out of wedlock?

At what point do we decide that the system is broken, that the way we are doing it does not require just a little bit more money or a little bit more Federal program, but rather that we need a radical overhaul, that we need to put it back to the States where people can look at the local level, see what is working, see what is not working, tinker with the edges rather than having it directed from here in Washington?

As you go around and see young children and see that hope out of their eyes, they are not getting it from this welfare system. Maybe this system will not be that much better, but it can not be worse, and with economic opportunity and jobs we can at least try to put hope back in children's lives.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 15 seconds to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, can I ask my colleague, what page do you find the jobs on that is in the Republicans Personal Responsibility Act, because I have been looking for the last week. I have not found these jobs that you are talking about.

We have offered, you know, a work responsibility provision in the welfare reform package, but I cannot find it in the Republican bill.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentlewoman from Hawaii for yielding.

Mr. Chairman, I proudly stand here for her bill. Her substitute is the right substitute, and let me add to what the gentleman from Tennessee [Mr. FORD] just said. You know, early on the Republicans appointed June O'Neill. She is their appointee to be head of the Congressional Budget Office, and she says their bill is weaker on work than the current system. The Washington Post editorial says theirs is weaker on work than the current system.

The question today, ladies and gentlemen, is do we want reform, which is the Mink bill, which helps people go to work, or do we want to be totally retro, do we want to go back to orphanages or do we want to go back to really making this almost a poor house mentality?

I do not think so. I think we want to go forward. That is what Americans want to do. They want to help teach people to fish. This is the teach people to fish bill. We have heard them say there is perverse incentives in this bill. Oh, yeah? I do not know what is wrong. How can you call a perverse incentive the fact that if you are offered a job you have to take it. That is a wonderful incentive. I would not call that perverse at all.

We also hear people saying, "Oh, well, we like the block grants so much better." What you are really saying there is let us take all these problems and throw them at the Governors and hope it works.

Let me tell you, it is not going to work in States like mine because the block grants are always going to be much lower than the population increase. There will be States getting our money based on prior censuses, and we got their people.

So we are going to have a real shortfall. So this reform is really going to crunch growing States. But basically this goes to the dignity of work. It goes to the dignity of the individual. This goes to what this country was about. In other nations you were what your parents were. In this Nation you are what your children become. But your children cannot become much if you cannot help them work and go forward.

Mr. Chairman, I want to put a poem in the RECORD from a woman from my district.

(By Lisa R. Spano, Colorado)

Such a little thing missing
The tines on this simple tool
But you see without them being there
My food just slips right through

Noodles won't work and neither will chicken
And most of us don't like squid
But how can I expect you to listen to me
When I'm just a little kid?
I don't know how it got there
This hole in the middle of my spoon
My mommy says it's a budget cut
But to me it's just less food at noon
Soup won't work, it just falls right through
That holes just too darn big
But how can I expect you to understand
When I'm just a little kid.

I thank the gentlewoman from Hawaii for getting the right idea, and I hope everybody votes for her amendment.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I rise today in opposition to the Mink substitute. It not only retains our failed social welfare system, but embodies the tenets that have converted our social safety net into a trap of dependency and irresponsibility. The Mink substitute retains AFDC as an entitlement program and continues the failed practice of providing cash benefits to teenage mothers.

It is not compassionate to simply give a girl, with a child, a meager monthly check. I worked with abused and neglected children, and I know from experience that cash assistance is not the only assistance a pregnant child needs. She needs guidance to assume the responsibility of being a parent.

In this debate, my party has been unfairly accused of not caring for children. But the real brutality, the true cruelty is to turn our eyes away from the existing failed system and allow children, trapped in the welfare syndrome, to stay there.

H.R. 4 offers a responsible, humane solution to reducing and discouraging out-of-wedlock births. While this bill ends direct cash benefits to teenage mothers, it ensures that both children—mother and child—receive proper care. H.R. 4 provides teenage mothers with the education and parenting skills needed to achieve self-reliance and economic independence.

I encourage all of my colleagues to vote "no" on the Mink substitute.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I thank the gentlewoman from Kansas for yielding this time to me.

Mr. Chairman. I rise in opposition to the substitute bill offered by Mrs. MINK of Hawaii. As I looked through the Mink substitute I arrived at the impression that this bill is simply more "business as usual" for the current failed welfare system. Indeed, it exacerbates it.

First, the Mink substitute fails to acknowledge that our Nation's current welfare system has failed—it has failed recipients, it has failed those who administer the programs, and it has failed taxpayers who fund the programs. The Federal programs which make up the welfare system have assisted folks with basic needs such as food and shelter. However, they have not supported—and in fact have been a major roadblock—for people who want to get up, off, and out of public assistance.

The Mink substitute does not fix what is broken. It does not take steps to curb fraud and abuse in the Food Stamp Program; it does not consolidate and streamline employment and training programs; and it does not address the endless cycles of poverty. What this bill does do is promise more and more benefits with no end in sight and preserve the failed welfare system.

I urge my colleagues to start measuring compassion by how few people are on welfare, and not by how much money the Federal Government pours into the welfare system. I urge my colleagues to oppose "business as usual" and oppose the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in strong support of the Mink substitute.

Mr. Chairman, I rise in strong support of the substitute by Representative PATSY MINK to H.R. 4, the Personal Responsibility Act.

The Republicans have been claiming that they wish to reform the welfare system. Their idea of reform, however, is to cut and slash every program that helps feed and care for children and guts every attempt to help poor Americans get back on their feet. It fails to create a single job and instead hits poor Americans from all sides simply because they are in need of a helping hand.

By contrast, the Mink substitute offer real reform by increasing funding for education, job training, employment services, and child care in order to provide Americans in poverty a chance to improve their lives and their children's lives. Instead of cutting welfare to pay for a tax cut for the wealthy, the Mink substitute increases the corporate tax on the wealthiest companies to pay for a path out of poverty for poor Americans.

I was in my district for a townhall meeting earlier this month and had the opportunity to talk with one of my constituents, Ms. Donna McAdams. I would like to relate the story that she shared with me because, in my view, it describes exactly why H.R. 4 is so nefarious and should be rejected and why the Mink substitute is so important and deserves our support.

Ms. McAdams lives in the Robert Taylor Homes in my district in Chicago with her three children. She did not grow up on welfare. She was reared by her grandparents in Englewood on Chicago's south side because her mother abandoned her when she was 6 months old and she never knew her father. her grandmother was a registered surgical nurse and her grandfather worked for the railroad. They worked hard to raise Ms. McAdams who studied hard and was a member of the National Beta Society and National Honors Society in high school. After graduating, she took her State nursing boards and became a licensed practical nurse. Since she was pregnant at the time and lacked a pharmacology certificate, she was not able to take a nursing job. Instead, Ms. McAdams began working full time at McDonalds, making $3.35 an hour.

After the baby was born, Ms. McAdams was on welfare for 2 months, but returned to her job at McDonalds when her child was 4 months old. However, her $3.50 salary was not enough to make ends meet and pay the $350 monthly rent so she obtained a loan to go back to school to become a medical assistant. She had completed her program and internship when she unexpectedly became pregnant again. Unlike her mother, Ms. McAdams decided to keep her babies and not give them up. Unfortunately, at this time, her grandmother was recovering from surgery and her grandfather from a stroke. Ms. McAdams married her baby's father and they began to receive general assistance aid. She soon had to leave her husband because of domestic violence and rear her children on her own.

Currently, Ms. McAdams is going to college 1 day a week to get her pharmacology certificate in order to obtain a job as a nurse. She is also volunteering at her children's Head Start Program and trying to get into Project Chance which would help her with child care and transportation while she looks for a job.

When asked about the welfare reform proposals being debated, Ms. McAdams said:

All the things that the politicians are talking about just makes me tired. They want to cut everything that helps, even housing. Where are we going to go if we lose our apartment? I can't imagine me and my kids out on the street. I'm trying to hurry myself through school, but there's no guarantee that I'll get a job. I'm trying but each time I try it seems like I get another roadblock. I want to be a good role model for my children. I want to have a good job and a better place to live. But I know I can't do it by myself. Sometimes I just get so tired.

Mr. Chairman, the vast majority of welfare recipients are like Ms. McAdams. They are trying as best as they can to make their lives better and to provide for their children. Maybe they have hit some roadblocks though and need additional assistance to get back on their feet.

The Mink substitute would help to put Ms. McAdams on a self-sufficient course because it invests in welfare recipients by preparing them for work and rewarding States that successfully move them into jobs. It promotes work by provioing the training and education needed to obtain jobs and guarantees child care for aid recipients and job training participants and increases funding for child care for at-risk families so that parents do not have to choose between caring for their children or maintaining a job. More importantly, the Mink substitute does not contain any of the extremist measures of H.R. 4 that punish newborns because their parents are not married or are already on welfare and have other children. It also does not take away children's school nutrition programs to pay for a tax break for wealthy Americans.

I urge my colleagues to reject the Republicans' tax cut for the wealthy out of the mouth of babes plan and support the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Chairman, I rise in strong support of the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in strong support of the Mink substitute to H.R. 4.

Mr. Chairman, this substitute provides a realistic framework for creating a positive and lasting reform that promotes self-sufficiency and the elimination of poverty through job training and supportive services, not simply through the reduction of AFDC rolls at any human cost.

As compared to the punitive approach of the Republican bill, the Mink substitute is compassionate and recognizes that all people have human and civil rights, especially the 68 percent of AFDC recipients across this country who are children.

The Mink substitute helps to move families out of the perpetual cycle of poverty by providing opportunities to gain permanent employment with sufficient security and advancement. The Mink substitute distinguishes itself from other welfare reform proposals through its realism and its sensitivity to human need.

Mr. Chairman, it deserves the support of every Member of Congress who values promoting long-term economic self-sufficiency for American families over a quick-fix approach based solely on reducing the assistance to the neediest in our society. Support the Mink substitute for meaningful and effective welfare reform.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I would like to recognize that the gentleman from Georgia [Mr. DEAL] has worked in a bipartisan manner in the past, but to gain support from the liberal members of his party, he had to increase the spending and raise taxes, the liberal answers to meet all problems.

He referred to Cinderella. The Mink bill, and the gentlewoman, I want to make clear I am talking about the bill because the gentlewoman is a friend, but the bill is the ugly sister of all sisters.

This bill increases the deficit by even billions of dollars and also increases taxes. The question has been should we give to the States the power. The States have proven that they have been able to manage the welfare programs much better than the Federal Government.

We happen to believe that the Government works best the closest to people. The Karl Marx Democrats want the bureaucracy to control everybody's life. Why? Because that gives them the power to dole out the money to get reelected. That is what the real answer is here.

They are fighting to keep their precious bureaucracy. We are increasing the amount for kids for food, we are increasing the responsibility, we are bringing deadbeat dads together, we are bringing families together. What they cannot stand is that we are taking their power of big bureaucracy away.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, Members of the House, I want to strongly associate myself with the remarks of the gentlewoman from Hawaii [Mrs. MINK] a woman of great strength and of great principle. I want to associate myself with her remarks and promotion of her amendment, because what her amendment does is promote child nutrition over the Republican alternative that slashes $7 billion from child nutrition programs, $2 billion from the School Lunch Program, $145 million in 1996 alone.

It promotes work over the Republican proposal where CBO says none of the States, none of the States can make the work program in the Republican bill work for people on welfare. It promotes child protections for children who are abused over no Federal protections in the Republican bill. It promotes protection for severely disabled children rather than throwing them off of the SSI rolls, seriously disabled children with mental disabilities, with physical disabilities, children suffering from cerebral palsy and other afflictions like that.

No, the Republicans throw them off. What we cannot stand about the Republican bill is its cruelty, its concerted attack on America's children. Whether they are infants, whether they are in the womb, whether they are toddlers, whether they are in child care, whether they are in school, the Republicans attack them. That is what we cannot stand.

But we have a choice. We are going to have a choice in a few minutes to vote for the Mink substitute, a substitute that promotes work, promotes child protection, promotes child nutrition. That is what Americans want. They want people on welfare to go to work. And yet the Republicans have constructed a dynamic that is not favored by the people in the States who run work programs; it is not favored by the WIC directors; it is not favored by the school lunch people. And these are supposedly the people that know best because they are closest, and they are saying do not do what the Republicans want to do to nutrition and to work and to the women and infants and children's programs. Stop the cruelty, stop the cruelty, and vote for PATSY MINK.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield myself 5 seconds to say that the States will structure the work programs, and what CBO said was that our standards were tougher, not easier.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

□ 1130

Mr. TRAFICANT. Mr. Chairman, I voted for the Deal substitute. I will not vote for this substitute. I will vote for H.R. 4.

I was raised in a poor home as everybody else. Our policies in the welfare system penalize achievement and work, promote illegitimacy, reward dependency, destroy family, and have created a class system.

We have talked about the middle class on this floor. It is not a Freudian slip. Is there an upper class, Congress? Is there now a lower class in America? We/they, they/we, politics of race, politics of fear, politics of division, politics of a welfare system.

Uncle Sam was never supposed to be mom and dad. We do not have mom and dads in America anymore.

I do not think the Republicans are trying to cut anybody's head off at all. We have a system that does not work. Schools now teach morality. Police and judges straighten out the kids. Food stamps feed our kids. HUD gives them a roof.

What a sad deal for our country. Where is mom and dad?

I can remember an interview with Wes Unseld. What was significant, they asked him, what is the greatest thing your dad ever did for you? And do you know what he said, "The greatest thing my dad did for me is my dad loved my mom."

We are destroying families. We are playing politics.

I liked Deal better and maybe when it comes back from the Senate there will be some Democrat language in there. But I am not going to stand today and vote for the status quo. I am not going to do that. And this vote does not help me. It hurts me politically.

I think it is time we do what is best for our country. Our kids have been left on the street. They are strung out. They need a mom; they need a dad.

I am a Democrat as well as anybody else. But the Democrats have had 40 years. The problem is, there are no damn jobs. And the Democrats in 40 years have not done a thing about jobs. Our jobs have gone overseas. The Republicans cannot give them any jobs. There is no jobs out there. The Democrats cannot give them any jobs. Trade policies have taken our work overseas, and then we talk about trying to incentivize work.

Ladies and gentlemen, let me say this: Uncle Sam is not a good parent. Uncle Sam is a great country but was

not designed to be the parents for the children of this Nation. And you are not going to resolve it with any of these bills. But I am not going to vote to sustain the status quo, and I am not going to demean the bill that has come from the other side of the aisle.

Anybody who supports the status quo, in my opinion, is antifamily, antikids and, damn it, anti-American. I will have no part of it.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, we have some tough cowboys here on the floor of the House. This is a new interesting kind of wagon train in which the cowboys have decided to throw the women and infants and the children and the senior citizens out of the wagon train so they can get where they are going faster.

It is cruel. And for anyone, Democrat or Republican, to defend this approach really questions the credibility of this entire Congress, because no one among the tough guys have offered to do anything about the 85 billion dollars' worth of welfare subsidies for corporate America in this year's budget. No one stood up to do anything about the $150 billion of tax giveaways and loopholes to American corporations.

Aid to Dependent Corporations, as the Cato Institute has said, is driving a hole in the Federal budget. But we have all of these willing people who are so eager to lighten the load of America by casting aside the poor.

This is an unfortunate moment in the history of this country, and I would say to some of my millionaire colleagues that they are on the wrong side of history today, in this debate and on this subject.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, the Mink substitute substitutes commonsense welfare reform with increased taxes. Instead of bringing real change to our broken welfare system, this amendment flies in the face of the will of the people by increasing taxes by $20 billion. Clearly, a $20 billion tax increase is not what the voters asked for last November. This substitute retains the failed welfare status quo by retaining AFDC entitlements that have created a cycle of big Government dependency for millions of Americans. It guarantees that former AFDC families will continue receiving benefits almost indefinitely. This substitute is antigrowth and antijob and does little to fix a failed welfare system that has already consumed over $5 trillion in taxpayer dollars since its inception 30 years ago. Mr. Chairman, the Republican welfare reform proposal promotes personal responsibility and creates incentives for families to remain intact instead of creating lifelong dependency on welfare. It discourages illegitimacy by not rewarding unwed mothers that have additional children. It cuts endless, unnecessary Federal regulations and bureaucrats by returning power and flexibility to the States and communities where help for the needy can best be delivered. Let us not take steps backward. Instead, let us move forward and make substantive and fundamental changes in our current welfare system for our future generations. Vote "no" on the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I support this substitute. The Mink bill corrects a popular misconception. The Mink bill provides a real opportunity for people on welfare to demonstrate that they are willing to work. They want to work. Throughout this debate, there has been a recurring and underlying theme. Members have suggested, and many believe, that people on welfare want that status. That belief ignores certain, real situations.

Yesterday morning I was at breakfast with a single mother of six children. She was married at one time, then divorced. Her children needed to be fed. She got on welfare. She had no choice. But, she was willing to work. She wanted to work. Alone, she obtained the G.E.D. She then graduated from college, with a 3.7 grade point average. She is now pursuing a master's degree at the University of North Carolina. And, she is working. She is willing to work. She wants to work. Her's is a story that is old and new. There are many like her. They are willing to work. They want to work. They prefer a chance over charity.

The Personal Responsibility Act is weak on work. The Mink bill is strong on work. It provides funding to ensure that, when a person leaves welfare, a job is available. Welfare reform without a job is no reform. The Mink bill does not impose arbitrary time limits on finding a job, removing recipients only if there is a job. It recognizes that, in this economy, jobs are not easy to find. And, the Mink bill retains child care programs. Working mothers need reasonable and affordable child care. In short, Mr. Chairman, the Mink bill provides a serious and realistic framework for moving from welfare and into work. Mink is strong on work.

Finally, Mr. Chairman, I support the Mink bill because it does not provide for block grants. It does not slash the School Breakfast and Lunch Program. It does not remove thousands of women, infants and children from the WIC Program. And, it does not eliminate national nutrition standards. It retains one standard for our children. The Mink bill is strong on work and sensitive to poor families and children. And, that is as it should be.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, I represent Florida where we have many lakes and natural reserves. If you visit these areas, you may see a sign like this that reads, "do not feed the alligators."

We post these signs for several reasons. First, because if left in a natural state, alligators can fend for themselves. They work, gather food and care for their young.

Second, we post these warnings because unnatural feeding and artificial care creates dependency. When dependency sets in, these otherwise able-bodied alligators can no longer survive on their own.

Now, I know people are not alligators, but I submit to you that with our current handout, nonwork welfare system, we have upset the natural order. We have failed to understand the simple warning signs. We have created a system of dependency.

The author of our Declaration of Independence, Thomas Jefferson, said it best in three words: "Dependence begets servitude."

Let us heed these warnings. Today we have a chance to restore that natural order, to break the change of dependency and stop the enslavement of another generation of Americans.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Chairman, I want to say, do not feed the alligators but please feed the children.

Seldom, my friends, does this body have the opportunity to make wholesale change in a bad and a dysfunctional system, and we are about to blow it if we do not support the Mink substitute, because the Republican bill fails the reality test.

It is an invitation to do welfare on the cheap. A State has to do nothing, nothing to provide jobs. And they will do nothing. We know that from what happened in the 1987 bill.

If we provide an unemployment office for people who have been recently attached to the work force and provide nothing to people who have never had a job, how do we expect them to get off of the rolls?

Do my colleagues know what the inner city unemployment for people who have recently had work was in 1993? In this city it was 88.6 percent; in Detroit, it was 13.7 percent. And I could go on down that list.

When I go across the river to Anacostia, my friends, no one ever says to me, "Brother, can you spare a dime" or "give me some more welfare." They say, "Sister, can you get me a job."

This bill will not get anybody a job and that is what we need to do. This bill does exactly what the American people told us not to do. It repeals the entitlement of children to food and shelter. It is a bill that allows a State to refuse to put up a single dollar of its own money to support its own children.

People told us what to do. They told up help get the parents off welfare. Do you make things worse for the kids.

Your bill, the Republican bill, betrays the public trust. It is not welfare reform. It is welfare fraud.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I thank the gentlewoman for yielding time to me.

What I want to do is engage, very briefly, in a colloquy with the chairman of the subcommittee on educational and economic opportunities.

A clarification, I am requesting, Mr. Chairman. After considering the unique purpose of the Family Violence Prevention and Services Act, I understand that the Committee on Economic and Educational Opportunities decided not to authorize the Committee on Ways and Means to consolidate the act into the child protection grant.

I am asking, Mr. Chairman, if you would confirm that this was, in fact, the case and that the Committee on Economic and Educational Opportunities chose not to consolidate the program into the block grant but to keep it as it was intended?

Mr. CUNNINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentlewoman from California.

Mr. CUNNINGHAM. Mr. Chairman, because of the importance of the act, the gentlewoman is correct.

Mrs. MORELLA. I thank the gentleman.

Mr. Chairman, as the House has debated the Personal Responsibility Act, H.R. 4, I have been asked to clarify the purpose of certain provisions in the new child care block grant which simplifies and extends the child care and development block grant.

I have been asked if it is the intention of the child care block grant to retain the preeminence of parent choice through certificates to parents. The House strongly believes that parental choice in child care should be maintained and that the use of parent certificates is preferable over contracts or grants for child care subsidy assistance. We have simplified many aspects of the child care and development block grant, but the parent choice provisions are sound and have not been modified. Because of this, the administration should not need to make significant regulatory changes regarding parent choice.

In addition, we inserted a program goal into the block grant regarding consumer information. This was written to ensure that parents will be provided with full and accurate information about their right to choose child care arrangements, their right to a child care certificate, information about complaint procedures and recourse to ensure parent choice, and complete information about the child care options available to them, including religious providers.

I would also like to address the important issue of the role of extended families in caring for children. We believe a child is best cared for by a member of his or her own extended family. We understand this is not always possible. But in the interest of encouraging the strengthening of families, we encourage States to pursue pro-family policies. Applicants for services funded by this block grant should be asked whether a qualified family member can provide care before counselors direct their child into other settings.

Regarding directing the States to spend a specific amount of funds for direct services, the child care block grant does not take this approach. But I want to be clear that the House has removed the current law's 25-percent set-aside for the specific purpose of freeing as much funding as possible for direct services. H.R. 4 gives States final say over this matter, but we believe that in most cases, funding for direct services is the best use of funding by the State.

Finally, regarding quality improvement, accreditation continues to be an appropriate means of quality improvement. We would encourage States to use a variety of child care program accreditations and various teacher training and credential programs in addition to the Child Development Association Program.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Chairman, I am here to speak for the Mink substitute, which puts work first, which invests in people, which builds upon what is functioning in our society.

There are many successful examples of programs in place, and they are accountable. Problems today in our communities are because they are on overload, poverty, unemployment. Job programs, fully funded, will accomplish the task and will deal with what has become a growing human deficit in our society, not just a fiscal deficit but a human deficit, those on poverty.

Mink incorporates child support and fully funds the program, not just paper promises.

A vote for Mink is a vote for moving families into the world of work, in to the mainstream of our society, taxpaying families, independent, not dependent.

The Republican legislation is legislation by negative anecdote. It is demonizing people who have devoted their lives to helping those in need. The Republican program has no entitlement. The numbers do not count. No State match. That money is not going to be put in place. It takes 1 million kids and disabled off the Social Security supplemental.

It gives a new meaning to "women and children first," the wrong meaning.

Welfare is meant to be a safety net for people in times of need. Children are 70 percent of the recipients of welfare. The children will suffer as a result of this Republican bill. Our focus in reforming the system should not destroy the social safety net. Our Nation must maintain a safety net while providing the services need to move welfare recipients into the work force. Cutting families off without reasonable support in terms of child care and education and job training will not help the States to achieve the work requirements which the Republicans want to establish. The CBO report pointed that fact out explicitly. Services help people to achieve a stable lifestyle and independence. The Republicans idea of flexibility for the States is to set work requirements and cut the funding the States need to achieve such standards. The Republican's proposal gives up on people abandoning people in need. This bill would have us give up on low-income families, give up on noncitizens and give up on disabled children. But giving up on the poor will not make the problems evaporate; they will persist as the poverty numbers grow; the homeless and a group of folks without hope or recourse. That is not the future or vision of the people we represent, but is the policy path of this GOP proposal. Despite what some would have you think there have been many successes as a result of the JOBS Program, which was signed into law in 1988. Unfortunately, the program has been underfunded, leaving States unable to move as many people into the work force as all had sought. Well, if we pass the Republican bill we will be increasing the burden on States while we cut the funding for child care, for temporary assistance, for child protection and child nutrition. The Mink substitute would help the States to achieve the goal of moving people toward independence and into the world of work. The Mink substitutes sets a requirement that people be in work or in training to work and backs it up with the real resources for child care and temporary assistance to families who have found it impossible to make it on the minimum of low-wage job, without health care benefits that they are able to find. The Mink substitute is a realistic approach to the needs of low-income children and families struggling to support themselves.

Individuals in our society are upset about the amount of taxes that they pay. We should be looking at the corporations in our country who are receiving benefits in the form of corporate welfare and paying less in corporate taxes than they were paying 25 years ago. We should not be responding to those same interest by further depreciating the programs of the poor taking food away from children as an example. We need to look at the benefits which the corporations are receiving from the Federal Government and whether they are performing for our Nation or simply for the bottom line.

Support a bill that will do something to help children and families and reform the current welfare system, support the Mink substitute.

□ 1145

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

(Mr. GUNDERSON asked and was given permission to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Chairman, can we make an agreement here this morning that we are all for children? Can we start from that premise that nobody has a bad motive, that nobody has suspicious intent?

The question we are going to face here is, What is the delivery system? That is the real question here. If you only believe in a Washington bureaucracy, if you are only convinced that nobody can protect children but Washington, DC, then vote against the Republican welfare reform proposal. Then vote for the status quo. If that is what you believe, and that is a legitimate opinion, but that is the debate. It is not a debate about whether we are for or against children.

We have these discussions about school lunch. It seems to me that pretty soon we are going to agree that we are increasing the numbers on school lunch every year.

I would ask my Democratic colleagues, take a second and consider what happens if we do nothing with school lunch in this proposal. Is there any one of you who really believes that in the context of deficit reduction we should subsidize every school student, every full-price-paying student, every banker's child to the tune of 18 cents a lunch, which is $516 million a year?

You take $516 million out of the existing school lunch program and tell me, how are you going to run that system?

What have we done? We have eliminated the means testing and we have increased by 4.5 percent a year the guarantee to the States to run that program.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Ms. VELAZQUEZ].

(Ms. VELAZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELAZQUEZ. Mr. Chairman, I rise in strong support of the Mink substitute. It is the most responsible, comprehensive, and humane measure offered in this debate. It addresses the real problems confronted by poor families today offering them the tools they need to achieve self-sufficiency and dignity through work.

By contrast, the Republican bill plays a cruel game on many people of this country. It is a game where there are clear winners and losers.

In the Republican bill, by the year 2000, up to 2 million children will lose school lunches so that wealthy families with incomes of $200,000 will get a $500 tax break for each child.

The winners? The wealthy.

The losers? Two million children.

In the Republican bill, more than 700,000 disabled children will lose assistance so that families making over $200,000 will gain from a reduced capital gains tax.

The winners? The wealthy.

The losers? Seven hundred thousand disabled children.

In the Republican bill, 15 million children will be punished as a result of so-called reform while the contract calls for a $700 billion tax cut over 10 years with half the benefits going to families making over $100,000 a year.

The winners? The wealthy.

The losers? The rest of the American people.

It is for these reasons that I am supporting the Mink substitute, a bill that is strong on work and job training, strong on child care opportunities, and strong on giving poor families and children a chance to succeed.

Mr. Chairman, we don't need a public assistance program that is strong on homelessness, hunger, and despair. That is not about teaching people a lesson.

The choice is clear: Pork on the fancy china of the wealthy or food on our children's plates.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield myself 30 seconds.

The system that we have has not worked. We expanded the program in 1988 by $13 billion. We said we would have job training, job readiness, job search, day care, and 5 years later less than 1 percent of the welfare population is working. Let us not expand it again.

Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BILBRAY].

Mr. BILBRAY. Mr. Chairman, I happen to be an individual that comes from a working-class background with a neighborhood where there are a lot of welfare recipients but also a lot of middle-class working people.

I also happened to have been privileged to serve as a supervisor of a welfare system that was larger than the majority of the States of this Union. Let me tell you the frustration those of us that were trying to provide programs to the poor, especially when the Federal Government would stop us from doing innovative things.

I think the problem here is a credibility gap. We did not hear about this 10 years ago. In 1978 when my county proposed an idea, we were called cruel, we were called inhumane, we were called terrible, because we proposed a concept called workfare in 1978, and the gentleman and the gentlewomen from the other side of the aisle attacked us in San Diego County for that.

We proposed that people who get part-time jobs should not have their money taken away from them dollar for dollar in their benefits if they try to work out. The Federal bureaucracy has fought us for 10 years in this program. We just finally got them to get off our back so we can help the poor.

The fact is my working-class people complain about the abuses of the welfare system. It is not the rich, powerful people who complain. It is the people that are in the neighborhoods who see the abuses. When they say they want to fight the abuses, it is the Federal bureaucracy that stands in the way, Mr. Chairman.

I ask that we oppose the amendment and support the Republicans because they are the only ones with credibility.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. NADLER].

(Mr. NADLER asked and was given permission to revise and extend his remarks.)

Mr. NADLER. Mr. Chairman, I rise in support of the substitute offered by the gentlewoman from Hawaii. I consider this substitute to be the most viable welfare reform bill before us today.

Mr. Chairman, the Republican welfare reform bill is nothing but an assault on America's children, and on America's future. It would cut $46 billion from vital family survival programs, denying benefits to millions of children who are in desperate need. During this debate, my colleagues have eloquently described the great harm to children that would result from the Republican bill. From cuts in nutrition programs, to eliminating AFDC for children born to unwed mothers younger than 18 and, if States so choose, 21, the Republican alternative will cause suffering—or worse—for millions of innocent children nationwide.

The costs of the Republican welfare reform proposal would be vast. While children would suffer, States would be left to bear the financial burden of the long-term damage the bill would cause.

I authored an amendment which the Rules Committee did not permit to be considered on the House floor. The amendment called for the Federal Government to pay for the additional direct and indirect costs incurred as a result of reduced funding to certain Federal social programs. So, for example, States would not be burdened with the additional long-term costs of treating the brain damage caused in children by malnutrition resulting from elimination of WIC and other nutritional programs. This amendment, which would have helped States deal financially with the long-range devastation caused by the Republican bill was rejected for consideration on the floor of the House. It would seem that some merely want to cut benefits for children now, without addressing the long-term harm that would result, and the long-term costs that would be incurred.

The substitute before us now is a much more effective means of facilitating and rewarding independence. The Mink substitute emphasizes work and education, improves child support collections, and invests in child care assistance for low-income working parents. It also invests in nutrition programs, and in health coverage to protect the well-being of mothers and children. It encourages work by investing in real training. It does not discriminate against tax-paying, legal immigrants by denying them benefits. And it does not punish children by imposing an arbitrary cutoff of benefits. This substitute would result in real opportunities for those currently receiving assistance instead of arbitrarily penalizing those in need. I urge my colleagues to support this very positive amendment.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. I thank the gentlewoman for yielding me the time.

Mr. Chairman, I rise today in strong support of the Mink substitute and against the mean-spirited Republican bill which takes food out of children's mouths and gives tax breaks to the wealthy.

The Mink substitute provides for education and job training, two essential components to get people off welfare. The Republican plan does not.

The Mink proposal provides for child care which is important if welfare people are going to go to work. The Republican plan does not.

The Mink plan maintains child nutrition and school lunches. The Republican plan does not.

The Mink plan ensures that welfare recipients are better off economically by taking a job than by staying on welfare. The Republican plan does not.

Block grants, my friends, only work if you fully fund them. If you do not fully fund them, you are literally robbing children, particularly with this

proposal that you can take 20 percent of funds and move them around.

I am for welfare reform. Mr. Chairman, but the Republican plan is mean-spirited and goes too far. Support the Mink substitute.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FORBES].

(Mr. FORBES asked and was given permission to revise and extend his remarks.)

Mr. FORBES. Mr. Chairman, the tale being weaved by Democrats, grown adults who are misleading the American public, is really a travesty. We are talking about building the future, restoring decency and dreams for all Americans.

Children, parents and families who have had a tough go of it deserve to have a break. This Republican bill restores hope, it restores opportunity, respect, and the Democrats who have been protectors of a broken, demeaning system ought to be ashamed of themselves for misleading the American public.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FAZIO].

(Mr. FAZIO of California asked and was given permission to revise and extend his remarks.)

Mr. FAZIO of California. Mr. Chairman, I rise in support of the Democratic alternatives and in strong opposition to the Republican bill.

Mr. Chairman, the current welfare system is a national embarrassment and outrage. Democrats are committed to reforming a system that contradicts the American work ethic, and undermines the American dream for millions. As a nation, we cannot afford to support a program that encourages able-bodied adults to stay at home rather then look for a job.

Economic self-sufficiency must be the primary goal of any valid proposal, and the Democrats face this issue head-on.

The Deal substitute's work requirement for the first year is four times higher than the Republicans'.

Welfare recipients must have the opportunity to learn marketable skills to find better jobs—opportunities the Democrats provide. Enduring job skills will prevent repeat visits to the welfare rolls and end the cycle of dependency.

Mr. Chairman, the Republican proposal is only an outrageous pretense at real welfare reform.

The Personal Responsibility Act does not create a single viable avenue to move families away from dependency and in to work. Instead, it cuts essential programs, such as day care services which enable parents to go to work while leaving their children in safe, reliable day care.

The Republicans would force the States to create work programs at a breakneck speed, without regard to effectiveness. The resulting Republican programs could not be anything but sloppy and cheap.

Tremendous savings can be earned in the long run through an initial investment in job preparedness and placement. By providing welfare recipients with a real opportunity to find a permanent, well-paying job, the Democrats would permanently reduce welfare costs, raise worker productivity, and increase revenues.

The Republican plan ignores this reality, and now does not even pretend to use their spending cuts for deficit reduction. Instead, the Republicans would give the rich the $69 billion they took from the poor.

Mr. Chairman, I am gravely disappointed in the Republicans and their plan. We all want change, but this plan does not begin to break the cycle of dependency. It breaks the backs of our families and children, and does nothing to demand work.

Mrs. MINK of Hawaii. I yield such time as he may consume to the gentleman from Illinois [Mr. RUSH].

(Mr. RUSH asked and was given permission to revise and extend his remarks.)

Mr. RUSH. Mr. Chairman, I rise in strong support of the Mink substitute.

Mr. Chairman, I rise today in strong support of the substitute offered by my colleague from Hawaii, PATSY MINK.

I do so as an original cosponsor of her proposal because in the real world, it helps people find real solutions to their real problems: Jobs.

Mr. Chairman, I have listened to the debate surrounding the welfare reform bill.

I have been disturbed to hear the name of a constituent of mine who was killed last year, young Eric Morse.

His name was invoked several times by majority party members as a way of compelling support for H.R. 1214.

I agree with those Members that Eric's death was a senseless tragedy, and that Eric and nearly 100,000 of my constituents who reside in public housing live—and sometimes die—amidst great hardship.

However, I vigorously disagree with the conclusions that my Republican colleagues draw from his death.

Mr. Chairman, it escapes me why those who support the coldblooded, coldhearted Republican bill feel that anything it contains could have prevented Eric's death.

I also fail to understand why all of the discussions have merely been about symptoms rather than diseases.

There is certainly no better example of that sort of public policy nonsense than H.R. 1214.

I challenge each Member from the other side of the aisle to come to the south side of Chicago and ask a dozen of my constituents what is the most important missing element in their lives or in their communities.

I guarantee to you that every single one of that random group would have one answer and one answer only: We need jobs.

And that, Mr. Chairman, is the reason why we must attach Congresswoman MINK's substitute to the underlying bill.

For, despite the Republican bill's requirement that recipients work, it does nothing to help them find and keep real jobs.

Nor does this bill make sure that jobs are made available in areas like my district which have astronomical unemployment rates.

Mr. Chairman, I urge my colleagues, if you indeed have genuine respect for the memory of little Eric Morse, to vote in favor of the Mink substitute to provide jobs.

Only by doing so can this Congress bring about genuine welfare reform instead of welfare window dressing and fake, sound bite reform.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. WAXMAN].

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Mr. Chairman, I rise in support of the Mink amendment.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. You see, Mr. Chairman, I was on welfare, I know that the Mink amendment is the right way to go.

Mr. Chairman, as the only Member of this body who has actually been a single, working mother on welfare, I rise to give my strong support to the Mink substitute.

My ideas about welfare reform do not come from books or theories, Mr. Chairman, They come from experience and I know the Mink substitute is what we need.

I know the welfare system is broken. It doesn't work for recipients and it doesn't work for taxpayers. It needs fundamental change,

First, we must have jobs that pay a livable wage. If, in the end, a recipient is better off on welfare than in the work force, we have wasted the taxpayers' money.

Second, we must help recipients make the transition from welfare to work by increasing funding for education, job training, child care, and health care.

Third, we must be flexible about transition from welfare to work. It took me 3 years to get off welfare and I was educated, healthy, and working.

Fourth, if we collected all the child support owed by deadbeat parents, we could move 300,000 mothers, and over half a million children, off the welfare rolls immediately—tomorrow.

The Mink substitute meets each of these criteria, and I commend the gentlewoman from Hawaii on this excellent bill. It is a fair and just plan that moves recipients into work by supporting poor women and children, not by punishing them.

Mr. Chairman, the choice comes down to this: We either punish poor children, as the Republican bill does, or, as in my case, we invest in families so they can get off welfare permanently. Let's do what is right for our children. Support the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SERRANO].

(Mr. SERRANO asked and was given permission to revise and extend his remarks.)

Mr. SERRANO. Mr. Chairman, I rise in strong support of the Mink amendment and against the mean-spirited, anti-children Republican amendment.

Mr. Chairman, I rise in emphatic opposition to the so-called Personal Responsibility Act.

It has long been clear to most thinking people that our current welfare system is failing

the very people it is meant to help. But the approach of the Personal Responsibility Act will make the situation of the poor much worse, not better.

Perhaps the clearest sign that this bill is totally wrong-headed is that is saves so much money. Everyone know it takes more spending, not less, to give poor mothers the tools they need to get and keep jobs and to escape poverty—they need education, training, job search assistance, day care for their children, jobs. Cost is the main reason Congress has been slow to face welfare reform in the past.

But this bill cuts the programs that sustain our neediest families at the same time it cuts the programs that might give them a hand up. And why? To cut taxes for big corporations and the well-to-do. What a scandal.

A very, very big problem with this bill is how it treats our children. I hardly know where to begin.

If we pass this bill, we risk increasing the number of babies born too small to thrive.

We punish the neediest children because we don't approve of their parents' conduct.

We shortchange child care even as we attempt to force more mothers into the work force.

We leave abused and neglected children in grave danger for lack of child protection resources.

We put children's nutrition at risk, threatening their ability to learn and grow into healthy adults and productive participants in our economy.

This bill slashes the safety net for poor children and families. It removes the entitlement—the guarantee that some modest assistance will be there for those families whose desperate circumstances make them eligible. If Federal funds run out, what recourse will these wretched families have?

It cuts off whole classes of people—most legal immigrants, babies born to unwed mothers under 18, people who have received 5 years of assistance—however dire their circumstances. And that is in good times, never mind recession.

Mr. Chairman, another big problem with the bill is title IV, the provisions related to immigrants. That the United States is a nation of immigrants is a cliché precisely because it is true. We all have roots beyond the borders of the United States; we all have ancestors, as near as parents or as remote as many-time-great grandparents, who, willingly or not, came to America.

We know that immigrants do not come for public assistance; they come to join family members already here and to provide a better life for their children. They work, they pay taxes, they participate in community life, and they play by the rules. Why should they be targeted by this bill?

If these restrictions were only to affect future immigrants, who would know the rules before they immigrated, well, I would disagree with the policy but it would be a little fairer. However, title IV, in cutting off people who are already here—and who face horrendous backlogs when they try to naturalize—makes sense only as a spending offset. It is certainly not fair to immigrants or their families and sponsors.

A relatively small problem, Mr. Chairman, but one with a big impact is that under this bill, there will be no national nutritional standards for the nutrition block grants. Nutritional needs do not vary among the States, and 50-plus separate standards will make uniform national data collection and evaluation impossible. This bill won't just permit States to substitute Kool-Aid for milk if they're short of funds, it will make it impossible to tell what the nutrition picture is nationally or by State.

Mr. Chairman, I could go on about the failings of this ugly, mean-spirited bill—frozen block grants, transfers among grants, distribution formulas that stress participation rates but not serving the neediest.

But instead, Mr. Chairman, I will just mention that I am a cosponsor and strong supporter of the Family Stability and Work Act, which the gentlewoman from Hawaii [Mrs. MINK] is offering as a substitute. Her approach is, I believe, the right one.

Mrs. MINK's amendment seeks to move welfare families to self-sufficiency through work.

It retains entitlement status for the safety net.

It protects children.

It invests in preparing welfare recipients for work.

It does not automatically cut anyone's benefits unless they refuse to work or refuse a job.

It continues critical benefits for up to 2 years after a family gets off welfare.

It doesn't overreach by fooling around with existing nutrition, child care, or child welfare programs.

It rewards States for success in moving welfare recipients into the work force.

It does not finance itself on the backs of legal immigrants.

Mr. Chairman, I believe this is the right way to go. I urge all my colleagues to reject the Personal Responsibility Act and support the Mink substitute.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from Guam [Mr. UNDERWOOD].

(Mr. UNDERWOOD asked and was given permission to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Chairman, I rise in support of the only welfare bill that feeds children, not alligators.

Mr. Chairman, I join my colleague from Hawaii in strong support of her substitute to the Republican welfare reform. The Mink substitute is a fair and comprehensive plan devoted to moving people from welfare to work. It ensures that adequate funds are available for education, job training, employment services, and child care while at the same time providing incentives not punishment in order to help welfare recipients move into the work force.

I want to raise two points missing from the current debate: First, the impact of the Republican bill on non-State areas such as Guam and, second, the denial of SSI benefits to U.S. citizens in the territories.

Many colleagues are upset about the GOP plan to cap Federal spending of antipoverty programs over the next 5 years. Guam is already operating under caps on AFDC and the end result is that the local government provides 80 percent, with only 20 percent from Federal grants.

If the Republican bill is approved, Guam stands to lose $35 million more from existing caps. Local governments take notice—this fate awaits you.

Second, it is not clearly known that not all U.S. citizens participate in the SSI Program. Let me repeat this: If you are a U.S. citizen from Guam you are ineligible for SSI benefits. Wherever you stand on noncitizens qualifying for SSI, we should all support all U.S. citizens receiving SSI benefits.

In this debate, I've heard supporters of the Republican bill have argued that they resent people on welfare and that their bill does not punish children unfairly. Are we to conclude that welfare policy should be based on resentment and punishing children fairly? We must resist all efforts to turn welfare reform into an effort to tap into resentment, an effort to punish rather than reward; if we have learned nothing from rearing children or the development of public policy, it is that punishment does not work—and that abuse begets abuse; let us work at attacking poverty, not attacking poor people.

The Democratic alternatives to welfare reform are fair to children, realistic on work expectations, and generous on resources that support welfare to work programs. I urge my colleagues to vote for the Mink substitute and the Deal substitute; let us get off the welfare debate and let's get on with the business of helping to improve the lives of innocent children, the elderly, and the less fortunate amongst us.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I support the Mink amendment.

Why must we divide America to cure welfare?

Let me give an example of what I am talking about.

Just recently a township in my State decided to do away with and refuse the Federal School Lunch Program. They decided instead to have a sharing table where less fortunate children could come to the sharing table and take up the scraps, the half sandwiches and the unfinished cokes that were left by the more affluent students.

I believe this is dehumanizing. I believe this is destructive of any kind of self-esteem and pride, and I believe that this is what would happen when we give the States and localities the authority to handle the problems as they see fit.

I have heard, No. 1, some horrible statements today. I will attempt my best to overcome my emotion to ignore the statement comparing welfare recipients to alligators made by my very wealthy friend the gentleman from Miami.

Before you vote for final passage, think of your own child or grandchild cowering in shame as he approaches the sharing table.

That's not the America I want to see for our children.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I was asked whether I wanted to get up and correct all the misstatements that were made in relationship to school lunch/child nutrition programs. The answer is no.

If they don't believe what the nonpartisan entities tell us, they there is not anything I can do to correct that.

What I can say, however, is, "Don't feed the bureaucrats. Feed the children." That is exactly what we are doing in H.R. 4.

We can talk about what everybody apparently agrees on, at least that is what I get for the last 3 weeks, 4 weeks of our discussion. Everybody agrees the present system has failed millions of Americans, has enslaved them, has prevented them from ever getting an opportunity to get part of the American dream.

So what can we do?

Well, there are three approaches, I suppose.

We can hope and pray. If you think hoping and praying will do it, then just hope and pray. I do not believe it will.

Or we can put more money into the same failed system. That is the usual approach the Federal Government has taken. If you just do more programs, more money, it will all correct itself. I do not believe that will happen.

There is a third alternative. The third alternative is to admit the system failed, which I think everybody is, and then do something to correct it.

I believe that in H.R. 4 we have finally given those who have been trapped all these years an opportunity to get a part of that American dream. I would hope that that is the approach we would take. We owe it to those people who have been trapped.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, one of the speakers on the other side said, "Can we accept that we are all for children?"

Well, we can't for a couple of reasons. First of all when one of the Members on that side used the analogy of feeding alligators as the basis for his argument for cutting off welfare entitlements, I heard no protests on that side.

He cited the Declaration of Independence. Apparently in his version it says all men are created equal to alligators and we will treat them equally. That kind of dehumanizing and degrading analogy is why we cannot take seriously that profession.

There is another reason. You are block-granting everything here and you say, "Well, why is that a problem?" Because it is very clear. When the Republican Party cares about something, they don't block-grant it.

When they were worried about manufacturers' liability, they went into the States, took it out, and brought it up.

When the elderly complained about elderly nutrition being block-granted, they dropped it out of their bill.

If taking it and block-granting it is such a good thing for the children, are we to believe you are penalizing the elderly?

I mean, you were originally going to block-grant elderly lunches and children's lunches. Now you are only doing it for the children. Is that because you are mad at the elderly, you are showing how tough you are?

Nonsense. It is because they have the political clout to get out of your scheme, and I am glad they do.

The same with food stamps. You almost all voted against an effort to really block-grant food stamps yesterday because the farmers did not want you to do that.

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As a matter of fact we here all of these arguments against even entitlements. I will be waiting to see my friend from Kansas and my friend from Wisconsin when we talk about the antimeans testing of entitlements in America, the ones that go to wealthy farmers and the wealthier you are the more you are entitled to get. Let us see how antientitlement you are then.

Finally, we have a jobs program in this bill and it is a public jobs program because we do not believe everybody now on welfare is going to be hired in the private sector, especially with the Fed trying to slow it down.

What does that bring forward? Denigration. The gentlewoman from Kansas sneers at "make-work jobs." Well, when you sneer at public service jobs in that tone you are hardly showing a respect for the work ethic.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. CHRISTENSEN].

Mr. CHRISTENSEN. Mr. Chairman, the Mink substitute contains many bad provisions, but the one I want to focus on, that I believe is one of the worst, is the fact that it is going to increase the tax rate for corporations from its current 35 percent to 36.25 percent.

The Democrats raised income taxes and they raised corporate income tax in 1993 and now they want to do it again.

This income tax rate increase makes absolutely no sense. The point of welfare reform is to take people off of the welfare rolls and to put them on the tax rolls.

How are current welfare recipients going to move into the work force if we have a job-killing tax increase? This is not a tax increase on big corporations. Corporations do not pay taxes. People pay taxes. This is a tax increase on the little guy, employees of large corporations, the people who own stock through a pension plan or a mutual fund and the people who supply products and services to large corporations. They are the ones that ultimately will pay for this tax increase.

Republicans want to create jobs. We need to not pass this bill.

Mr. GIBBONS. Mr. Chairman, this is an important debate and I am going to ask unanimous consent that we be allowed to extend the debate time equally divided by 5 minutes on each side.

The CHAIRMAN. A unanimous-consent request in the Committee of the Whole cannot overrule a resolution from the Committee on Rules adopted by the House.

Mr. GIBBONS. I was under the impression you could ask unanimous consent to do almost anything around here. Mr. Chairman. That has always been my understanding. Unanimous consent waives all of the rules including the Committee on Rules' rules. I think the Chair is wrong, Mr. Chairman.

The CHAIRMAN. The Parliamentarian has advised me if the time is allotted equally on both sides as the rule provides, the Committee of the Whole can do that.

Mr. GIBBONS. I wanted to allocate it. This is an important debate and there are lots more speakers.

The CHAIRMAN. Is the gentleman making a unanimous-consent request?

Mr. GIBBONS. Yes, I am making a unanimous-consent request.

The CHAIRMAN. Five minutes each side?

Mr. GIBBONS. Five minutes additional on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mrs. MEYERS of Kansas. Reserving the right to object, Mr. Chairman, what is the gentleman requesting, how much additional time?

Mr. GIBBONS. If the gentlewoman will yield, it gives you 5 minutes and gives Mrs. MINK an additional 5 minutes, that is all. That is reasonable.

Mr. BURTON of Indiana. Reserving the right to object——

The CHAIRMAN. The gentlewoman from Kansas has the reservation.

Mr. BURTON of Indiana. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYERS of Kansas. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, let me just say that the rules have been established for debate, and we have already on one occasion extended the debate time on a previous bill, and it seems to me that we should object to this. And if the gentlewoman will not, I will.

The CHAIRMAN. The gentlewoman from Kansas still controls the time.

Mrs. MEYERS of Kansas. Mr. Chairman, after consultation with the two chairmen involved in this, I would request that we have an additional 5 minutes for each side.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentlewoman from Kansas [Mrs. MEYERS] has 8 minutes remaining, the gentlewoman from Hawaii [Mrs. MINK] has 7½ minutes remaining.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. RANGEL], a member of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Chairman, the reason I support the Mink substitute is because it is about jobs. All I can say is that we did not promise $200 billion to the richest people in America. We did not promise $780 billion. We did not promise a 50-percent tax cut in capital gains.

But we do not blame you for doing it. It worked for you. But worse than making a bad campaign promise is keeping it. We cannot afford to give away that type of revenue with the deficit we have.

But more importantly, we cannot do it by taking $68 billion away from the poorest among us. If you want people to have jobs, for God's sake, give them training, give them an education, a place to live, give them hope, give them an opportunity to be productive. But you do not cut off a child who did not ask to be born just to show how mean you can be. You do not really just tell somebody they cannot get assistance when there are no jobs available.

If you really want a strong America, you do not beat up on immigrants, but give them a chance to become participating and productive so that we can become competitive.

There is an opportunity to have a tax cut when we get rid of the deficit and we all move forward together in a more equal way. But you will have it on your conscience by passing the Government's responsibility and say pass it on to the Governors. One day the Governors are going to come back and say we do not have the money and then what are we going to do?

This is a great opportunity under the Mink substitute, not for welfare but for jobs. That is what we want. And if you are not prepared for a job you cannot get employment.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Wyoming [Mrs. CUBIN].

Mrs. CUBIN. Mr. Chairman, in view of the fact that the alligator analogy was hissed and booed, I thought I should bring up another story that is near and dear to my State. My home State is Wyoming, and recently the Federal Government introduced wolves into the State of Wyoming, and they put them in pens and they brought elk and venison to them every day.

This is what I call the wolf welfare program. The Federal Government introduced them and they have since then provided shelter and they have provided food, they have provided everything that the wolves need for their existence.

Guess what? They opened the gate to let the wolves out and now the wolves will not go. They are cutting the fence down to make the wolves go out and the wolves will not go.

What has happened with the wolves, just like what happens with human beings, when you take away their incentives, when you take away their freedom, when you take away their dignity, they have to be provided for.

The biologists are now giving incentives outside of the gates, trying to get them out. What a great idea.

Mrs. SCHROEDER. Mr. Chairman, will the gentlewoman yield?

Mrs. CUBIN. No, I will not yield. What a great idea. Give more welfare.

The CHAIRMAN. The gentlewoman will suspend. The Committee will be in order. This is not adding to the dignity of this debate.

Mrs. CUBIN. Just like any animal in the species, any mammal, when you take away their freedom and their dignity and their ability, they cannot provide for themselves, and that is what the Democrats' proposal does on welfare.

Let us give our folks dignity and initiative and jobs.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 15 seconds to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, in my 34 years here I thought I had heard it all, but we have a millionaire from Florida comparing children to alligators and we have a gentlewoman in red over here comparing children to wolves. That tops it all.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

(Ms. WATERS asked and was given permission to revise and extend her remarks.)

Ms. WATERS. Mr. Chairman, I rise in support of the Mink proposal. I support it because I know something about this subject matter.

As a little girl growing up in St. Louis in a welfare family, I know what it means to be hungry, to be cold, to be without health care, to have to put cotton in a cavity because there is no preventive care.

I know what it means to be a frightened little child, thinking everybody hates you. I often said that if I ever had the opportunity to support children, to be an advocate, to talk about what you could do to get families off welfare, I would do that.

This proposal gives me that opportunity. It provides child care. That is what my mother needed. She needed some training, she needed to be educated. This proposal would allow that. She needed a transition period in which to wind off welfare. This proposal provides that.

Do not be mean, do not be cruel, do not knock children on disability off welfare. Do not make the children victims.

I know what it takes and I would ask Members to listen to me. Let us have a fair proposal in the form of the Patsy Mink proposal that really speaks for the needs of welfare families.

If you want to make families independent, let a welfare child tell you how to do it. It can happen. And let me reiterate, whatever penny, whatever dollar, whatever dime was invested in this welfare child, it has paid off for America and for our people.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I listen to the Democrats, and it sounds like to me they have a corner on the market as far as poverty is concerned. Believe it or not, some of the Republicans grew up in very difficult situations. I myself did. You do not believe that. Listen to this.

My mother was a waitress for 18 years and I shined shoes at a place called J.D. Rushton's Barber Shop and we did not get welfare back in those days. They did not have it. You had to go to the township trustees.

But one of the great things we had going for us was we lived in America and we were a land of opportunity, and we would pick ourselves up by our bootstraps and move out of the white ghetto and make something of ourselves. As a result, my brother, my sister, and I have succeeded to a degree.

Now let me just tell you this. The dependency that has been created by the Great Society back in the 1960's has led us to the condition we are in today where the vast majority of the people on welfare are in a cycle of dependency and they cannot get out. That was why the people of this country changed the way Congress was made up last November. They want that cycle of dependency broken, and we are trying to do it.

You keep telling the people of this country we are trying to take money and food out of the mouths of hungry children. That is insane. We are spending 4½ percent more on the Children's Lunch Program than we were before. we are giving more, but we are taking it away from the bureaucrats and giving it to the Governors so they can handle it within block grants.

We want to break the cycle of dependency and you do not. You want to keep the people of this country dependent on you so you can get reelected and reelected and reelected.

The times have changed. The times have changed.

Mrs. MINK of Hawaii. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentlewoman from Kansas [Mrs. MEYERS] has 5 minutes remaining, and the gentlewoman from Hawaii [Mrs. MINK] has 3½ minutes remaining.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I would like to respond to some of the comments we have heard in this discussion this morning. Americans are a generous people and they have long demonstrated their commitment to help their neighbors and families and children in need. But the American people

also demand results for their investment.

We all know and it is agreed upon that the American welfare system right now is a $5 trillion failure. We have talked about the School Lunch Program that the Republican plan increases that by 4½ percent a year.

But I want to mention something else that was inserted as an amendment on the floor by the women Republicans, and that is the Day-Care Program.

Mr. Chairman, the Day-Care Program in the Republican plan adds $2.1 billion a year for child day-care for women who are working off of the welfare rolls on to work. We know it can be a problem for them, and the Republican day-care plan helps individuals meet that responsibility by giving them peace of mind as they move off the welfare rolls back into work.

Mr. Chairman, last Saturday at home I met with a group of Head Start women who were unanimous and emphatic in their desire to get off AFDC and off welfare. The one thing they asked for was help in child care. Help them find good, safe, child care and they will find work in the private sector.

I urge rejection of the Mink amendment and support of the Republican bill, H.R. 4.

□ 1215

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Chairman, I rise in support of the Mink amendment. Block grant, Mr. Chairman, is a copout.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. PAYNE].

(Mr. PAYNE of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. PAYNE of New Jersey. Mr. Chairman, I rise in strong support of the Mink substitute.

Mr. Chairman, today I rise in support of H.R. 1250, the Family Stability and Work Act because the Personal Responsibility Act is an all-out assault on America's children, on America's elderly, on America's poor, on our most vulnerable populations.

My colleagues claim that they are not out to get women and children, that the Personal Responsibility Act does not punish poor people, that we need to have an honest discussion about this proposal.

I don't know that we can have an honest discussion about legislation that was built on distortions and misperceptions.

The truth is that kids are hurt, The Family Stability and Work Act does not set arbitrary time limits on poverty, because there is no cut off of benefits for those who make a concerted effort to find work. There is no pandering to assumptions that poor people have no work ethic.

It protects children because it does not include a requirement to deny benefits to teenage mothers or children who are born to families already on AFDC.

H.R. 1250, helps families in the critical transition from welfare to work because it retains crucial support systems that allow families to keep health, child care, housing, and food stamps for up to 2 years, until they accrue the security to do it themselves.

Three weeks ago, I offered an amendment during Economic and Educational Opportunities deliberations on welfare reform that would protect our Nation's children. My amendment would allow children, whose family income fall under 130 percent of poverty, to continue to receive free meals at school. This program was eliminated in H.R. 999, the Welfare Reform Consolidation Act. My amendment was unilaterally defeated by the supporters of the so-called contract.

And since under this rule, I am not permitted to offer the amendment during this process, I have introduced the measure as a House resolution,

So what if we go into another recession? We can't meet existing need. There is no failsafe approach for American children in the Contract With America.

Are young people, who have no agenda, no vote, any less important because they don't vote? If the Personal Responsibility Act, becomes law, States or school districts will decide whether or not to provide any free meals at all; States will not be required to serve meals to children who cannot afford to pay for them.

As a former teacher, I know that you cannot teach a hungry child, because hunger impairs their ability to learn.

I remember the deep conviction of the American people and their compassion for the less fortunate. I urge my colleagues to continue that tradition by supporting the Family Stability and Work Act.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, we are not talking about alligators. We are not talking about wolves. We are talking about America's children. We are talking about human beings.

The Republicans have gotten on the floor. They have said that some of them have come from less than meritorious beginnings. If that is true, then they need to remember those humble beginnings, because but for the grace of God, there go you. We are talking about human beings.

You said that there are no cuts. Sixty-six billion dollars' worth of cuts: We are concerned about these cuts, because this is food that could go into the mouths of our children. This is money that you are going to use to put in the hands of rich people who do not need a tax break. This is what we are talking about.

Mr. Chairman, we are talking about not crippling our Nation's poor, but we are talking about empowering them. Yes, we know that welfare can be a drug. This is why the Mink substitute is talking about empowering our children and our poor by giving them job training, by giving them child care, so they can go out and be more productive members of society.

If this bill, this underlying bill, is not mean spirited, I do not know what is.

The way we can help America is by not giving them a handout but a hand. This country needs a hand, and the Mink substitute accomplishes that.

The Republicans have said that they have accomplished it, but all we see with them is the operation is a success, but the patient dies.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, perhaps not by design, but certainly by experience, the welfare system has become corrupt and immoral. The Mink substitute seeks not to end that welfare system, not to reform that welfare system, but to expand it.

Why would anyone want to spend more on a system that has not only failed but has become corrupt and immoral? It is immoral to take money away from hard-working middle-class Americans and give it to people who refuse to work.

The welfare system defines corruption. Study after study has shown it is fraught with waste, fraud, and abuse. Studies of the Food Stamp Program have shown up to 20 percent of the money ends up in waste, fraud, and abuse. Why do we want to expand that system?

One of the speakers who was on the floor here from the other side a few minutes ago proposed a couple of years ago to give $100 a week to people to keep well groomed. We cannot afford this, folks. We have got to stop the immorality. We have got to stop the corruption.

Reform the system. Do not vote for the Mink amendment.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I thank the gentlewoman for yielding time.

I cannot think of anything more corrupt than to take from the poor to give tax breaks for the rich, and I cannot think of anything more immoral than to punish people who are poor just because they are poor.

Reject the bill before us and support the Mink amendment.

Mrs. MINK of Hawaii. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MINETA].

(Mr. MINETA asked and was given permission to revise and extend his remarks.)

Mr. MINETA. Mr. Chairman, I rise in strong support of the Mink amendment.

Mr. Chairman, I rise in strong support of the Mink amendment.

This amendment embodies the belief all of us say we share: that our welfare system will never be a success until it becomes a system which actively works to make itself obsolete.

The Republican proposal downsizes welfare simply by kicking out the most vulnerable in our society to sink or swim. It will succeed only in perpetuating the cycle of hopelessness into which far too many American families have fallen.

It would say to immigrants who have chosen to make the United States their home that—despite the taxes they pay, despite the businesses they have formed, despite the educational success of their children which contribute so much to this Nation—their well-being isn't any cause for concern.

Those who have become the most strident in criticizing immigrants in America frequently use the same criticism that has been used for generations—that immigrants are not assimilating into American society quickly enough.

Yet the Republican bill actively pushes these newest Americans toward the margins of our society.

Well, Mr. Chairman, I can assure every Member of this Chamber that the Asian Pacific-American and Latino communities in this Nation will never forget that insult.

In contrast to the punitive proposals in the Republican bill, the Mink amendment takes the steps necessary to truly build a system of public assistance that moves Americans in need toward independence—through job training, child care, and educational assistance.

It is fair, it is workable, and it is just. To me, that is the definition of good public policy. I urge my colleagues to support the Mink amendment, and enact meaningful welfare reform for America.

Mrs. MINK of Hawaii. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from New York [Mr. OWENS] for closing on our side.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, of all the proposals on the table, only the Mink substitute insures that families are given the tools they need to obtain living-wage jobs and achieve self-sufficiency, independence, and dignity.

We have welfare in this country because welfare is so much cheaper than full employment. The average welfare payment per month is about $350, $350 to survive. That is far different than a minimum-wage job. The substitute also contains the most stringent work requirements we will see on the House floor. Every welfare recipient with a self-sufficiency plan must be in a job after the various education and job-training activities are completed. Investing in jobs is the best investment we can make.

Even the Congressional Budget Office has acknowledged a 1-percent reduction in the unemployment rate leads to a net gain of $40 to $50 billion to the Treasury. Let us put people to work.

Republicans do not support bills that put people to work. In H.R. 1214, Republicans are merely continuing a hostile pattern of neglect that they have always had toward jobs.

In order for Republicans to save money, they do not have to take money away from the free lunches. We do not have to tell the children of America there is a fiscal crunch, and this Nation needs their lunch. We do not have to do that.

We can save money in many other ways. Sixteen billion dollars is spent on aid to children; $16 billion is spent on aid to rich farmers. Rich farmers receive the welfare without any means-testing. Let us take some of the money away from rich farmers to pay for the training and job experience in this bill.

I urge my colleagues to support this bill. It is the only effective proposal for welfare reform. Vote for the Mink substitute.

Mr. Chairman, I rise in strong support of the Mink substitute for H.R. 1214. Congresswoman MINK's substitute is the most comprehensive welfare reform plan that we are considering this week because it focuses on what welfare recipients need and want most—jobs.

American voters have spoken loud and clear about their job fears and anxiety. In the interviews at the exit polls on November 8, working people explained their anger. Wages are too low. Corporate downsizing, streamlining, and the pursuit of slave labor in Mexico and China have intensified the fears of those who are working today about losing their jobs tomorrow. And among the millions who have been unemployed for many months, and some for years, all hope of ever getting a decent job is fading fast.

Welfare recipients have the same fears and anxiety. They wonder what will happen to them and their children if their benefits are taken away, but education, job training, child care, and job search assistance are not provided for them. Of all the proposals on the table, only the Mink substitute ensures that families are given the tools they need to obtain living wage jobs and achieve self-sufficiency, independence, and dignity.

Instead of eliminating the current Job Opportunities and Basic Skills [JOBS] program, the Mink substitute sensibly enhances it by striking cumbersome mandates and increasing the States' flexibility to determine who is required to participate in JOBS and who is exempt. There is no arbitrary time limit for AFDC benefits, but the substitute allows states to work with families to determine what is necessary to get them off welfare and into jobs.

The substitute also contains the most stringent work requirement we will see on the House floor. Every welfare recipient with a self-sufficiency plan must be in a job after the various education and job training activities are completed. If they are unable to find a job on their own, then they still must go to work at a job that either has been created or is subsidized by their State.

Investing in jobs is the best investment we can make. A full employment economy is an economy that grows and can afford to do more. People with jobs produce goods and services, generate income, buy goods and services, pay taxes, and consume less government transfer payments such as Aid to Families with Dependent Children [AFDC] and unemployment insurance. Even the Congressional Budget Office [CBO] has acknowledged that a 1-percent reduction in the unemployment rate leads to a net gain in the U.S. Treasury of $40 to $50 billion.

In a report to the Ways and Means Committee last Monday, the CBO concluded that States will not be able to meet the work requirements in H.R. 1214 calling for 50 percent involvement in job training or work programs by 2003, and 90 percent involvement for two-parent families. That conclusion should not be surprising. Welfare-to-work programs have been consistently underfunded. Specifically, the JOBS program has only received about $1 billion a year even though it would need $6 billion a year to operate at full capacity and enable all eligible AFDC recipients to participate.

In H.R. 1214, Republicans are merely continuing this pattern of hostile neglect. In contrast to the Mink Substitute, the Republican bill provides no job or job training guarantees, and it is not funded with any additional money to make sure that people work.

CBO has estimates that it will cost $11,440 a year to place just one welfare mother in a welfare-to-work program. That includes the costs of child care, paying supervisors, job training, and paying wage subsidies. But my friends on the other side of the aisle are not interested in such details. Their message to the middle- and upper-income earners in this country is as follows: we are going to save money by stripping poor people of the few benefits they have so that we can give you a tax cut. We will talk about how we want poor people to go to work, but we are not going to spend one dime or create a single job to make that happen. That would cost too much money, and our economy depends on the existence of an underclass of serfs anyway.

The Republicans have completely skewed the welfare reform debate. We should not be talking about cutting one form of welfare in this country without talking about cutting all forms of welfare. If sacrifices must be made to balance the budget, then everyone must share in the pain.

In order for the Republicans to save money, they do not have to single out AFDC. In 1993, the Federal Government spent $16 billion on AFDC, but the Federal Government also spent $16 billion on commodity price and farm income support programs.

Despite the fact that the Government has been spending the same amount of money on programs for tobacco and

peanuts as the AFDC program. Republicans have not attacked the agriculture expenditures as vigorously. Somehow, it's alright to subsidize agribusiness, but it's not alright to make sure that single mothers and their children continue to have food on the table, roofs over their heads, and shirts on their backs. There is a double standard here that smacks of racism.

Therefore, the test of a true and comprehensive welfare reform plan is not merely whether it is vigilant about reforming the AFDC program, but whether it is just as vigilant about reforming our welfare system for agribusiness and all other corporations. For, wealthy corporations in this country are spoonfed a whole variety of pork, ranging from huge tax breaks for multinational corporations which export American jobs overseas, to hundreds of millions of dollars to agribusiness corporations to market and promote their products abroad. The Mink substitute passes this test.

The Mink substitute pays for the cost of welfare reform by attacking the hundreds of billions of dollars in handouts to corporations by increasing the top corporate income tax rate by a modest 1.25 percent. That sends the right message to working-class Americans—that the fat-cat freeloaders can no longer belly-up to the Government trough.

Mr. Chairman, the Mink substitute represents real welfare reform because it ensures that everyone who is willing and able to work will obtain a minimum wage job. It therefore addresses the deficit about which Americans are most concerned—the jobs deficit. I enthusiastically endorse this approach and urge all of my colleagues to vote for the Mink substitute.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, I rise to correct obvious misstatements by a colleague on the other side about a school district in my district.

Mrs. MEYERS of Kansas. Mr. Chairman, I yield 3 minutes, the remainder of my time, to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, I thank the gentlewoman for yielding and allowing me to close on this debate.

The hollering and shouting, the innuendoes and name calling are hopefully now over, and we will be asked in not too long to decide between the status quo and the Republican welfare reform bill.

History tells us that they came from farms, they came from all over this Nation in search of a better life for themselves and their families. They settled in the cities, they settled in the coal mines, and they were hard-working because there was a hard-work ethic.

Then the jobs went away, after these people who they themselves and their ancestors built the greatest economic machine on the face of this Earth. So when the jobs left the big cities and the mines closed, why did not the same people who were the children of the ones who came to the factories, who came to the cities seeking a better way of life, why did they not follow suit? Why did they not go where there were better jobs and better opportunities? They did not because the Congress of the United States, this Government, put into place a welfare system that was corrupt, although well-meaning, was destructive, although thought to be kind and gentle, and for generations now, we have seen this destructive welfare system stay in place and keep people where they are, a system that is destructive of future self-esteem, destructive of family, destructive of the basic moral fiber that has held this Nation together and the work ethic that we have been so proud of as Americans.

Now is the time to sweep this away.

The gentleman from Georgia yesterday and again the day before said that now the Republicans are coming for the poor and the children. Yes, they are. We are coming for them to pull them out of the life of dependency and poverty, and we are going to ask you the Democrat side, after the passage of welfare reform, hopefully some before, to join with us, because we are only on the first step to the road of doing something about taking people out of poverty. We are sweeping away a destructive system, and we are putting in a system that can work.

But we cannot now walk away from it, because the road of the poor is going to be a tough road. It is going to be a treacherous road. It is going to be a road that we in the Congress are going to have to do more after the passage of welfare reform to take people out of poverty in this country.

For once, after we pass this, let us join together in a new meaning of the American spirit and solve the problem of poverty in this country to give people back self-dignity, to discourage illegitimacy, to promote the family and to promote the values that have made this country great.

I urge a "yes" vote on H.R. 4. I urge a "no" vote on the Mink substitute.

Mr. FALEOMAVAEGA. Mr. Chairman, I rise today in support of the Mink substitute, and in opposition to H.R. 3.

Mr. Chairman, I submit to my distinguished colleagues that the lives and well-being of some 21.6 million of our Nation's children are at risk if we allow the Republican welfare reform bill to become law.

We are all in agreement that our welfare programs need reform. And in fact, Democrats intended to reform these programs this year; however, as the people of this country are seeing, our minority status is now working to the detriment of our Nation's children.

Some of my friends across the aisle have repeatedly said the best way to administer our welfare programs is to give block grants to the States. Without question, some States have been successful at getting people off the welfare rolls and getting them into productive jobs, but so have the Federal programs.

The problem, Mr. Chairman, is that not all States operate with the same efficiency, and I can just imagine that with 50 different bureaucracies, with 50 different sets of laws and regulations, with 50 different State court rulings, with 50 different budgetary priorities—well, let me just say that I suspect the result will be utter chaos and confusion. We are going to have people moving from one State to another just to obtain better benefits. But of course the States that provide the better benefit packages will be overwhelmed and will have to lower the quality of their packages to that of their neighbors so they do not continue to be overwhelmed. And if I am correct, Mr. Speaker, when you block grant a Federal program to a State, the States have considerably more latitude with the funds, and they do not necessarily have to spend the funds as Congress would like or have intended.

Unlike H.R. 4, which does nothing more than cut the funds expected to be needed to support our nation's children, Congresswoman MINK's substitute is an honest plan which seeks to move welfare families off welfare by training them and putting them to work.

Mr. Chairman, the Congressional Budget Office has estimated that all 50 States will likely fail to meet the job requirements contained in H.R. 4. Shouldn't that send a message to our friends across the aisle? Shouldn't that alert those with the ability to change this bill to do so now? Are they simply going to say it's not true, or it doesn't matter, we can fix it in conference?

Mr. Chairman, I would find that position rather embarrassing to be associated with, and I want to use this opportunity to state unequivocally my strongest opposition to H.R. 4, and my strongest support for the Mink substitute.

Mr. STOKES. Mr. Speaker, I rise today to express my support for the Family Stability and Work Act. I commend my distinguished colleague from Hawaii, PATSY MINK, on her efforts in crafting meaningful legislation in response to the issue of welfare reform.

The Family and Stability Act replaces the punitive measures of H.R. 4 with a much more realistic and focused alternative. It is sound, sensible and compassionate and deserves the full support of this House. I am supportive of this legislation because it provides a safety net of training and support services to help welfare recipients into gainful employment. In addition, this plan does not impose time limits on recipients, or repeal the entitlement status of essential nutritional and child care programs.

The Mink substitute logically attempts to reform our Nation's welfare system. It demonstrates that we can effectively reform the welfare system without hurting the very people that it is designed to help. This alternative recognizes that reducing other programs which assist the poor is counterproductive.

Of the 14 million people on AFDC, 10 million are children. This substitute sensibly invests in those programs that most benefit our Nation's youth. Furthermore, it takes necessary steps toward ensuring that recipients are helped out of dependency and into self-sufficiency.

Work and preparing for work are essential elements in welfare reform. The Mink plan provides welfare recipients with education and

job training necessary to obtain a job and stay employed. The Mink substitute guarantees child care to parents who are working, or in work preparation programs. According to the Department of Health and Human Services, 378,000 children from low-income families struggling to get off welfare or remain independent would no longer have Federal child care assistance under the Republican proposal. It is irrational and unrealistic to expect young mothers to get into the work force without adequate child care.

The welfare plan proposed by my colleague from Hawaii would attempt to exercise compassion for welfare recipients without encouraging dependency. It includes provisions which do not impose time limits for low-income individuals receiving aid to families with dependent children [AFDC]. In a congressional district such as mine, more than 40 percent of the population lives below poverty. I believe the Mink substitute addresses this issue by helping families stay off of welfare, and allowing them to retain essential health, housing, and food stamp benefits for up to 2 years.

One of the most unjustifiable aspects of the personal responsibility act is the block-granting of highly successful nutrition and childcare programs. Under the Mink welfare substitute, the entitlement status of important services like AFDC, nutrition programs, child care programs and child welfare programs would be retained, thereby ensuring that poor families and children are protected.

The challenge that our Nation faces is to provide aid to those in need while ensuring adequate training and support to enable recipients to move into gainful employment. The welfare reform package proposed by Representative MINK addresses this problem by effectively assisting recipients to overcome barriers to work.

As we continue our debate on welfare reform, and stress personal responsibility, let us not forget our own responsibility as legislators, as leaders, and as a voice for those who cannot speak in the this Chamber. For these reasons, I urge my colleagues to support the Mink substitute.

Ms. BROWN of Florida. Mr. Chairman, I rise today in support of the Mink substitute which will transform the AFDC Program into a program that will really move people off welfare and into real jobs.

The Mink substitute significantly increases the funding for education, job training, employment services, and child care for welfare recipients. These components are essential to any program to help people move into the work force.

H.R. 4 is the wrong way to go. It eliminates the entitlement status of important programs and ends our long-term national commitment to make sure that all Americans have a safety net. Block grants to the States is not the way to go.

H.R. 4 is weak on work. The work requirements in the Republican's bill are weaker than current law. Even the Congressional Budget Office says the GOP plan will not put people to work. It will only hurt children, the elderly, and the Nation's veterans.

Beware Republicans. American's will not be hoodwinked for long.

Mr. ABERCROMBIE. I rise in strong support of the Mink substitute because it addresses the causes of poverty rather than penalizing people for falling on hard times.

The Mink substitute would provide families with real opportunities to get off welfare and lead a successful self-sufficient lifestyle.

Yes, Mr. Chairman, we do need to change the welfare system;

But it is cruel and mean-spirited to dismantle altogether the safety net and basic services for poor families and disadvantaged children.

The Republican's answer to welfare reform is to drop hungry children from the school lunch program, deny basic assistance to lawful immigrants who pay Federal taxes, pit foster children against victims of domestic violence for the same scarce funds, eliminate assistance to disabled kids, and cut programs to reduce child abuse.

In the State of Hawaii, we stand to lost $68 million over the next 5 years in Aid to Families With Dependent Children under the Personal Responsibility Act.

The Republican plan caps cash assistance with total disregard for the unique economic situations in each State.

Last year Hawaii experienced an unexpected increase in enrollment for AFDC.

In February, Hawaii's Department of Human Services Director Susan Chandler testified before the Hawaii State Legislature that this increased caseload was the direct result of the depressed economy in Hawaii and its growing unemployment rate.

As a result the Department requested an emergency appropriation of $8 million for the State share of AFDC payments to be matched by $8 million from the Federal Government.

Without this appropriation Hawaii's poor families would have been cut off from AFDC for 4 months.

This emergency appropriation would be impossible under the Republican's welfare reform proposal.

Under their bill, AFDC payments would not increase accordingly with changes in the economy or unemployment rate.

If the Republican proposal had been law, Hawaii's AFDC recipients—most of them children—would have been left to fend for themselves, abandoned by the Government in their time of greatest need.

The Mink substitute would reform the welfare system without causing undue suffering for our poor families.

It provides the resources necessary to give welfare recipients the education, job training, job search assistance, and child care that they need to find a job and get off welfare.

It includes a strong work requirement and increases State flexibility.

It allows children and families to continue to receive vital assistance such as health care, child care, housing and food stamp benefits for a short term after the family leaves the AFDC rolls.

We need to recognize that simply eliminating assistance for poor families does not eliminate their needs.

Most importantly, we cannot forget who is receiving the assistance.

In Hawaii, approximately 42,698 children received AFDC benefits in fiscal year 1994.

If we pass the Republican bill we will be abandoning our children.

We know that family poverty harms children significantly and places young children at risk.

Ultimately society will suffer for the abandonment of families and States will have to shoulder the burden of homelessness, crime, family violence, substance abuse, and health problems.

We have an opportunity to improve the lives of the poor in this country by changing the welfare system in a positive, not punitive, effort.

I urge my colleagues to support the Mink substitute.

Mr. RICHARDSON. Mr. Chairman, I rise in support of the Mink substitute bill because it demands work and responsibility from recipients, but does not pay for future tax cuts by punishing legal immigrants and children.

The Mink bill sets aggressive work requirements, and is tough on those who do not work—recipients who refuse to work will have their benefits terminated.

Unlike current Republican proposals, the Mink bill makes the investments necessary in education and training to prepare recipients for work, and this is critical.

We must not adopt legislation, merely for the sake of change, that ignores the root causes of poverty—otherwise we will be faced with many more years of failed policy.

The Mink bill makes work pay. It provides short-term nutrition, medical, and housing assistance to stabilize families as they move into the work force.

The Mink bill gives States flexibility: States may design work and education programs to fit local needs, and States are not forced to interfere with family size or family planning.

The Mink bill strengthens child support collection methods so that primary responsibility for children is where it belongs: With their parents.

Finally, the Mink bill is not financed by denying help to children and legal immigrants; rather, it cuts corporate welfare by asking companies who make in excess of $10 million in profits per year to pay an additional 1.25 percent in taxes.

Mr. Chairman, the Mink bill departs from the status quo by creating responsible, realistic welfare reforms.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentlewoman from Hawaii [Mrs. MINK].

The question was taken; and the Chairman announced that three-fifths of those present not having voted in the affirmative, the noes appeared to have it.

RECORDED VOTE

Mrs. MINK of Hawaii. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 96, noes 336, not voting 2, as follows:

[Roll No. 267]

AYES—96

Abercrombie	Conyers	Filner
Ackerman	Coyne	Flake
Barcia	de la Garza	Foglietta
Becerra	Dellums	Ford
Bishop	Dicks	Frank (MA)
Bonior	Dingell	Frost
Brown (FL)	Dixon	Gejdenson
Clay	Engel	Gephardt
Clayton	Evans	Gibbons
Clyburn	Farr	Gonzalez
Coleman	Fattah	Green
Collins (IL)	Fazio	Gutierrez
Collins (MI)	Fields (LA)	Hall (OH)

Hastings (FL)
Hilliard
Hinchey
Jackson-Lee
Johnson, E. B.
Johnston
Kennedy (RI)
Kennelly
Lantos
Lewis (GA)
Lofgren
Martinez
Matsui
McDermott
McKinney
Meek
Mfume
Miller (CA)
Mineta
Mink
Nadler
Oberstar
Olver
Ortiz
Owens
Pastor
Payne (NJ)
Pelosi
Rahall
Rangel
Reynolds
Richardson
Rivers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Stark
Stokes
Studds
Thompson
Torres
Towns
Tucker
Velazquez
Vento
Waters
Watt (NC)
Waxman
Williams
Woolsey
Wynn
Yates

NOES—336

Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
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NOT VOTING—2

Brown (CA)
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□ 1243

Messrs. MCINTOSH, HEFNER, and MOAKLEY changed their vote from "aye" to "no."

Mr. GEJDENSON changed his vote from "no" to "aye."

So, three-fifths of those present not having voted in the affirmative, the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. QUINN. Mr. Chairman, I rise today in support of the family-based nutrition block grant contained in H.R. 4, the Personal Responsibility Act, which combines funding for WIC, the Child Care Food Program, the Summer Food Program, and the Homeless Children Nutrition Program.

There have been concerns raised regarding the future of the WIC program under this proposal. I believe, however, it will work well. States are often in a better position than Washington to determine what is best for their area and how funds could be used most efficiently.

Funds under the block grant must be used for those in greatest need—the low-income families who require assistance, not the administrators. A provision caps the percentage of funding that may be used for administrative costs, once again less money for bureaucrats. WIC is certainly not forgotten—at least 80 percent of the funding under the grant is earmarked for the WIC Program.

The quality of the WIC is also not left behind. The nutrition standards provision in the bill provides for the development of model nutrition standards for the programs. This makes good nutritional sense and will ensure healthy supplemental foods.

Mr. Chairman, the value of the WIC Program cannot be disputed. It finds bipartisan support because it is effective in improving the nutrition and health of low-income pregnant, postpartum, and breastfeeding women as well as infants and children who are determined to be at nutritional risk. This leads to better health and decreased medical costs.

Mr. Chairman, H.R. 4 will help us to continue to meet the needs of low-income children and pregnant and nursing mothers and actually increase funding by $500 million over 5 years.

I am pleased to support the family-based nutrition block grant. I hope that opponents' fears will be diminished when they see how effectively the States can administer these important nutrition programs while at the same time retaining the quality demanded of them.

Mr. LUTHER. Mr. Chairman, everyone agrees that the current welfare system in America is broken and needs to be fixed. The American people are fed up with inefficient spending and questionable programs that result in little or no bang for the taxpayer buck.

While I support strong efforts to reform our Nation's welfare system, I am concerned by the direction in which some have chosen to take this debate. Partisan policies and the quest for a quick fix have resulted in proposed policies that simply fail to take a long-term view and are counterproductive to our country's future.

Welfare abuses exist today and they need to be dealt with strictly. But, many Americans aren't proud to be on welfare and they don't aspire to make it a way of life. In many cases, they are on welfare because we have failed to create the proper incentives to move them from welfare to work. The focus of welfare reform must be on getting these people off welfare and to work as quickly as possible. To do this, we need to give people the supportive environment necessary to get a job. Welfare can then serve as the temporary safety net it was meant to be.

Representative NATHAN DEAL's substitute welfare reform bill has the necessary ingredients to get people off the welfare rolls and into the work force. While setting a time limit in which one can receive assistance, it requires people to actively search for a job or get the necessary training. The Deal plan rewards work by raising asset thresholds which, for years, have been a disincentive to getting a job. The plan also consolidates and expands child care opportunities and maintains the integrity of the Head Start, school lunch, and Meals on Wheels programs. Finally, the Deal substitute works to reduce the deficit. By streamlining existing programs, fighting fraud and abuse, and moving people into jobs, the Deal plan will cut long-term costs as it increases the number of Americans contributing productively in our society.

Let's rise above partisan politics today and restore the opportunity for millions of Americans to live a better life than they are living today.

Mrs. MEEK of Florida. Mr. Chairman, there is no question that our welfare system needs to be reformed. The American people want a welfare system that is tough, but fair. They want welfare checks to be replaced with paychecks and they want vulnerable children protected while their parents work.

But the American people also want the job done right, not a rush job like this one, which is being rammed through the House to meet an arbitrary deadline set by the Contract With America. The terribly flawed bill before us is not reform; it is a sham. It is weak on work, but very hard on poor children and pregnant

women. It punishes the poor instead of helping them to move into the mainstream economy.

The driving force behind the Republican welfare reform bill is not concern for the least fortunate in our society—the vast majority of whom are children. The real purpose of this bill is not to help poor people aggressively prepare for work and look for a job.

Rather, the purpose of this bill is to scrape up dollars to fund tax breaks for the already well-off. Because of this bill, the people of Florida will have to pay $3.87 billion over the next 5 years to fund tax relief for the wealthy at the expense of the poor. Instead of saving money, this bill simply shifts costs onto State and local taxpayers.

This bill also demonstrates to all what the opportunity society contemplated by the Contract With America really means—seizing the opportunity to exploit the vulnerable and the poor for the benefit of privileged special interests.

It is good policy to promote work and require it of those capable of holding a job. But what is needed to help people get off and stay off welfare is not to be found in this bill: Education; job training; day care so that parents can safely leave their children while they work; health care; and counseling for people who have never written a resume or called an employer for an interview. This bill assumes that work will somehow just happen.

The bill proposes a new, consolidated child-care block grant program that will mean a cut nationally of $2.4 billion in funding over the next 5 years. In Florida alone, more than 20,000 children are awaiting child care services so that their parents can work. This bill ignores the problem, at a loss to Florida of an estimated $388 million.

This bill merges the National School Lunch Program with other school-based nutrition programs, completely eliminates Federal nutrition standards, and caps the funding. The only reason they are attacking these programs, which work quite well, is to fund the Republican tax breaks.

Mr. Chairman, on Monday of this week, I visited Frederick Douglass Elementary School in the Overtown neighborhood in Miami. This neighborhood is so poor that 97 percent of the children there are eligible for free school lunches.

I ate lunch there with a group of third graders, and I asked them what they thought about lunch. One little girl was particularly loquacious. "Oh, the lunches are good," she said. "If we didn't get our lunch, we would be hungry."

And, Mr. Chairman, I can report that there were no picky eaters in that cafeteria; the food was good, and these children ate everything. For most, this was their best meal of the day. The authors of this bill should come to my district and eat with these children. They are not statistics or numbers on some ledger book. They are the little ones who need our help the most—and this bill pushed them aside in the name of fiscal responsibility.

The bill also repeals the supplemental nutrition program for women, infants, and children [WIC]—widely regarded as one of the most effective Federal programs ever—and other child nutrition programs and replaces them with a family nutrition block grant. It cuts food stamp spending by $14.4 billion over 5 years—more than $1.2 billion from the State of Florida alone.

The authors of this bill boast that it will save $7.2 billion in nutrition funding over the next 5 years. But at what cost? This bill puts the health and development of little children at risk, needlessly, in the name of cost savings. This kind of false economy is unconscionable.

Finally, the bill is terribly unfair to legal U.S. immigrants. These are lawful U.S. residents who played by the rules and became legal residents by faithfully following our laws.

Mr. Chairman, U.S. immigration law is a matter of national policy. The Federal Government decides how many legal immigrants are allowed into our country each year—not Dade County, and not the State of Florida. Since these are Federal decisions, the Federal Government must pay. But this bill says that local taxpayers must pay.

Legal immigrants are not a drain on our economy; in fact, they earn an estimated $240 billion each year and pay over $90 billion in taxes in the United States. Many of them serve in our Armed Forces. By working, paying taxes, and creating jobs, legal immigrants more than carry their weight. The fact that they are not yet U.S. citizens in no way increases the burden on the Government.

Mr. Chairman, this bill punishes children for the sin of being born to a family on welfare. It punishes children, until the mother is 18 years of age, for being born out of wedlock. It punishes children if a State drags its feet on paternity establishment. It eliminates guaranteed foster care to any child who is abused or neglected.

This bill is neither compassionate nor fair. It is not reform. It is the legislative equivalent of clearcutting a forest—cut, cut, cut, with little regard to the consequences.

Mr. LAZIO of New York. Mr. Chairman, I rise today to support H.R. 4, the Personal Responsibility Act. The vast social welfare policies of the past 30 years have been a miserable failure. They have failed to adequately serve our needy neighbors, and in the process, they have ripped apart our communities and hurt us all. This bill is the first step on the road to rejecting these policies, healing our communities, and helping our children.

The reality in 1995 is that far too many of our Nation's communities contain deep pockets of poverty and dependence. In some urban areas, an alarming 8 in 10 children are born out of wedlock, many into a world of poverty. The unfortunate fact is that these children are three times more likely than children from families with married parents to go on welfare as adults. We have learned that a spending policy that is not value-driven is a recipe for failure. It is imperative that this cycle be broken.

I have visited Job Corps sites in the South Bronx and met young women who had never learned how to open a checking account, write a résumé, or go on a job interview. The system that fostered this must be changed to provide these young people with the incentive and tools to enter the job market and become productive members of the community. It is time to look to the future. These young people are where our energies must lie. They provide us the opportunity to help break the dead-end cycle of poverty and dependence. They will be the key to healing our communities.

We must not be deterred by those who claim that we are not compassionate. We are compelled to help all Americans, particularly our neighbors struggling to survive in the poorest neighborhoods. Our current social welfare policies have not demonstrated compassion to those trapped by poverty, rather, they have failed them miserably. Those who would continue these policies are doing the same. There is no compassion in that.

Mrs. MORELLA. Mr. Chairman, I rise to speak on the subject of the Personal Responsibility Act.

There is considerable disagreement within this body, and certainly among the American public at large, about the legislation that we have, before us today. Yet there is one point upon which we can all agree—our present welfare system has failed. It has failed our families in poverty, it has failed our children who depend upon it, and it has failed the American taxpayers who support it.

The question than, Mr. Chairman, is not whether we should implement far-reaching reforms in our welfare system but how we should implement these reforms. After many, many months of debate on this issue, after countless meetings with constituents, social workers, "welfare mothers," business people, and others, I concluded that the best proposal for overhauling our Nation's welfare system was the one proposed by Congressman NATHAN DEAL of Georgia.

I voted for the Deal proposal because it struck a wise balance between the need for comprehensive reform and our duty as a society to maintain a basic safety net for our citizens. This proposal, which was put forth by a group of respected, moderate Members, embraced the center—rather than either the left or the right wing extreme—of the welfare debate.

The Deal bill contained work requirements that were more stringent, yet more effective, than those in the Personal Responsibility Act. It would have placed a 4-year limit—rather than the 5-year limit contained in the Personal Responsibility Act—for individuals to remain on AFDC. The Deal bill would have required AFDC recipients to work for benefits or participate in mandatory education and training programs aimed at transitioning them to private sector employment. The Personal Responsibility Act, on the other hand, contains no job training or other mechanisms to ensure that individuals can get—and keep—a job. If we're not willing to train low-skilled individuals for private sector employment, how do we expect them to stay off of welfare?

Second, the Deal proposal would have guaranteed child care for mothers with young children who participate in the bill's mandatory work programs. The Personal Responsibility Act, on the other hand, does not contain a guarantee of child care. How can we ensure that mothers on welfare will enter and stay in the workforce if they have no safe place to leave their children during the day? Clearly, without some guarantee of child care, our efforts to transition mothers from welfare to work cannot succeed.

Third, the proposal put forth by Mr. DEAL preserves the highly successful nutritional programs upon which many poor and working class Americans have come to depend—in particular, WIC and the school lunch program. These programs enjoy broad bipartisan support, and there is widespread agreement that they are remarkably effective in their current form. These programs work. Millions of poor

and working class children are fed cheaply and nutritiously thorough these programs. We do not need to toss them into the jumble of the welfare debate.

In addition, Mr. Chairman, in its well-intentioned efforts to discourage illegitimacy and teen-age births, the Personal Responsibility Act contains some measures which are so punitive as to be completely illogical. For instance, the bill cuts the cash assistance grant of children whose paternity is not legally established, yet it makes no distinction between children whose paternity is unestablished as a result of their mother's failure to cooperate with State officials, and children whose paternity is unestablished because, in spite of the mother's full cooperation, the father has successfully evaded State officials or managed to escape a DNA test. The Deal proposal on the other hand, recognizes that parents—not children—are the ones who should be penalized for evading their families responsibilities.

In addition to these points, Mr. Chairman, I believe that the Deal substitute is preferable to the Personal Responsibility Act because it preserves, subject to time limits and other restrictions, a basic safety net to which indigent Americans can turn in times of need. The Personal Responsibility Act, on the other hand, goes too far in its effort to devolve the Federal Government of responsibility in the realm of public assistance. In its effort to seek greater flexibility for State governments—a goal with which I wholeheartedly agree—the Personal Responsibility Act weakens the modest safety net that we, as a society, believe should be in place for our citizenry.

Finally, the Deal bill contained important and historic reforms in our Nation's child support enforcement laws—reforms that, as Republican cochair of the Congressional Caucus for Women's Issues, I have advocated for many years. In particular, the Deal bill adopted child support legislation that I had coauthored with the caucus earlier this year—the Child Support Responsibility Act of 1995. I also worked successfully to incorporate these reforms into the Personal Responsibility Act and am gratified that they were, in fact, included in the final bill. I commend the Republican leadership for incorporating these provisions into the act. On balance, however, the child support reforms in the Personal Responsibility Act were not enough to overcome my other objections to the bill.

Mr. Chairman, you can be assured that I will work with my colleagues in the Senate to ensure that Congress enacts meaningful, far-reaching, and comprehensive welfare reform.

Mr. OXLEY. I rise today in strong support of the Contract With America's Personal Responsibility Act. Welfare has become a way of life for too many recipients. By making it easier to collect a hand out than to work, the system has destroyed individual initiative and actually perpetuated poverty. Bureaucratic barriers frustrate motivated recipients who want to get a job or acquire an education. We've seen an alarming breakdown of the family occur under programs that simply are not working.

The Personal Responsibility Act will reform our welfare system to provide a helping hand, not a handout, to millions of Americans caught in this dead-end trap. I've heard a lot of talk lately that the Republican plan would be hard on children. This couldn't be further from the truth. Our plan will actually increase funding for many children's services. For example under our plan funding for school lunch and breakfast programs would actually increase by $1 billion over 5 years. By eliminating the Federal middle man, and block granting funds, the savings we achieve now could be used for providing increased assistance to needy children.

Mr. Chairman, in the name of short-term compassion we have inflicted long-term cruelty. Let us pass this legislation so we can offer hope for our children's future, not despair.

Mr. FOGLIETTA. Mr. Chairman, why do we have to divide America to cure welfare?

We divide America when we pull families apart.

We divide America when we make teenage mothers give up their children, or encourage them to have abortions.

We divide America when we use arbitrary deadlines that will move families who have depended on welfare because they can't get jobs, into homelessness.

We divide America when we punish children by dismantling the school lunch program.

We divide America when we use hot rhetoric like we heard in this debate—when one compares people on welfare to wolves or alligators, when one compares welfare to the $600 toilet seat of the Pentagon, when one says that he would not let some welfare mothers take care of a cat.

We didn't need this kind of talk, and we don't need to create two Americas to reform welfare.

Our Republican colleagues may insist that they are not engaging in the politics of division, but that's just what happened during this debate over welfare reform.

Let me give you an example of how one aspect of the majority bill will encourage a divisive America.

The Philadelphia Inquirer told a story the other day of a suburban township near my district.

Many years ago, they decided to reject Federal school lunch dollars, and do away with reduced price school lunches for low-income children. In its place, they use a so-called sharing table—a place where a hungry student can pick up a left-over peanut butter and jelly sandwich that a better-off student left behind.

Some people like the idea of the sharing table, but I don't. To me, it sounds like "Oliver Twist."

I can't think of anything more humiliating for a young child than having to rely on leftovers from their classmates. This deepens the divide in our society between the haves and the have nots.

What's worse, I'm afraid that it will teach kids to beg—that's not what American kids should be learning in school. I wanted to share with my colleagues an editorial from the Philadelphia Daily News, lest there be any confusion about my criticism of this program.

I supported the Mink substitute because it would have worked to accomplish the goal we all want to accomplish—moving people from welfare to work. It didn't use gimmicks, or arbitrary deadlines. It also didn't feed into the cynical politics of hate, division and making children victims.

What I don't want to see are begging tables at schools across America.

I hoped before my colleagues voted for this legislation, that they could think of their own child or grandchild cowering in shame as he approaches the sharing table.

That's not the America I want to see for our children.

[From the Philadelphia Daily News, Mar. 23, 1995]

NO LUNCH? TRY THE "SHARING TABLE"

There is a fanciful, down-the-rabbithole quality to Republican welfare "reform" legislation being debated in the House of Representatives.

In the wonderland inhabited by Newt Gingrich and the Contract with America crowd, the outrageous idea that "less is more" has become an article of faith.

But not to worry. Instead of scrambling to close the funding gaps likely to be created by welfare "reform," social-service agencies and public schools can find a model for Life Under the Contract close to home—in Upper Darby, Delaware County.

Back in 1982, Upper Darby dropped out of the federal school lunch program, and with it, federal nutrition standards. Local officials made the move because the program was losing money, kids didn't like the food and free lunches weren't needed.

Replacing the free- and reduced-price lunch meals is the "sharing table" sort of a give-what-you-can/take-what-you-need approach to combating child hunger. On the sharing table sits a "sharing can" for spare change.

It works like this: If Johnny eats only one of his two sandwiches, he leaves the extra on the "sharing table," where Sarah—who perhaps came to school without breakfast—can have if free, along with some coins to buy a drink.

It's a simple neighbor-helping-neighbor kind of thing.

But what if Sarah is too embarrassed to come to the sharing table? And what if children who regularly show up without lunches or lunch money turn down offers of "sharing table" assistance out of pride and fear of being stigmatized?

Doing without the federal lunch program would be less problematic if Upper Darby were a wealthy community—which it isn't. Welfare rolls are growing—up 15 percent since last year, to 956 children. Yet only 300 kids signed up recently for a free milk program—perhaps a sign of reluctance to expose their need.

Upper Dabry school officials explain it with denial. The need just isn't that great they say.

Denial is likely to be a useful tool when the full GOP welfare reform package hits town.

Following the Upper Darby model, we should start with the premise that those lazy ol'poor people don't need any assistance. And for those who do (destitute teen mothers, for instance), we could erect "sharing tables" everywhere—near steam grates, bus stops, homeless shelters, soup kitchens and schools.

For disable kids cut from SSI, there could be medical sharing tables, from which to borrow walkers, wheelchairs, prescriptions and other medical services.

The possibilities are endless * * *

And absurd.

Every credible analysis of poverty and illegitimacy acknowledges that making the chronically dependent self-sufficient will cost more in the near future rather than less—because of multiple expenditures for child care, education and training, and public works jobs if the private sector cannot provide employment.

"Sharing tables" and denial obscure that reality—but can't change it.

Mr. GIBBONS. Mr. Chairman, during this debate, the Democratic record on welfare reform has been regularly maligned. Republicans have frequently suggested that Democrats are simply defenders of the status quo—who have done little or nothing in the 40 years that we controlled the House of Representatives to improve the programs that serve our most vulnerable citizens. Any responsible examination of the record quickly shows this is not the case.

In the past decade alone, Democrats have enacted reforms to virtually every part of our social safety net—usually without much support from Republicans. Those reforms have been carefully crafted to improve the system without inflicting irresponsible and unnecessary damage on the families who have turned to us for support.

For example, in the 103d Congress, Democrats passed and the President signed into law:

The Family Preservation and Support Act.—This was the first significant reform of child welfare programs in 12 years. It provides flexible funds to States to strengthen families and prevent child abuse and neglect. It will also help State courts assess and expedite judicial child welfare proceedings, so that more foster children find permanent homes.

Legislation making these reforms was vetoed once by President Bush in 1992 but signed into law in 1993. The reforms are just now taking effect, yet the Republican majority wants to dismantle them in favor of untested block grants that leave abused and neglected children with no guarantee of foster care when they need it.

OBRA 93.—Amendments included in this budget reconciliation bill encouraged marriages for families on welfare by relaxing the rules for counting the income of a stepparent, made certain that children owed child support also get health insurance when the noncustodial parent has such coverage, significantly expanded the earned income tax credit to encourage work and offset Federal taxes paid by low-income working families. OBRA 93 also authorized empowerment zones and enterprise communities to test comprehensive solutions to the problems of distressed areas.

The Social Security Administrative Reform Act of 1994.—This reform bill limited the SSI eligibility of substance abusers to no more than 3 years. It also created the Commission on Childhood Disability to recommend ways to eliminate fraud in the SSI children's program—report due in 1995. Legislation authorizing the Commission was vetoed once by President Bush in 1992. Instead of waiting for the Commission report, Republicans are attempting to dismantle the SSI children's program in this bill.

The Social Security Administrative Reform Act of 1994 also included reforms to the child welfare and foster care programs. If reduced paperwork burdens for State child welfare programs by modifying the reviews required under section 427 of the Social Security Act. Legislation making these reforms was vetoed once by President Bush in 1992.

The Unemployment Compensation Act of 1993.—Miscellaneous amendments attached to this unemployment compensation bill reformed the SSI program to require that sponsored aliens, for the first 5 years after the alien's entry into the United States, be qualified for SSI benefits based on the income of their sponsor. The Republican proposal—included in this bill—denies virtually all benefits to legally admitted aliens.

In the 102d Congress, Democrats passed and the President signed into law

The Child Support Recovery Act of 1992.—This bill imposed a Federal criminal penalty for willful failure to pay a past-due child support obligation.

Democrats also passed the Revenue Act of 1992 which President Bush vetoed. That bill would have established a tax deduction for the costs of adopting children with special needs, such as those with a physical or mental impairment, encouraged welfare families to save—up to $10,000—for education, to purchase a home, or to move to a safer neighborhood, and allowed welfare families to save—up to $10,000—to start a business.

In the 101st Congress, Democrats passed and the President signed into law:

OBRA 90.—This law guaranteed child care for low-income families at risk of going onto welfare, improved the quality of child care services, and required States to report known instances of child abuse or neglect of children receiving AFDC, foster care, or adoption assistance.

OBRA 89.—This law reformed the AFDC quality control program to improve protections against fraud and abuse in the AFDC system.

In the 100th Congress, Democrats passed and the President signed into law:

The Family Support Act of 1988.—This comprehensive welfare reform measure strengthened work, education, and training requirements for welfare recipients and, for the first time, required mothers of young children to actively participate in work and training. It also barred discrimination against needy two-parent families and guaranteed transitional child care and health benefits for families leaving AFDC for work. Under the law, increasing numbers of welfare recipients must be engaged in work-related activities. As a result, 595,000 families are now engaged in work activities.

The Family Support Act contained child reforms as well. It mandated State use of uniform guidelines for child support awards, required States to initiate the establishment of paternity for all children under the age of 18, set paternity establishment standards for the States and encouraged them to create simple civil procedures for establishing paternity in contested cases.

Finally, the act provided Federal financial assistance to States to improve the quality and licensing of child care services.

In the 99th Congress, Democrats passed and the President signed into law:

The Tax Reform Act of 1986.—This comprehensive reform of our Nation's tax system eliminated the tax obligations of millions of America's poorest families and provided adoptive families with a one-time payment to offset the costs associated with adopting children with special needs, such as those with a mental or physical disability.

In the 98th Congress, Democrats passed and the President signed into law:

The Social Security Disability Amendments of 1980.—This law established the requirement that sponsored aliens, for the first 3 years after their entry in the United States, must include the income of the sponsor to be eligible for SSI.

The Child Support Enforcement Amendments of 1984.—These comprehensive amendments created the Internal Revenue Service collection mechanism to withhold from Federal tax refunds any past-due child support owed to children of non-AFDC families, expanded the child support enforcement program to nonwelfare families, required States to develop uniform guidelines for setting child support award amounts, extended research and demonstration authority for States to test innovative approaches to child support enforcement, and authorized special project grants to improve the collection of interstate child support orders.

Mr. MFUME. Mr. Chairman, I rise today in opposition to H.R. 4, the Personal Responsibility Act as offered. This legislation, the Republican version of welfare reform, is a wolf in sheep's clothing.

This legislation has significant ramifications for Americans both poor and nonpoor. We pride ourselves on being one of the most caring, compassionate, and advanced countries in the world. Yet, for a variety of reasons, this bill takes food from the mouths of babies, and cuts mothers off welfare, for the purpose of funding an upcoming tax break for the wealthy.

Clearly, the Nation's welfare system is in need of repair. No community yearns more for welfare reform than the people of my district. But they have said overwhelmingly, do not support reform for the sake of reform.

Most want, and I support, reform that genuinely allows America's poor to move from welfare to work. The House GOP bill will not do that. I stand opposed to this bill both for what it will and will not do. This bill does not meet our community's desperate need for jobs. Successful reform of welfare means jobs, jobs, and more jobs; it means child care for both poor women and men, and it means a commitment to ensure the rights of all children.

However, this bill fails to create a single job, but requires welfare recipients to work after 24 months and be tossed off the rolls after 5 years. This bill provides no additional funding to support the welfare-to-work transition, but requires States to have an increasing percentage of their welfare population in the work force.

Since cash assistance would no longer be an entitlement and States could determine who and how many get aid, States could increase their work participation rate simply by denying aid to a large number of currently eligible families.

In addition, this bill cuts resources for child care, health care, transportation, and other necessary support services; factors keeping many on welfare today. Under this act more than 7,500 children would lose their Federal child care assistance in my State of Maryland alone. Mr. Chairman, more than 1,700 children in Maryland will lose all SSI benefits and Medicaid benefits under this bill. I am mindful of the difficult fiscal choices facing us at this time and must evaluate the competing claims on our Nation's diminishing discretionary resources, but I do not believe that children should be the losers.

Furthermore, the bill ignores the Nation's economic trends. In an economy in which wages have declined for the working poor since the mid-1970's and in which the number of working poor has grown phenomenally, this

bill is a dismal failure. We must consider welfare reform in the context of our Nation's overall economic condition.

This bill forces children, who may be the object of violence and sexual abuse in some cases, back to the homes where the abuse took place. Our children are our future. Unfortunately, the Personal Responsibility Act is not likely to be an investment at our children's future. America cannot afford to leave its children dangling in the wind.

We were elected to represent the views of our constituents on issues of national, economic, and social significance. The opportunity for welfare reform is one of the most important issues facing America. In this critical time in our Nation's history, we should not allow politics to interfere with the responsibility to be fair to our children. Today, we have an opportunity to demonstrate the gravity of our commitment to children, the poor, to deficit reduction, and our commitment to redirecting our efforts to the critical needs of the American people.

I urge my colleagues to vote for our children, vote for our future, and vote against the bill as offered.

Mr. YOUNG of Florida. Mr. Chairman, I rise in strong support of H.R. 4, the Personal Responsibility Act.

The American voters spoke last November and demanded a change in the way Government operates. For too long, past Congresses saw Washington as the solution to every problem, and created Federal program after Federal program in an attempt to eliminate poverty. Unfortunately, those programs, many which were born during the Great Society push of 30 years ago, failed. After spending more than $5 trillion on Federal welfare programs, the number of welfare recipients, illegitimate births, and fraudulent welfare claims have skyrocketed. We have to change the welfare system that has failed so badly to meet the needs of our society.

With this legislation, Congress can begin to break the cycle of poverty and hopelessness that has trapped generation after generation of Americans. It is a welfare system that often penalizes those trying to break their reliance on Government subsidies, money doled out by a Federal bureaucracy that has become too big, too inefficient, and too expensive. To free the next generation of Americans from this trap, the Personal Responsibility Act, one of the most critical components of the Republican Contract With America, promises comprehensive reform of the American welfare system.

The present system penalizes the working poor, and offers little incentive to leave the welfare rolls once they begin receiving benefits. We must reform these programs to discourage people from ever becoming dependent on welfare in the first place, and do everything we can to get them off as quickly as possible. This bill gives States broad flexibility to design work training and education programs, and tells welfare recipients they will have to work in order to receive cash benefits. The Personal Responsibility Act will teach people job skills, assist them in assuming more productive roles in society, and help them earn the dignity that comes from working for a living.

For too long, many welfare recipients have taken their benefits for granted, and forgotten that their actions have consequences. This bill would deter teen pregnancies by ending cash payments to unwed mothers under 18. States could use these savings to establish programs to help young mothers with pregnancy prevention and counseling, adoption services, small-group homes, and other helpful innovations. Additionally, the bill streamlines procedures to collect child support and implements strict policies to enforce child support orders, to ensure that both parents live up to their responsibilities.

Despite the misleading rhetoric of those opposed to this legislation, the Personal Responsibility Act offers far greater hope for children than the current system. Aside from its tough enforcement of child support—which ensures that parents, not the taxpayers, care for their children—the legislation significantly increases the funds that will actually go toward serving the needs of our Nation's children.

Currently, programs that provide school lunches and breakfasts, low-cost milk for children, and nutritional supplements for pregnant women and infants are all run from Washington with separate rules for eligibility, regulations for operation, and sources of funding. While Congress will continue to fund these programs, their day-to-day operations will be left to the States, who know how to meet the needs of their own residents far better than bureaucrats in Washington, who attempt to design one program that meets the needs of people in 50 very different States. As a result, the funds spent helping children, as opposed to feeding the bureaucracy, will actually increase under this bill.

For example by capping administrative costs in State agencies administering child care programs at 5 percent, the Personal Responsibility Act will make 95 cents of every dollar available for direct child services. This is in sharp contrast to the 68 cents per dollar that currently goes directly for child care services. Thirty-two cents of every dollar is being lost in layers of bureaucracy and centralized planning activities.

Eliminating administrative overhead will make available $162 million more for direct child care services next year alone. In addition, with the adoption of an amendment Wednesday, which I strongly supported, we provide another $150 million per year to care for children so their parents can work. This means with the additional funding and administrative savings, there will be $322 million more available for direct child care services next year, an increase of 17.5 percent.

There are also increases in other areas. Many of my constituents and many State and local officials from Florida from whom I have received input on this legislation, stress the success and importance of the Women, Infants, and Children Program, or WIC. This legislation addresses those concerns by guaranteeing that not less than 80 percent of the funds provided for family nutritional programs will go to WIC, ensuring an increase of $588 million over the next 5 years.

With regard to the School Lunch Program, this legislation provides for a $1.2 billion, or 17.5-percent increase in funding over the next 5 years. Moreover, States would be required to devote not less than 80 percent of these funds to meet the needs of low-income children. No more than 2 percent of the funds may be spent on administrative costs.

By ending cash benefits to certain groups such as noncitizens, unwed mothers under 18, and individuals with fraudulent claims, and by limiting administrative overhead, section after section of this legislation makes greater resources available for those trying to put themselves back on their feet. As they do this, by taking advantage of the federally-funded—but State and locally run—job training and child care programs to get off the welfare rolls, an even smaller pool of welfare recipients will have access to even more help.

By cutting layer upon layer of Washington bureaucracy out of the equation and allowing State and local governments to care for their own people, we will create a more effective, less costly system that will truly put children and families first.

This legislation does not threaten needy Americans willing to take responsibility for their lives. It threatens Washington bureaucrats and entrenched lobbyists that make their living tending to the cruel, ineffective welfare trap that has developed over 30 years. We have an opportunity with this legislation to bring about real reform that makes those who have opposed progress for decades uncomfortable. They had 30 years to change a crumbling and ineffective welfare system, and did nothing. Now they are forced to defend the status quo where only one of every 250 people on welfare work, where one-third of the children born in our country are to unwed mothers, and where the average welfare family receives benefits on-and-off for 13 years. This must change.

Mr. Chairman, the welfare reform provisions of the Contract With America are designed to give people a way out of poverty, not surround them with it for the rest of their lives. These bold reforms are expected to put 1.5 million welfare recipients to work and save the American taxpayer almost $80 billion over the next 5 years. The emphasis on self-reliance will make welfare a program of temporary assistance, not a way of life. Americans who believe in a day's pay for a day's work are the cornerstones of our society. The programs Congress passes should foster this attitude, instead of encouraging millions of people to depend on the American taxpayers for their livelihood. The Personal Responsibility Act meets this goal, fulfills our contract promise, and responds to the wishes and demands of the American people.

Mr. HAYWORTH. Mr. Chairman, I voted for the rule on H.R. 1214 and I support passage of this legislation. I do, however, want to express my concern with the Rules Committee failure to make in order an amendment which would have reaffirmed our Nation's obligation to American Indian communities.

A bipartisan amendment, offered by Resources Chairman DON YOUNG, would have set aside 3 percent of appropriations for block grants to native American communities. This amendment was important because it would have recognized the unique nature of the Federal Government's relationship with native American tribes.

My concern is that direct block grants to the States may adversely affect tribes for two reasons: One, States do not have the same obligations to tribes that the Federal Government has; and two, some tribes, like the Navajo Nation, cross State borders and would have to petition more than one State for funding. The Young amendment would have addressed this concern, and I regret that it was not made in order.

Mr. Chairman, I want to assure concerned tribal leaders that, although the Rules Committee did not make this amendment in order, our bipartisan efforts to secure protections in H.R. 1214 for native Americans will continue.

Mr. ORTON. Mr. Chairman, I rise in opposition to the Archer-Kasich amendment.

It is absurd to call this measure a technical correction. In actuality, this amendment strikes language in the bill which prohibits savings in the bill from being used to pay for tax cuts.

If we are ever to balance the budget, we must make cuts in Federal spending which are difficult, require sacrifice, and reduce benefits to individuals. Savings from such spending cuts should reduce the deficit, not be spent on tax cuts.

Mrs. LOWEY. Mr. Chairman, we all agree that reform of the welfare system is long overdue. The current system is costing billions of dollars and is not solving the problem. It is not putting people to work but instead has created an unhealthy cycle of dependency.

WORK

In reforming the welfare system, our focus must be on moving people into real jobs. I will vote against the Republican bill for many reasons—but primarily because it makes no guarantee that welfare recipients will move into work. In fact, a recently released Congressional Budget Office report found that their bill is doomed to fail in achieving that end. Furthermore, under that bill, there is less accountability for the dollars spent than under the current system. They do nothing to improve access to and the quality of existing education and training, so that people have the skills they need to get a job.

Last year, I introduced my own Work First welfare reform plan that was designed to get people off of welfare and into jobs. My bill removed the crazy disincentives to work that exist in the current welfare system. The majority of Americans get up every morning and go to work to support themselves and their families—and they resent the fact that billions of tax dollars are spent supporting people who don't have to do the same. We must reform welfare to assure able-bodied Americans work. That is a matter of simple fairness.

EFFECTIVE PROGRAMS—CHILD CARE AND NUTRITION

We cannot afford to fail in this effort. But moving to the extreme—as the majority's proposal will do—will only create another system that fails families and taxpayers. Their proposal will push families with young children into the street and create a whole class of women and children with no hope of becoming self-sufficient. The Republican proposal cuts child care and nutrition—programs that are critically important to supporting working families. Why does this bill block grant the WIC Program—when leaders of corporate America have testified to its cost-effective benefits to the health of women and children? Why does this bill do away with the School Lunch Program as we know it, when this program helps children from working families get the nutrition they need to succeed in school? Why does this bill cut assistance for child care, when Americans know that child care is crucial to the ability of people who truly want to work to stay in the work force?

TEENAGE PREGNANCY

There is another area of critical importance on which this bill fails the American people—the crisis of teenage pregnancy. Earlier this year, I introduced a bill to: First, require teenagers who are parents themselves to live with an adult family member or in an appropriate adult-supervised setting in order to receive benefits; and second, require teenage parents to continue to receive education and training in order to receive assistance. In addition, my bill would provide grants to localities to design teen pregnancy prevention programs. This approach balances responsibility with opportunity. It promotes responsibility so that teenage parents understand that they must assume responsibility for the consequences of their action. At the same time, it invests in preventing teenage pregnancy so that fewer children are born to teens.

The majority's bill denies most benefits to teenage parents and their children, but goes no further. It includes no provisions to encourage responsible behavior among teenage parents—and no provisions to realistically discourage teenagers from becoming parents in the first place. Most troubling, the majority bill punishes innocent newborns for the actions of their parents.

CHILD SUPPORT ENFORCEMENT

There's another issue of great importance in this debate: Child support enforcement. The Republican bill was originally silent on the need for parental responsibility for child support—in spite of the fact that each year deadbeat parents fail to pay more than $5 billion they owe to support their own offspring. Many of their children are reliant on welfare as a result. This is more than 40 percent of the entire Federal cost of AFDC. At the beginning of this Congress, I cosponsored H.R. 785, the Child Support Responsibility Act of 1995, along with other members of the Congressional Caucus for Women's Issues. The caucus leadership testified on behalf of our bill before the Ways and Means Committee. I am pleased that—as a result of persistence on our part—the bill has now been modified to include strong child support enforcement provisions. I do, of course, support these provisions and hope that they will become law through some means very soon.

THE DEAL SUBSTITUTE

The Deal substitute provides a balance in this debate. It is tough on work, requiring participants to establish contracts detailing what they will actually do to secure private sector employment. The substitute provides a serious deadline: Participants can participate in a workfare program for 2 years. After 2 years are up, States have some flexibility to work with these populations—but ultimately people must work, or they lose their cash benefits. The Deal substitute also provides States with resources to improve existing workfare systems, so that participants actually obtain the skills they need to get and hold a job. Without those skills, any employer will tell you, they just won't find work.

The Deal amendment increases State resources for child care, so families can work while ensuring adequate care for their children. The Deal amendment preserves the nutrition programs that are essential underpinning for the health of our Nation's children. I support the Deal substitute because it reforms welfare programs without destroying programs that have proven effective and important to millions of working Americans and their families. The Deal amendment includes tough provisions to strengthen the current child support enforcement systems so that millions of young people will be supported by parents who have the means to do so—instead of being supported by taxpayers. Finally, the Deal amendment helps address the crisis of teenage pregnancy and provides communities with the resources they need to prevent teenage pregnancy. In short, the Deal substitute provides sensible responses to the American public's demand for reform, but does not in the process hurt vulnerable children or simply shift costs to other programs.

The Deal substitute does reform legal immigrants' eligibility for benefits. It builds on good ideas that already exist in the law, but which have not worked as they should. First and foremost, legal immigrants would be required to have sponsors who agree—in a legally binding document—that they will be financially responsible for the immigrant for the life of the immigrant or until the immigrant becomes a citizen. This amendment recognizes the problems that exist in current law—that sponsorship currently ends after 5 years regardless of the citizenship status of the immigrant and that sponsorship is not a legally binding obligation—and effectively corrects them.

I urge my colleagues to support the Deal substitute. We must reform the welfare system to move people from welfare to work. We cannot afford to fail.

Mr. PORTMAN. Mr. Chairman, we are in the midst of a historic effort to change Government as we know it. Not since the New Deal has Congress had such an active legislative agenda to address the most pressing problems of our day. But our philosophy of governing is very different from the New Deal and different from the President's approach: consistent with the Founders of this great country, our goal is to give government back to the people.

In addressing the role of the Federal Government, Thomas Jefferson once said, "I believe that the states can best govern our home concerns." We share Jefferson's fundamental faith in the ability of people to organize in their neighborhoods, towns, cities, counties, and States all across our Nation to identify and resolve our toughest problems. As a result, we have already begun to shrink the Federal Government and return power to communities, to the people back home where it does the most good.

Our new ideas to reduce the size and scope of government and give States and communities the freedom to fashion solutions that work are embodied in our proposal to fix our failing welfare system. The current system is broken, big Government programs are lifeless and impersonal and it has become clear that large bureaucracies based in Washington do little to uplift the poor. It is a bad system that is cruel to children, and cruel to families.

Republicans recognize that Washington does not have all the answers and are willing to give States real flexibility and resources to try what they find works. We know today's welfare system is full of perverse incentives that destroy families, denigrate the work ethic and trap people in a cruel cycle of government dependency. We're committed to replacing that failed system of despair with reforms based on the dignity of work and the strength of families, and yes, parental responsibility. By not accepting the status quo in Washington, we are moving solutions closer to home where we offer real hope for the future.

Today, the House passed a new plan to fix welfare that returns power and flexibility to States, cutting out a whole level of Federal bureaucracy and giving the States the ability to respond in innovative ways to real needs. By reducing the role of the large and costly bureaucracy, and by slashing redtape, we will free up more resources to try new local programs that will help change people's lives.

The defenders of the status quo have had every opportunity to fix the failed welfare system. But they chose not to do so. Now, they continue to fight change—using irresponsible scare tactics to blur the debate and confuse the American people about our plan. It's simple. Our plan does three things: it makes people work; it stresses personal and parental responsibility and creates incentives for families to remain intact; and it cuts the endless, unnecessary Federal regulations and bureaucracy typical of the current system.

Mr. ALLARD. Mr. Chairman, I rise to say it is about time. Since President Johnson declared a war on poverty 30 years ago, we have spent over $5 trillion and created 336 programs to fight this war. So, who won? No one. Not the welfare recipient or the taxpayer. The amount we spend in a year on welfare is roughly three times the amount needed to raise the incomes of all poor Americans above the income thresholds.

My constituents tell me that the current welfare system does not work, they want reform. Those who oppose reform continue to say that the number of people on welfare will grow and thus more money is needed. If that is the case then this system can only be called a massive failure. Misguided policy incentives have resulted in a program that encourages economic dependence rather than independence. Welfare is supposed to help people become responsible and self sufficient.

The Personal Responsibility Act will give the decisionmaking back to the States. State officials know what will work best. The "one size fits all" approach of the Federal Government has not worked. The States have consistently been the places where new ideas have been allowed to grow and work. It is time to allow the States to have the flexibility and resources to get people back to work and off the dependence treadmill.

This bill has a tough work requirement, it is tough on illegitimacy, and tough on deadbeat parents. No longer will alcoholics and drug addicts get cash payments to help them continue their addiction with taxpayer money.

Contrary to what the other side is saying, this bill will not cut off assistance to kids. Low-income children will still receive school lunch and WIC benefits, but no longer will the money be micromanaged by the Federal Government middle man. This means that more money will make it to women and children in need, instead of Federal bureaucrats.

Reforming the welfare system should not cost more money or add more people to the rolls. It should save money and be more efficient than the current system. The Personal Responsibility Act saves $66.3 billion over 5 years by slowing the growth of welfare spending—without eliminating the safety net for those who truly need it. We should not measure compassion for the poor by how much the Government spends on welfare or the number of people collecting checks. We should measure compassion by how few people are trapped in welfare and dependent on the Government. If we want to protect our children, then we must reduce Government spending, balance the budget, and foster an economy that will create opportunities and jobs. That is why I am supporting H.R. 4, the Personal Responsibility Act.

Mr. GANSKE. Mr. Chairman, there has been a lot of talk about the welfare problem plaguing our country. Everyone agrees that something must be done; everyone that is, but my colleagues on the other side of the aisle who seem content with the status quo. I fail to understand how opponents can be satisfied with a welfare state that has seen a 25-percent increase in out-of-wedlock births since 1960. There are areas in my hometown of Des Moines, IA, where the illegitimacy rate is as high as 60 percent.

This is totally unacceptable. We must provide incentives that help get individuals off of welfare. We can no longer reward young mothers for having more children out-of-wedlock. We can no longer be satisfied with the lifestyle of welfare dependency being passed from generation to generation.

I was encouraged to see the language added to the Personal Responsibility Act which provides an incentive to States to decrease their rate of illegitimate births, a provision I recommended during my testimony earlier this year before the Ways and Means Committee. This is clearly a step in the right direction.

Let's continue this step in the right direction and pass the Personal Responsibility Act.

Ms. LOFGREN. Mr. Chairman, I would like to add my voice to the debate on welfare reform.

A true welfare reform proposal should seek to end dependency, promote employment and offer a helping hand to those who deserve it. What the Republican majority has offered us in H.R. 4, the Personal Responsibility Act, however, is nothing more than another giveaway to big business and the wealthy. By adopting Mr. ARCHER's amendment Republicans assured that the savings from this legislation will go directly toward the funding of the GOP tax cut bill.

The Republican welfare reform bill cuts vital programs that provide financial and nutritional assistance to low-income families. According to the Congressional Budget Office, the GOP bill will likely cause nearly 3 million families to lose $2.8 billion in benefits over the next 5 years. After that, the situation only get worse. Cash payments are reduced 50 percent by the year 2003. Needy families will suffer these losses through the elimination or reduction of programs like aid to families with dependent children [AFDC], food stamps, school lunches, disability payments, foster care and nutrition supplements for pregnant women and infant children.

Children and legal immigrants are the real victims of this bill. No needy child should be denied lunch at school or food stamps at home because his or her parents applied after the set allocation had dwindled. Withdrawing assurance of help to children who are needy, hungry, abused, or disabled is simply unacceptable. Children should not suffer because their parents cannot provide.

Nor should legal immigrants who have played by the rules and paid taxes be denied in their time of need. Making legal immigrants ineligible for public assistance should they become sick, disabled or unemployed 10 or 20 years after their arrival in this country is unfair and cruel. If the aim of the Personal Responsibility Act is to teach welfare recipients about work, family and responsibility, then why does it scapegoat a group that is the embodiment of these values?

Under the Republican proposal States would get the same amount of money block granted to them each year—regardless of changes in the number of needy children or newcomers. This would result in some States being hurt disproportionately. Fewer immigrants and disabled children will be eligible for supplemental security income [SSI], with legal immigrants being denied AFDC, food stamps and Medicaid as well.

This bill would be a disaster for my home State of California, which alone stands to lose $15.177 billion over the next 5 years. The House Republican welfare proposal would eliminate Federal funding for family preservation and support and several other programs that work to prevent child abuse and neglect. It would restrict welfare for legal immigrants, resulting in a $7.777 billion loss in Federal funding for California's residents. California would also receive $2.486 billion less in funding for food stamps and $1.099 billion less in nutrition assistance.

Not only does this bill cut much needed assistance, but it does shamefully little in the way of moving welfare recipients into the work force. Those individuals who can work should work. But the GOP bill offers no help to people who need training or other assistance to get and hold a job.

Unfortunately, the Republican bill is filled with rigid guidelines and unrealistic mandates. It compounds these drawbacks with a surprising lack of practical solutions, such as the opportunity for recipients to improve their education or gain practical work experience. Simply cutting off assistance will not prepare recipients to join the work force or provide them with jobs. True reform would offer education, training and transitional assistance to those individuals who want to exchange a welfare check for a paycheck.

The so-called Personal Responsibility Act is nothing more than a tax gift for the rich and a surrender of responsibility to the States. It attacks the very elements of our society we should most want to help—needy children who do not vote, have done nothing wrong, and desperately need our assistance to survive. It erodes basic American values by denying survival assistance to children and equal treatment under the law to all. This is certainly not my idea of welfare reform and you can be assured that I will oppose it at every turn.

As a member of the board of supervisors for Santa Clara County for 14 years, I learned a lot about welfare. The county administers the welfare programs for the Federal and State governments. I know very well the need to change welfare—to make it more effective, less bureaucratic and to promote work. The Republican bill does none of this. It is not reform, but is instead just a budget cut and a cost shift to local government.

Mr. PACKARD. Mr. Chairman, our current welfare epidemic continues to erode the American family and work ethic. For a growing segment of the population, America no longer represents the land of opportunity but rather the land of the welfare check. Our current welfare system discourages work and promotes Government dependency. Republican reforms

work to get people off of the Government dole and back on their own feet.

Currently, there are over 5 million families on welfare. Only 20,000 of those people work. For 30 years we have been measuring compassion by how many people are on welfare. Isn't it time we began measuring compassion by how few people are on welfare?

Our Personal Responsibility Act, H.R. 4 puts the millions of people now on the welfare rolls onto payrolls. Republicans replace a failed welfare system of despair with a more compassionate solution focusing on work and offering hope for the future. Our bill encourages people to earn the freedom, responsibility, and dignity that comes with working.

The welfare message of the past 30 years is clear. Liberal Federal handouts promote Government reliance and dependency. We must end this depressing trend. Working today prevents welfare despair and dependency tomorrow. Our Republican Personal Responsibility Act restores lost dignity and promotes a strong work ethic.

Mr. KLECZKA. Mr. Chairman, I was prepared to vote for true welfare reform today. As the only Democrat on the House Ways and Means Committee to support that panel's reform proposal earlier this month, I believe it represented real change of our welfare system.

Though well-intentioned, that system is indefensible and in dire need of massive changes. It encourages a cycle of poverty, hopelessness, and despair. At the same time, it discourages family cohesiveness, constructive behavior, and self-reliance.

The Ways and Means bill, while not perfect, would have started us down the path to dramatic, yet meaningful reform. I worked long and hard on the plan's SSI reforms and am proud of the outcome in that area. Moreover, turning welfare over to the States is a bold step forward and it represents an improvement over the status quo.

Unfortunately, the bill that passed the House today contains a fatal flaw that I could not, in good conscience, support. Namely, it reduces funds for child nutrition in the name of welfare reform. Because of this mean-spirited provision, I will vote against this measure.

According to Congressional Budget Office statistics—the most reliable and non-partisan figures available—this legislation is projected to underfund child nutrition programs by $11.77 billion over the next 5 years. At that level, funds will not keep pace with demand: CBO says child nutrition dollars will increase by only 2.1 percent per year, while demand has historically grown at a much higher level. For example, the Agriculture Department reports that between the 1990 and 1994 school years, demand for school lunches increased by 23 percent.

In my judgement, that lower level is unconscionable. We have the compassion to meet the basic nourishment needs of our children. Surely feeding children is not too much to ask of this great Nation.

All along, I have been clear about my opposition to these changes in the child nutrition program. In a letter to Speaker GINGRICH last week, I indicated that while I could support the Ways and Means bill because it represents true welfare reform, the school lunch program should not be included in the bill. My request unfortunately was ignored by the Speaker.

I deeply regret that we could not vote on just the Ways and Means Committee's welfare reform plan today. It is my hope that cooler heads will prevail in the Senate and that Chamber will leave child nutrition intact while returning to the House true welfare reform. If and when that occurs, I stand ready and willing to support it.

Mr. POSHARD. Mr. Chairman, I have long supported reforming our Nation's welfare system, because I believe our current system discourages welfare recipients from going to work and encourages our children to have children without the means to provide for them in their future. I supported President Clinton's efforts last year to reform welfare, and I strongly believe we must continue to work to create a welfare system that truly assists people.

Though the Personal Responsibility Act attempts to reform our current welfare system, I am afraid it takes us in the wrong direction. This bill takes away benefits from our Nation's poor without providing a sensible path for them to find and maintain work.

This bill cuts funding that would provide child care services to welfare recipients. How can we expect those on welfare to go to work when they are unable to pay for any type of child care? The bill mandates States to require welfare recipients to go to work after receiving benefits for 2 years, but it fails to provide for increased funding for needed welfare-to-work programs.

Instead, the bill repeals the Job Opportunities and Basic Skills Program, which currently provides 90 percent Federal matching funds for education, training, and support services for welfare recipients. The bill also includes no requirements for States to include education, training, and support services in their welfare programs.

The bill also replaces our Nation's School Lunch and School Breakfast Programs with a school-based nutrition block grant. By converting these important nutrition programs targeted at our children into a block grant, we would be capping these benefits and ultimately, we would be cutting access to this program to some 2 million children.

In the 19th Congressional District, over 1.3 million meals are subsidized by this program each year, and I can not imagine having to turn away one child who looks to this program for their only nutritious meal of the day. As rural Americans face high unemployment in their communities, these programs are often necessary to bridging the gap between the loss of work and future economic stability.

Like many of the block grants created in this bill, States would get a fixed amount of money to fund school-based nutrition programs. If a recession occurred, States would receive no additional Federal funding to assist the increased number of children who would be eligible for this program. During the last recession, the number of low-income children receiving meals under this program increased by 1.2 million.

I believe the State of Illinois will be seriously affected by this block grant legislation that would reduce Federal support for child welfare by $5.6 billion over 5 years. This would mean a 5-year loss of $512 million in Federal child welfare funds to Illinois between 1996 and 2000. In an attempt to put parents back to work, we would end up only punishing the children caught in this difficult situation.

Finally, the savings from this bill are not going to deficit reduction or even to programs that will help people leave welfare. Instead, the $69.4 billion is going to finance a number of tax cuts proposed in the Contract With America. I can not support a bill that takes from the poor in order to provide tax cuts to businesses and wealthy Americans, especially when Congress is working to balance the Federal budget.

I support the Deal substitute for welfare reform, because I feel this plan would successfully move recipients from welfare to work. The plan helps welfare recipients move into the work force by increasing funding for education, job training, and child care. In addition, it creates a work first program that puts people back to work, and requires States to increase participation by welfare recipients in this program over 8 years.

The Deal substitute limits welfare benefits going to a recipient after 2 years. Welfare recipients would then be eligible, for an additional 2 years, for either a workfare job or a job placement voucher. The Deal plan is reasonable and workable, because it contains provisions to ensure that welfare recipients are better off economically by taking a job rather than staying on welfare.

It is vital that we pass welfare reform that puts people back to work, but it is equally important to do it in a reasonable manner. The Republican bill clearly fails to provide an opportunity to welfare recipients, because it cuts or eliminates important programs that allow people to make the transition into the workplace. Unless we can guarantee welfare recipients a fair and sensible chance to go back to work, Congress must continue to develop a reform package that helps and not hurts people in need.

Mr. RICHARDSON. Mr. Chairman, the legislation before us today, the Personal Responsibility Act, H.R. 4, will drastically alter the welfare system in our Nation. I support welfare reform, but there are serious flaws in this bill. One of the primary problems of the bill is that it does not even mention the 1.2 million Native Americans or the 553 federally recognized American Indian tribes who reside in this country. To remedy this situation, Members from both sides of the aisle worked together to develop an amendment to allow Indian tribes access to the block grant provisions in the bill. Mr. Young of Alaska, the distinguished chairman of the Resources Committee, and I sponsored this amendment, but remarkably, the Rules Committee would not accept it for presentation on the floor. I am outraged that the Rules Committee has chosen to ignore the recommendations of the Resources Committee, and more importantly, the vital needs of Native Americans.

The amendment would restore existing block grants to tribal governments that have been repealed by H.R. 4. The amendment is consistent with many current Federal statutes, including a 3 percent allocation to tribes under the child care and development block grant and a 3.3 percent allocation to tribes under the Job Training Partnership Act. It is also consistent with longstanding policy, endorsed by every administration since the early 1960's, that we must maintain government-to-government relationships with tribes, and further Native American self-determination.

These principles take on heightened significance as we restructure our welfare system.

Establishing direct allocations to Native Americans provides tribal governments with the same meaningful opportunity to develop new assistance programs that is being afforded each of the 50 States. Indian tribes are not subunits of State governments. Their relationship is on a government-to-government basis with the Federal Government.

Tribes and tribal organizations are service providers and are in the best position to develop and administer services in their communities. Tribal governments are no different than State and local governments in understanding they have unique knowledge and qualifications critical to providing effective services to their communities. Political leaders and program administrators throughout the United States recognize that community-based assistance programs are typically cost effective and deliver better services, and tribal leaders share these views.

Tribes have developed local infrastructures to manage funds and administer programs despite the fact that their access to Federal funding has been inconsistent and below amounts given to States. Tribal programs include cash assistance, child care, education, job training, and law enforcement.

I am deeply concerned that State block grants and spending cuts will have acute effects on Native Americans. Tribal communities experience some of the highest levels of poverty of any group in the United States. According to the 1990 census, 31 percent of Indian people live below the poverty line, the highest rate of any single group reported. Nearly 40 percent of Native American children live in poverty. Certain State rates for Indian children living in poverty are astounding: 63 percent in South Dakota, 58 percent in North Dakota, 57 percent in Nebraska, 50 percent in New Mexico, 49 percent in Wyoming, and 47 percent in Utah. Tribal families face serious challenges to becoming self-sufficient: 27 percent are headed by women with no husband present, and 50 percent of those families live in poverty. Increased funding and locally-based services are critical to improving these statistics.

As currently proposed, State block grants would result in disparate treatment for Native Americans. Native Americans will be treated differently from State to State, even where their tribal boundaries spread across State lines, which is illogical and unfair. Also States may overlook the unique cultural, geographic, and economic needs of Native Americans.

Mr. Chairman, the Rules Committee must accept personal responsibility for destroying current block grants to Native Americans. By denying Members the opportunity to vote on our bipartisan amendment, tribal governments have been shut out of welfare reform. Native Americans had the first contract with America; once again, we have failed to honor that contract.

The CHAIRMAN. Under the rule, the Committee rises.

□ 1245

Accordingly the Committee rose, and the Speaker pro tempore (Mr. KOLBE) having assumed the chair. Mr. LINDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, pursuant to House Resolution 119, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any further amendment thereto?

If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GIBBONS

Mr. GIBBONS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GIBBONS. I certainly am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GIBBONS of Florida moves to recommit the bill H.R. 4 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

At the end, add the following new section:

SEC. . DEFICIT REDUCTION

Reductions in outlays from the enactment of this Act shall be used to reduce the deficit and shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

PARLIAMENTARY INQUIRY

Mr. GIBBONS. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GIBBONS. Mr. Speaker, as I understand the procedure we are under now, the proponents and the opponents of the motion to recommit have a total of 5 minutes each.

Is that correct?

The SPEAKER pro tempore. That is correct. Under the rules of the House the gentleman is recognized for 5 minutes.

Mr. GIBBONS. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GIBBONS. Would it be in order if I were to request by unanimous consent that the gentleman from Texas [Mr. ARCHER] have 5 additional minutes and that the gentleman from Florida, myself, have 5 additional minutes?

The SPEAKER pro tempore. The gentleman's request is in order by a unanimous-consent request.

REQUEST FOR ADDITIONAL DEBATE TIME ON MOTION TO RECOMMIT

Mr. GIBBONS. Mr. Speaker, I make a unanimous-consent request.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GIBBONS] is making a unanimous-consent request that time for debate on the motion to recommit be extended to 10 minutes a side; is that correct?

Mr. GIBBONS. Yes, I make that unanimous-consent request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. ARCHER. Mr. Speaker, reserving the right to object, the motion to recommit is very simple. It is an issue that has been debated for hours in this House already. I see no reason why the standard rules of operation of 10 minutes on a motion to recommit with instructions should not be followed as it routinely has been over all the years that I have been in this House of Representatives.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PARLIAMENTARY INQUIRIES

Mr. ROEMER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. ROEMER. Mr. Speaker, is it not considered proper under the rules of the House for the manager of the majority's time to ask for up to an hour of debate on a motion to recommit? Is that not correct?

The SPEAKER pro tempore. If the majority manager of the time requests it, yes.

Mr. ROEMER. So, under the rules, Mr. Speaker, it would be OK to get an hour, and we are asking for 5 minutes.

The SPEAKER pro tempore. The unanimous-consent request was to extend time by 5 additional minutes on each side. Objection was heard under the rules of the House.

The Chair recognizes the gentleman from Florida [Mr. GIBBONS] for 5 minutes.

Mr. GIBBONS. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GIBBONS. Did the Chair say I can ask for an hour?

The SPEAKER pro tempore. The gentleman from Florida is incorrect. Under the rules the manager of the bill, the gentleman from Texas [Mr. ARCHER], could ask for up to an hour.

Mr. GIBBONS. Oh, he could?

The SPEAKER pro tempore. The gentleman is correct.

The chair recognizes the gentleman from Florida [Mr. GIBBONS] for 5 minutes.

Mr. GIBBONS. I yield myself 1 minute.

Mr. Speaker, the motion to recommit is very straightforward and very easily understood. It has passed this House on record vote on this issue by substantial bipartisan support. I hope it will be adopted on a bipartisan basis.

Mr. Speaker, it says simply that the 70 billion dollars' worth of savings here

that comes out of the mouths of hungry children can only be spent for deficit reduction.

Now charges have been made that this $70 billion will be spent for an untimely tax reduction for some people whose names I will not mention, but this is very simple, very straightforward. It takes this money, puts it in a lockbox and says, "This $70 billion can only be used for deficit reduction."

It seems fair that, if we are going to take this money from these children, we at least ought to not leave them with debt.

Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Speaker, let us do the math.

Mr. Speaker, let us see if we can figure out how the Republicans will pay for those tax cuts they have promised their rich friends. Look at this chart and see how it would work.

The tax cuts cost about $200 billion over the next 5 years with nearly a half of that going to people earning more than $100,000 a year.

Who pays for this gift from Uncle Sam to the privileged few in this country? Let us take a look at it.

Twenty-four billion dollars is donated by poor families with children. Food stamp recipients contribute $19 billion. Kids who lose school lunches, child care, WIC, ante up another $12 billion. Abused and neglected children pay $2 billion. Legal immigrants contribute about $21 billion. The only thing we can be certain of now is that the $70 billion is going to be taken from the children and the poor of this country to go to the rich.

I say to my Republican colleagues, Pick on someone your own size.

PARLIAMENTARY INQUIRY

Mr. GIBBONS. Mr. Speaker, may I make another parliamentary inquiry?

The SPEAKER, pro tempore. The gentleman may state his parliamentary inquiry.

Mr. GIBBONS. Mr. Speaker, I was wondering if the gentleman from Texas [Mr. ARCHER] would like to yield to some Republican at this point.

The SPEAKER pro tempore. The gentleman from Florida must use his time now, and the gentleman from Texas [Mr. ARCHER] has his 5 minutes after the gentleman from Florida [Mr. GIBBONS] has completed.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, every 2 minutes this Nation spends $1 million on interest on the national debt, every 2 minutes. I say to my colleagues:

In a moment you're going to have an opportunity to say enough is enough, that we're going to save some money, but we're going to take that money and apply to towards the deficit and apply it towards the debt rather than giving millionaires a tax break.

Mr. Speaker, again I would like to make the point that every 2 minutes the citizens of this country are paying $1 million on interest on the national debt. That is not going toward principal, that is just the interest.

Now in a moment the people in this Chamber will have an opportunity to make a vote toward reducing the deficit and, hopefully, reducing the debt, or my colleagues can vote no and give millionaires another tax break.

I say to my colleagues:

If you care about the people of this country, vote to reduce the deficit. If you are what you told the people back home last fall, be a real conservative and vote to reduce the deficit.

PARLIAMENTARY INQUIRY

Mr. GIBBONS. Mr. Speaker, may I make another parliamentary inquiry?

The SPEAKER pro tempore. The gentleman shall state his parliamentary inquiry.

Mr. GIBBONS. I would like to yield to a few Members for unanimous-consent requests, but I do not want it to come out of my time. Am I correct that unanimous-consent requests do not come out of the remaining 3 minutes that I have?

The SPEAKER pro tempore. The gentleman from Florida [Mr. GIBBONS] has 2 minutes remaining, and the time for unanimous-consent requests does not come out of his remaining 2 minutes providing the Members do not make speeches when they ask for unanimous consent to revise and extend.

Mr. GIBBONS. I understand that, Mr. Speaker, yes, that is fair.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, I rise to support the motion to recommit and in opposition to H.R. 4.

Mr. Speaker, I rise in strong opposition to H.R. 4, it is bad public policy and it is bad politics.

The American people sent both Republicans and Democrats here to reform our welfare system.

As a member of our Democratic task force on welfare reform, I join my colleagues in acknowledging that the current welfare system is broken and must be fixed.

We want to reform the system so it can truly fulfill its original purposes and promises—to lift people out of poverty, move them into real jobs, and empower them to become independent, self-supporting and productive citizens.

To achieve these goals, welfare reform must include a renewed sense of individual responsibility through a commitment to work.

Real jobs, real job training and transitional child care must be a part of any bill that we realistically expect to change things for the better.

Mr. Speaker, H.R. 4 ignores all of these critically important aspects of true reform.

I cast my vote against the bill because: It slashes benefits—most of which go to children;

It fails to articulate guidelines and principles for the States as it washes the Federal Government's hands of a responsibility that has had bipartisan support for decades;

It makes no provisions for providing real jobs, real training and child care that would free the minds of welfare parents from their worries about their children's safety and care while they struggle to turn their lives around;

It fails to protect the very health of our children by cutting into longstanding, bipartisan school and family nutrition programs that, for decades, helped form the foundation of our Nation's very humanity; and

Most egregious of all, Mr. Speaker, is the fact that the purported budget savings of H.R. 4 have been earmarked by my colleagues in the majority for tax breaks for many of our most well-to-do citizens.

This $66-billion redistribution of wealth—from the very poor to the rather comfortable—disregards entirely the will of the American people who have made it clear that, what they want most, is deficit reduction.

Mr. Speaker, my Democratic colleagues, Mr. DEAL and Mrs. MINK, offered welfare bills comprising real reform, and I voted to support those bills.

Mr. Speaker, I also voted to recommit the short-sighted and punitive H.R. 4 to the Ways and Means Committee for revisions.

I will continue to raise my voice in support of effective, constructive welfare reform that includes heavy doses of both compassion and individual responsibility.

Mr. GIBBONS. Mr. Speaker, I yield 30 seconds to the gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Speaker, I rise in support of this motion to recommit. It is a clear choice between bringing down the deficit and spending money on tax cuts.

Make no mistake about it. This is an opportunity to do something good for children. A "no" vote is an insult to injury. We will hurt children today by taking food out of their mouth and the programs they need, and we will hurt children tomorrow by leaving them a staggering national debt.

There is no possible justification for a "yes" vote.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. DIXON].

(Mr. DIXON asked and was given permission to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, I rise today in strong opposition to H.R. 4, the Personal Responsibility Act. The Republicans claim that their bill will break the cycle of poverty for welfare families. Nothing can be further from the truth. The measure does not provide the education and training people need to move from welfare to work, would allow States to produce illusory work program participation rates, and punishes children. I thought the goal of reforming the welfare system was to provide people with real opportunities to become self-sufficient, not to set up faulty work requirements and to place children at risk.

Contrary to the Republican rhetoric, there are no real work requirements in this legislation. It only requires States to run welfare-to-work programs and increase participation rates to 50 percent by 2003. H.R. 4 repeals the Job Opportunities and Basic Skills [JOBS] Program under the Family Support Act, which

provided education and training to enable people to find employment. According to the Department of Health and Human Services, as of fiscal year 1993, 17 percent of the AFDC caseload is working or participating in JOBS. Under H.R. 4, only 4 percent of a State's caseload has to be participating in any kind of work activity in fiscal year 1996.

Moreover, in calculating the number of people who must be engaged in work activities, States may count people kicked off the rolls as being employed or working toward employment. This does not appear to be a good incentive for the States to provide work opportunities. Indeed, we may be creating a system that encourages States to disqualify as many welfare recipients as possible in order to meet participation requirements.

By ending the entitlement status of nutrition programs, such as the School Breakfast and Lunch Programs, the Child and Adult Care Food Program, and the Special Supplemental Food Program for Women, Infants, and Children [WIC], this legislation removes the safety net for the most vulnerable in our society. Over 5 years, the block grants and meager funding levels provided in H.R. 4 will have the effect of taking $6.6 billion from children's nutrition programs when the number of poor increases due to rescissions. According to the Children's Defense Fund, cuts to the child care food program alone would result in 1 million children losing meals in the fifth year of the act's implementation.

The bill even eliminates national nutrition standards that guarantee America's children access to healthy meals at school, standards developed over 50 years of the programs' operations.

Through their faulty work requirements and the elimination of nutritious meals for children, the Republican welfare plan offers nothing but continuing unemployment, hunger, and homelessness. I strongly urge my colleagues to oppose these misguided efforts to reform our welfare system.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Speaker, I rise in support of the motion to recommit.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. HEFNER].

(Mr. HEFNER asked and was given permission to revise and extend his remarks.)

Mr. HEFNER. Mr. Speaker, I rise in support of the recommittal motion.

Mr. GIBBONS. Mr. Speaker, I yield 30 seconds to the gentleman from Indiana [Mr. ROEMER].

□ 1300

Mr. ROEMER. Mr. Speaker, it is lunchtime in Indiana, and the Republican meat ax has fallen, not just on chicken and sausage, but on carrots, peas, milk, and orange juice. Now, we can have on this amendment, if you are going to take those nickels and dimes and quarters from children, you have the opportunity to at least put it to deficit reduction if you vote for the motion to recommit. Or if you do not, that nickel and dime and quarter will go for tax breaks, tax cuts for people making up to $190,000 a year.

Vote for the motion to recommit. Vote for children.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

(Mr. COLEMAN asked and was given permission to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, I rise in favor of the motion to recommit.

Mr. Speaker, I rise to state my vociferous opposition to the Republican welfare bill that is being considered today.

Mr. Speaker, the Republican welfare reform proposal does not succeed in delivering to the American public what they want: a welfare system that encourages parents to work to support their families and protects vulnerable children.

The American people want a welfare plan that replaces a welfare check with a paycheck. The Republican bill, however, takes the State flexibility aspect to the extreme by block granting programs to the States with few strings attached. For example, the Republican bill subjects only 4 percent of the caseload to a work requirement in 1996. It effectively lets the States do nothing for 2 years, then it cuts people off without a safety net. Mr. Speaker, this is not a work-based welfare system.

There is also no requirement for education, training, and support services. If we truly want welfare families to support themselves, education, training, and job placement services must be a part of each State program.

Let me also cite a few facts of the Ways and Means passed version of this bill affecting children:

The Republican bill punishes a child—until the mother is 18 years old—for being born out-of-wedlock to a young parent—title I.

The Republican bill punishes a child—for his or her entire childhood—for the sin of being born to a family on welfare, even though the child did not ask to be born—title I.

The Republican bill punishes a child, by denying cash aid, when a State does not establish paternity in a reasonable time.

The Republican bill leaves children out in the cold when a State runs out of Federal money—title I.

The Republican bill throws some medically-disabled children off SSI because of bureaucratic technicalities.

The Republican bill eliminates our most precious national entitlement, that foster care will be guaranteed to any child who is abused or neglected—title II.

And finally, the Republican bill cuts aid to poor children to pay for tax cuts for the rich, as stated by the Budget Committee chairman the other day.

For my State of Texas, the effects of the Personal Responsibility Act could be devastating. By replacing the Aid to Families with Dependent Children [AFDC], Emergency Assistance [EA], child care, child welfare, and nutrition assistance with block grants to the States, this bill will ensure that Texas and its residents will receive less funding for welfare related programs.

A recent Department of Health and Human Services study showed that Texas could lose $5.208 billion over 5 years. The number of Texas children losing AFDC benefits because of block granting is estimated at 297,000.

Further, block grant funding will not make all the States share equally in the reduced cost of Federal aid. The formulas disproportionately hurt States that have a growing population, especially the States with high percentages of young people in poor and near-poor families and that have historically been conservative in paying for their federally aided social services programs. That description fits Texas to a "T".

Texas will lose in welfare-related programs, from Medicaid to AFDC to nutrition to nursing homes, while richer, no-growth, higher benefit States gain because the block grants are based on what States are doing for whom right now. Texas is growing. It is like buying a full wardrobe for an adolescent boy. Pretty soon he will need new clothes.

Even more, the community that I represent, El Paso, TX, has historically never done well in block grant funding distributed by our State capital. My district, located almost 600 miles from Austin, has recently been the focus of a court of inquiry exploring the reasons why it has never received funding at the levels of other similarly sized Texas cities. When the Federal Government abdicates its responsibilities to the States, El Paso will again be the overlooked sibling.

The Republicans finance their plan by cutting welfare to legal immigrants. Mr. Speaker, this is the wrong way to go. We are talking about taxpaying residents of this country. Legal immigrants are less likely than native-born citizens to use welfare. A legal immigrant who has worked hard, paid his taxes, and has an unforeseen disaster is ineligible for benefits under SSI, temporary family assistance block grant [AFDC], the child protection block grant, and the title XX block grant regardless of the circumstances. In addition, the Republican bill encourages States and localities to deny assistance to legal immigrants.

But there is a provision hidden away in this bill that gives benefits to a special category of agricultural workers known as foreign agricultural guestworkers [H-2A's]. Mr. Speaker, these H-2A's are made eligible for public benefits, while our hardworking and poor American farmworkers who are displaced from these very jobs are made ineligible for those same benefits. This provision is surely an agribusiness handout from the committee of jurisdiction.

Our Nation's welfare system needs an overhaul. It locks many families in generational poverty. It creates disincentives for fathers to live at home with their families. It fails to offer a clear road back to the work force for those who have stumbled along the way. However, the Republican proposal is clearly not a better alternative. It would force single parents to choose between the dignity of work and safety of their children.

Despite the stereotypes, welfare is not a way of life for most AFDC recipients. Most leave welfare within 2 years, and many do not return. Much of what lies at the core of this debate is divisive and hypocritical. Other national problems burden the Federal Treasury more than welfare. Other categories of "handouts" extend billions of Federal benefits to corporate recipients. Where is the Republican outrage over that kind of dependency?

Mr. Speaker, in their eagerness to deliver on their campaign promise, the Republicans are rushing to act on the welfare question

without taking the time to examine their reforms. This bill is so bad that the Rules Committee approved more than 30 amendments in a vain attempt to fix this bill. Let me tell my colleagues on the other side that if they adopt some of these amendments, the bill will not be fixed; it will be worse than before. The Senate will be forced to start from scratch to develop their welfare proposal, because this bill is too extreme.

Mr. Speaker, this is the wrong bill to address the welfare dilemma. I oppose it, and urge my colleagues to do the same.

Mr. GIBBONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. WARD].

(Mr. WARD asked and was given permission to revise and extend his remarks.)

Mr. WARD. I rise in support of the motion to recommit for children.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM], the granddaddy of the economy drive around here, and the granddaddy of the balanced budget amendment.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, this motion to recommit could not be more clear. It is the exact same motion that I wished to give as part of the regular bill, but was denied under the rule. It says simply reductions in outlays resulting from this act shall be used to reduce the deficit.

Proponents of H.R. 4 have claimed impressive savings from their welfare reform, trusting that the public will hear the word "savings" and interpret that to mean deficit reduction. I want to make it perfectly clear, on this vote there is not 1 cent of the Republican welfare reform guaranteed to go for deficit reduction, unless we approve this motion to recommit. Do not be fooled into believing anything to the contrary.

I am appalled that organizations which have claimed to be for deficit reduction have now chosen to key vote in opposition to recommittal. It is one thing to say you support the reforms in this bill, which many do, and that is an honest position to hold. It is entirely different to say that you do not want to guarantee deficit reduction.

My friends who have always claimed that deficit reduction is of the highest priority, vote yes on this motion to recommit, and be for deficit reduction. We may not have many more opportunities.

The SPEAKER pro tempore (Mr. KOLBE). The time of the gentleman from Florida [Mr. GIBBONS] has expired.

The gentleman from Texas [Mr. ARCHER] is recognized for 5 minutes.

Mr. ARCHER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I strongly oppose the Democrat's latest attempt to dress their big spending, big taxing ways in the clothes of a deficit cutter. Just yesterday the Democrats' welfare substitute showed their true colors. They proposed to increase welfare spending by $70 billion more than our proposal, and they raised taxes on middle-income working Americans to pay for their extra spending.

Mr. Speaker, that is going precisely in the wrong direction. Government is too big and it spends too much. Republicans intend to cut the size of Government and, in doing so, to give the taxpayers a well-deserved tax refund. The taxpayers should not have to pay again and again so that bureaucrats in Washington can add more failure to the failed welfare state. That is why I am proud that our bill cuts spending by $66 billion, and we do not raise taxes.

Make no mistake about it, the American people are overtaxed. And when you look at the broken welfare system that we stand on the verge of fixing, you can see why. As we fix welfare, of course, we intend to stop making taxpayers pay for failure. We intend to let the working people of this country keep more of the money that they make.

When it comes to welfare reform, I believe Congress should say to the taxpayers and welfare beneficiaries, satisfaction guaranteed or your money back. The failed welfare state has not guaranteed satisfaction to anyone, not to welfare beneficiaries, and certainly not to taxpayers. It is time that taxpayers got their money back. After all, it is their money to begin with. It is not ours. We have no business taking it from them in the first place if we are only going to spend it on a failed program. We are fixing welfare, Mr. Speaker, and the taxpayers deserve a piece of the fix.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Speaker, I want everybody on both sides of the aisle to know that in May, we are all going to have this great opportunity to vote on the largest deficit reduction package achieved by spending cuts in the history of this Congress. This May we are going to vote on it, and we are going to watch how we all vote.

Mr. Speaker, it is truly incredible when we come back in April we are going to lay down a package that not only give American taxpayers some of their money back, but it is going to have $60 billion in greater deficit reduction than the President's package. In fact, his package when scored under actual 1995 spending, sends up the deficit by over $30 billion. We have done better than what the President has done in just March, and we have not even got until May, when we are going to lay the whole package down.

Let me suggest to all of you here, come May, and I am not just talking to my friends on the Democrat side, I am talking to my colleagues as well, in May we are going to come through these doors and we are going to have a card and we are going to be able to vote on balancing the budget.

Now, let me tell you, I saw one of my American heroes this morning. I see him every morning. You know who he is? He is out in Crystal City. He sells newspapers. He runs from one car to another car to another car. He is out there when it is raining, he is out there when it is snowing, he is out there when it is hot, he is out there when it is cold. He is wet. He does his job. And you know what? If we are going to take any money out of his pocket, it better be for real good things. Government does not have a right to take more than what it needs out of that gentleman's pocket. And do you know what we are going to do?

The SPEAKER pro tempore. The House will be in order.

Mr. ARCHER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Ohio [Mr. KASICH] yield for a parliamentary inquiry?

Mr. KASICH. Mr. Speaker, does it go off my time?

The SPEAKER pro tempore. Yes, it does.

Mr. KASICH. Mr. Speaker, I will not yield if it goes off my time.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] has 15 seconds remaining. The gentleman may proceed.

Mr. KASICH. Mr. Speaker, my dad carried mail on his back. You know why he wants us to have a prosperous country through capital gains? So his kid could become educated and become a Congressman.

Let me tell you one other thing. You know who hates the rich? You know who hates the rich? Guilty rich people hate the rich. That is who hate the rich.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. ARMEY], the majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we have come to the end of a long and arduous task. Over 3 years our minority leader, Mr. Michel, created the first task force on welfare reform because he knew we must do something about this system, not because people abuse the system, but because the system so much, so often, abuses the people.

In those days when we were in the minority we had only a task force with which to take recourse to try to develop legislative initiatives, and we despaired of the unwillingness of the majority to address the issue.

We took heart during the campaign of 1992 when the Democrat candidate for President said we must do something to end welfare as we know it, because it is as we know it too cruel to the Nation's children, and we thought real reform would come forward when they won their majority in both houses and the White House.

It did not happen. It did not come forward. Last November, we had a new

charge and a new responsibility, a new opportunity, a new opportunity to move beyond task forces and into the committees, and three committees have worked long and hard and worked in a way that has been more inclusive than I have ever seen before, including all the Governors with whom we would charge this responsibility.

We have created a truly compassionate reform. This reform effort has been assaulted. We have often as individuals been assaulted, all too often with language that is neither kind nor gentlemanly.

Now they use this motion to recommit to try to stop the contract because they could not stop this reform.

Mr. Speaker, I ask my colleagues to vote no on this motion to recommit; vote yes on the bill.

PARLIAMENTARY INQUIRIES

Mr. GIBBONS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Florida will state it.

Mr. GIBBONS. Mr. Speaker, could we possibly get as much time as the majority leader spent?

The SPEAKER pro tempore. The gentleman has not stated a parliamentary inquiry.

Mr. DELAY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Texas will state it.

Mr. DELAY. Has it not been the longstanding tradition of this House to allow the majority leaders of both parties, including the Speaker of both parties, to have a little extra time when they are speaking?

□ 1315

The SPEAKER pro tempore (Mr. KOLBE). The gentleman is making an observation, not stating a parliamentary inquiry.

All time on the motion to recommit has expired.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. GIBBONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 205, noes 228, not voting 2, as follows:

[Roll No. 268]

AYES—205

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—228

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—2

Brown (CA)
Mollohan

□ 1332

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SHAW. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. This is a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 234, noes 199, not voting 2, as follows:

[Roll No. 269]

AYES—234

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham

Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—199

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Ros-Lehtinen
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—2

Brown (CA)
Skelton

□ 1350

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BROWN of California. Mr. Speaker, on rollcall Nos. 267, 268, and 269, I was unavoidably detained away from the Capitol. Had I been present, I would have voted "yes" on rollcall No. 267, "yes" on No. 268, and "no" on No. 269.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4, PERSONAL RESPONSIBILITY ACT OF 1995

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 4, the clerk be authorized to make technical corrections and conforming changes, and to correct section references, in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST FOR APPOINTMENT OF CONFEREES ON H.R. 889, EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR THE DEPARTMENT OF DEFENSE FOR FISCAL YEAR 1995

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 889) making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. SENSENBRENNER). Is there objection to the request of the gentleman from Louisiana?

Mr. OBEY. Mr. Speaker, reserving the right to object, I take this time to simply note that for the last 2 days, this side of the aisle has been trying to find out what the process would be by which we would go to conference, who would be on that conference, and when this motion would be made.

It was not until literally 2 or 3 minutes ago that I was informed what the decision had been. No opportunity was given to me to consult the members of my committee who would not be contemplated as being conferees and no consultation was made on this side of the aisle about the wisdom of dividing conferees between the defense conference and the domestic conference, even though it is the apparent intention of the majority party to raid domestic programs in order to finance defense add-ons.

It was explained to us that the Speaker was even considering the unprecedented action of reducing the number of Democratic conferees below the ratio that we hold on the committee in order to provide a stacked deck for the conference. We had no knowledge about who would be on the conference until just several moments ago.

Given the fact that I have had no opportunity at all to consult with Members on my side of the aisle and given the fact that the majority party apparently intends to go to conference on Tuesday and given the fact that they can still do that if they wait until next week to make this motion, I object.

The SPEAKER pro tempore. Objection is heard.

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute.)

Mr. LIVINGSTON. Mr. Speaker, as the gentleman from Wisconsin readily knows, for the last 40 years it has been the rules of this House for the Speaker of the House to determine the conferees, and we have always, as Members of the former minority, been told who the conferees would be and have had to adhere to the restrictions laid down by the Speaker.

But the gentleman also might know that I hold in my hand a list of proposed conferees dated March 23, 1995, which we gave to the gentleman as far back as yesterday——

Mr. OBEY. Two minutes ago.

Mr. LIVINGSTON. Yesterday the gentleman had this exact list, either directly or through his staff. It is exactly what we have been talking with the Speaker about and have gotten agreement on.

The gentleman's objections are way off base. I would simply urge all Members to let us go to conference as rapidly as possible.

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, I would simply note with all due respect to my friend the gentleman from Louisiana, that it is true that we were given a tenative list of conferees yesterday but at the same time we were told by persons on that side of the aisle that the Speaker was contemplating changing

104TH CONGRESS
1ST SESSION

H. R. 4

AN ACT

To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Responsibility Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

★

TITLE VI—SUPPLEMENTAL SECURITY INCOME

TITLE VII—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

Subtitle B—Locate and Case Tracking

Subtitle C—Streamlining and Uniformity of Procedures

Subtitle D—Paternity Establishment

Subtitle E—Program Administration and Funding

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) marriage is the foundation of a successful society;

(2) marriage is an essential social institution which promotes the interests of children and society at large;

(3) the negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented as follows:

(A) the illegitimacy rate among black Americans was 26 percent in 1965, but today the rate is 68 percent and climbing;

(B) the illegitimacy rate among white Americans has risen tenfold, from 2.29 percent in 1960 to 22 percent today;

(C) the total of all out-of-wedlock births between 1970 and 1991 has risen from 10 percent to 30 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock;

(D) ¾ of illegitimate births among whites are to women with a high school education or less;

(E) the 1-parent family is 6 times more likely to be poor than the 2-parent family;

(F) children born into families receiving welfare assistance are 3 times more likely than children not born into families receiving welfare to be on welfare when they reach adulthood;

(G) teenage single parent mothering is the single biggest contributor to low birth weight babies;

(H) children born out-of-wedlock are more likely to experience low verbal cognitive attainment, child abuse, and neglect;

(I) young people from single parent or stepparent families are 2 to 3 times more likely to have emotional or behavioral problems than those from intact families;

(J) young white women who were raised in a single parent family are more than twice as likely to have children out-of-wedlock and to become parents as teenagers, and almost twice as likely to have their marriages end in divorce, as are children from 2-parent families;

(K) the younger the single parent mother, the less likely she is to finish high school;

(L) young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time;

(M) between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000;

(N) the absence of a father in the life of a child has a negative effect on school performance and peer adjustment;

(O) the likelihood that a young black man will engage in criminal activities doubles if he is raised without a father and triples if he lives in a neighborhood with a high concentration of single parent families; and

(P) the greater the incidence of single parent families in a neighborhood, the higher the incidence of violent crime and burglary; and

(4) in light of this demonstration of the crisis in our Nation, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis.

SEC. 101. BLOCK GRANTS TO STATES.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by striking part A, except sections 403(h) and 417, and inserting the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that the children in such families may be cared for in their homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting work and marriage; and

"(3) discourage out-of-wedlock births.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to—

"(i) provide cash benefits to needy families with children; and

"(ii) provide parents of children in such families with work experience, assist-

ance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require at least 1 parent of a child in any family which has received benefits for more than 24 months (whether or not consecutive) under the program to engage in work activities (as defined by the State).

"(C) Ensure that parents receiving assistance under the program engage in work activities in accordance with section 404.

"(D) Treat interstate immigrants, if families including such immigrants are to be treated differently than other families.

"(E) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving benefits under the program.

"(F) Take actions to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(i) avoid subsequent pregnancies; and

"(ii) provide adequate care to their children.

"(G) Reduce teenage pregnancy, including (at the option of the State) through the provision of education and counseling to male and female teenagers.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B, which includes a foster care program and an adoption assistance program.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"**SEC. 403. PAYMENTS TO STATES.**

"(a) ENTITLEMENTS.—

"(1) GRANTS FOR FAMILY ASSISTANCE.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

"(B) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—The amount of the grant payable to a State under subparagraph (A) for fiscal year 1998 or any succeeding fiscal year shall be increased by—

"(i) 5 percent if the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; or

"(ii) 10 percent if the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995.

"(2) SUPPLEMENTAL GRANTS TO ADJUST FOR POPULATION INCREASES.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1997, 1998, 1999, and 2000, a grant in an amount equal to the State proportion of $100,000,000.

"(b) DEFINITIONS.—As used in this section:

"(1) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—The term 'State family assistance grant' means, with respect to a fiscal year, the provisional State family assistance grant adjusted in accordance with subparagraph (C).

"(B) PROVISIONAL STATE FAMILY ASSISTANCE GRANT.—The term 'provisional State family assistance grant' means—

"(i) the greater of—

"(I) 1/3 of the total amount of obligations to the State under section 403 of this title (as in effect before October 1, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended for

child care under subsection (g) or (i) of such section); or

"(II) the total amount of obligations to the State under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section); multiplied by

"(ii)(I) the total amount of outlays to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section); divided by

"(II) the total amount of obligations to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of such section).

"(C) PROPORTIONAL ADJUSTMENT.—The Secretary shall determine the percentage (if any) by which each provisional State family assistance grant must be reduced or increased to ensure that the sum of such grants equals

$15,390,296,000, and shall adjust each provisional State family assistance grant by the percentage so determined.

"(2) ILLEGITIMACY RATIO.—The term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(A) the sum of—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; and

"(ii) the amount (if any) by which the number of abortions performed in the State during the most recent fiscal year for which such information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year; divided by

"(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(3) STATE PROPORTION.—The term 'State proportion' means, with respect to a fiscal year, the amount that bears the same ratio to the amount

specified in subsection (a)(2) as the increase (if any) in the population of the State for the most recent fiscal year for which such information is available over the population of the State for the fiscal year that immediately precedes such most recent fiscal year bears to the total increase in the population of all States which have such an increase in population, as determined by the Secretary using data from the Bureau of the Census.

"(4) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(5) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(c) USE OF GRANT.—

"(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part, subject to this part, including to provide noncash assistance to mothers who have not attained 18 years of age and their children and to provide low income households with assistance in meeting home heating and cooling costs.

Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 may not use any part of the grant to provide medical services.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(i) Part B of this title.

"(ii) Title XX of this Act.

"(iii) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition.

"(iv) The Child Care and Development Block Grant Act of 1990.

"(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(4) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR EMERGENCY BENEFITS.—A State may reserve amounts paid to the State under this section for any fiscal year for the purpose of providing emergency assistance under the State program operated under this part.

"(5) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under this section is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"(I) 50 percent of the amount of the grant payable to the State under this section for the fiscal year; or

"(II) $100,000,000.

"(B) QUALIFIED STATE DEFINED.—A State is a qualified State for purposes of subparagraph (A) if the unemployment rate of the State (as determined by the Bureau of Labor Statistics) for the most recent 3-month period for which such information is available is—

"(i) more than 6.5 percent; and

"(ii) at least 110 percent of such rate for the corresponding 3-month period in either of the 2 immediately preceding calendar years.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving as-

sistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

"(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—The minimum participation rate otherwise required by subparagraph (A) for a fiscal year shall be reduced by a percentage equal to the percentage (if any) by which the number of families receiving assistance during the fiscal year under the State program funded under this part is less than the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date, except to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(C) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of families receiving cash assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving cash assistance under the State program funded under this part during the month which include an individual who has attained 18 years of age.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is making

progress in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

"(B) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of 2-parent families receiving cash assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

"(II) the total number of 2-parent families receiving cash assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal

year if the adult is making progress in such activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)).

"(b) DEFINITIONS.—As used in this section:

"(1) WORK ACTIVITIES.—The term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized private sector employment;

"(C) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

"(D) on-the-job training;

"(E) job search and job readiness assistance;

"(F) education directly related to employment, in the case of a recipient who has not at-

tained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency;

"(G) job skills training directly related to employment; or

"(H) at the option of the State, satisfactory attendance at secondary school, in the case of a recipient who—

"(i) has not completed secondary school; and

"(ii) is a dependent child, or a head of household who has not attained 20 years of age.

"(2) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(c) PENALTIES.—

"(1) AGAINST INDIVIDUALS.—

"(A) APPLICABLE TO ALL FAMILIES.—A State to which a grant is made under section 403 shall ensure that the amount of cash assistance paid under the State program funded under this part to a recipient of assistance under the program who refuses to engage (with-

in the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section shall be less than the amount of cash assistance that would otherwise be paid to the recipient under the program, subject to such good cause and other exceptions as the State may establish.

"(B) APPLICABLE TO 2-PARENT FAMILIES.—A State to which a grant is made under section 403 shall reduce the amount of cash assistance otherwise payable to a 2-parent family for a month under the State program funded under this part with respect to an adult in the family who is not engaged (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 35 hours per week during the month, pro rata (or more, at the option of the State) with respect to any period during the month for which the adult is not so engaged.

"(C) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

"(2) AGAINST STATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with subsection (a) for the fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this paragraph and subsections (a)(1)(B) and (e) of section 403) be payable to the State under section 403(a)(1)(A) for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(d) RULE OF INTERPRETATION.—This section shall not be construed to prohibit a State from offering recipients of assistance under the State program funded under this part an opportunity to participate in an education or training program, consistent with the requirements of this section.

"(e) RESEARCH.—The Secretary shall conduct research on the costs and benefits of State activities under this section.

"(f) EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING RECIPIENTS OF ASSISTANCE.—The Sec-

retary shall evaluate innovative approaches to employing recipients of assistance under State programs funded under this part.

"(g) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(h) SENSE OF THE CONGRESS.—In complying with this section, each State that operates a program funded under this part is encouraged to assign the highest prior-

ity to requiring families that include older preschool or school-age children to be engaged in work activities.

"(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 405. PROHIBITIONS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family, unless the family includes a minor child.

"(2) CERTAIN PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—

"(A) INCOME SECURITY PAYMENTS.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assist-

ance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI (other than service benefits provided through the use of a grant made under part C of such title), then the State may not disregard the payment in determining the amount of assistance to be provided to the family of which the individual is a member under the State program funded under this part.

"(B) CERTAIN SUPPORT PAYMENTS.—A State to which a grant is made under section 403 may not disregard an amount distributed to a family under section 457(a)(1)(A) in determining the income of the family for purposes of eligibility for assistance under the State program funded under this part.

"(3) NO ASSISTANCE FOR CERTAIN ALIENS.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is not a citizen or national of the United States, except consistent with title IV of the Personal Responsibility Act of 1995.

"(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(C) STATE OPTION.—Nothing in subparagraph (A) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

"(5) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use

any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of benefits under the program operated under this part; or

"(ii) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(C) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(6) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received benefits under the program operated under this part for

60 months (whether or not consecutive) after the effective date of this part, except as provided under subparagraph (B).

"(B) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship.

"(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect shall not exceed 10 percent of the number of families to which the State is providing assistance under the program operated under this part.

"(7) NO ASSISTANCE FOR FAMILIES NOT COOPERATING IN PATERNITY ESTABLISHMENT OR CHILD SUPPORT.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual whom the agency responsible for administering the State plan approved under part D determines is not cooperating with the State in establishing the paternity of any child of the individual, or

in establishing, modifying, or enforcing a support order with respect to such a child.

"(8) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING SUPPORT RIGHTS TO THE STATE.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual who has not assigned to the State any rights the individual may have (on behalf of the individual or of any other person for whom the individual has applied for or is receiving such assistance) to support from any other person for any period for which the individual receives such assistance.

"(9) WITHHOLDING OF PORTION OF ASSISTANCE FOR FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not fail to—

"(i) withhold assistance under the State program funded under this part from a family which includes a child whose paternity is not established, in an amount equal to $50 or 15 percent of the amount

of the amount of the assistance that would (in the absence of this paragraph) be provided to the family with respect to the child, whichever the State elects; or

"(ii) provide to the family the total amount of assistance so withheld once the paternity of the child is established, if the family is then eligible for such assistance.

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(10) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins with the date the individual is found by a State to have made, or is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or

more States under the supplemental security income program under title XVI.

"(11) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure

of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

(i) such recipient—

(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the recipient flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the recipient flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

(II) is violating a condition of probation or parole imposed under Federal or State law; or

(III) has information that is necessary for the officer to conduct the official duties of the officer; and

(ii) the location or apprehension of the recipient is within such official duties.

"(12) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part, of the absence of the minor child from the home for the period specified in or provided for under subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(b) MINOR CHILD DEFINED.—As used in subsection (a), the term 'minor child' means an individual—

"(1) who has not attained 18 years of age; or

"(2) who—

"(A) has not attained 19 years of age; and

"(B) is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"SEC. 406. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of the fiscal year, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part or an equivalent State program:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The number of 1-parent families in which the parent is a widow or widower, is divorced, is separated, or has never married.

"(5) The age, race, and educational attainment of the adults receiving such assistance.

"(6) The average assistance provided to the families under the program.

"(7) Whether, at the time of application for assistance under the program, the families or any member of the families receives benefits under any of the following:

"(A) Any housing program.

"(B) The food stamp program under the Food Stamp Act of 1977.

"(C) The Head Start programs carried out under the Head Start Act.

"(D) Any job training program.

"(8) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(9) The total number of months for which assistance has been provided to the families under the program.

"(10) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(11) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(12) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11),

the number of cases with reduced assistance, and the number of cases closed due to employment.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of the percentage of the funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on programs for needy families.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 404(b)(1)) during the fiscal year.

"SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects, costs, and benefits of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of cash assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"SEC. 408. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation

as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Personal Responsibility Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).".

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. TRANSFERS.

(a) CHILD SUPPORT REVIEW PENALTIES.—

(1) TRANSFER OF PROVISION.—Section 403 of the Social Security Act, as added by the amendment made by section 101 of this Act, is amended by adding at the end subsection (h) of section 403, as in effect immediately before the effective date of this title.

(2) CONFORMING AMENDMENT.—Section 403(h)(3) of such Act, as in effect pursuant to paragraph (1) of this subsection, is amended by striking ", section 402(a)(27),".

(b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

(1) REDESIGNATION OF PROVISION.—Section 417 of such Act (42 U.S.C. 617), as in effect immediately before the effective date of this title, is amended by striking the following:

"ASSISTANT SECRETARY FOR FAMILY SUPPORT

"SEC. 417."

and inserting the following:

"SEC. 409. ASSISTANT SECRETARY FOR FAMILY SUPPORT.".

(2) TRANSFER OF PROVISION.—Part A of title IV of such Act, as added by the amendment made by section 101 of this Act, is amended by adding at the end the section amended by paragraph (1) of this subsection.

(3) CONFORMING AMENDMENT.—Section 409 of such Act, as added by paragraph (2) of this subsection is amended by striking ", part D, and part F" and inserting "and part D".

SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) of such Act (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 of such Act (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) of such Act (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A"; and

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)".

(3) Section 452(a)(10)(F) of such Act (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) of such Act (42 U.S.C. 652(b)) is amended in the last sentence by striking "plan approved under part A" and inserting "program funded under part A".

(5) Section 452(d)(3)(B)(i) of such Act (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) of such Act (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved" and inserting "assistance is being provided under the State program funded under".

(7) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended in the matter fol-

lowing clause (iii) by striking "aid was being paid under the State's plan approved" and inserting "assistance was being provided under the State program funded".

(8) Section 452(g)(2) of such Act (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child by reason of the death of a parent" and inserting "with respect to whom assistance is being provided under the State program funded under part A"; and

(B) by inserting "by the State agency administering the State plan approved under this part" after "found";

(C) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)"; and

(D) by striking "administering the plan under part E determines (as provided in section 454(4)(B))" and inserting "determines".

(9) Section 452(h) of such Act (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)".

(10) Section 454(5) of such Act (42 U.S.C. 654(5)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 405(a)(8)"; and

(B) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;".

(11) Section 454(6)(D) of such Act (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(12) Section 456 of such Act (42 U.S.C. 656) is amended by striking "under section 402(a)(26)" each place such term appears and inserting "pursuant to section 405(a)(8)".

(13) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "405(a)(8)".

(14) Section 466(b)(2) of such Act (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV of such Act (42 U.S.C. 681–687) is hereby repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) of such Act (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(e) AMENDMENTS TO TITLE XI.—

(1) Section 1108 of such Act (42 U.S.C. 1308) is amended—

(A) by striking subsections (a), (b), (d), and (e); and

(B) by striking "(c)".

(2) Section 1109 of such Act (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(3) Section 1115(a) of such Act (42 U.S.C. 1315(a)) is amended—

(A) in the matter preceding paragraph (1), by striking "A or";

(B) in paragraph (1), by striking "402,"; and

(C) in paragraph (2), by striking "403,".

(4) Section 1116 of such Act (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(5) Section 1118 of such Act (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(6) Section 1119 of such Act (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(7) Section 1133(a) of such Act (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(8) Section 1136 of such Act (42 U.S.C. 1320b–6) is hereby repealed.

(9) Section 1137 of such Act (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in"; and

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of such Act, as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972, (42 U.S.C. 1382 note) is amended by striking

"aid under the State plan approved" and inserting "assistance under a State program funded".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) of such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)),

"(2) by a State or local agency charged with the duty of carrying a State plan for child support

approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Paragraph (9) of section 51(d) of the Internal Revenue Code of 1986 is amended by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer."

(c) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(d) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(e) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is hereby repealed.

(f) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is hereby repealed.

(g) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is hereby repealed.

(h) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is hereby repealed.

(i) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

SEC. 106. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of March 7, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of March 7, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may continue to be applied, at the option of the State, in relation

to this title after the date the waiver would otherwise expire."

(b) PLAN AMENDMENT.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting "; and", and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 107. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) DELAYED APPLICABILITY OF AUTHORITY TO TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—Section 405(a)(9) of the Social Security Act, as added by the amendment made by section 101 of this Act, shall not apply to individuals who, immediately before the effective date of this title, are recipients of aid under a State plan approved under part A of title IV of the Social Security Act, until the end of the 1-year (or, at the option of the State, 2-year) period that begins with such effective date.

(c) TRANSITION RULE.—The amendments made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this title under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

SEC. 201. ESTABLISHMENT OF PROGRAM.

Part B of title IV of the Social Security Act (42 U.S.C. 620–635) is amended to read as follows:

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

"SEC. 421. PURPOSE.

"The purpose of this part is to enable eligible States to carry out a child protection program to—

"(1) identify and assist families at risk of abusing or neglecting their children;

"(2) operate a system for receiving reports of abuse or neglect of children;

"(3) investigate families reported to abuse or neglect their children;

"(4) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

"(5) support children who must be removed from or who cannot live with their families;

"(f) REPORTS.—Each panel established under subsection (a) shall make a public report of its activities after each meeting.

"SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING AND RUNAWAY CHILDREN.

"(a) IN GENERAL.—The Attorney General of the United States shall establish and operate by contract a clearinghouse of information on children who are missing or have run away from home, including a 24-hour toll-free telephone hotline which may be contacted for information on such children.

"(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Attorney General of the United States not to exceed $7,000,000 for each fiscal year.

"SEC. 427. DATA COLLECTION AND REPORTING.

"(a) ANNUAL REPORTS ON STATE CHILD WELFARE GOALS.—On the date that is 3 years after the effective date of this part and annually thereafter, each State to which a grant is made under section 423 shall submit to the Secretary a report that contains quantitative information on the extent to which the State is making progress toward achieving the goals of the State child protection program.

"(b) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under section 423 shall annually submit to the Secretary of Health and Human Services a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were substantiated.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of children who entered foster care under the responsibility of the State during the year.

"(6) The number of children in foster care under the responsibility of the State who exited from foster care during the year.

"(7) The types of foster care placements made by the State during the year, and the average monthly number of children in each type of placement.

"(8) The average length of the foster care placements made by the State during the year.

"(9) The age, ethnicity, gender, and family income of the children placed in foster care under the responsibility of the State during the year.

"(10) The number of children in foster care under the responsibility of the State with respect to whom the State has the goal of adoption.

"(11) The number of children in foster care under the responsibility of the State who were freed for adoption during the year.

"(12) The number of children in foster care under the responsibility of the State whose adoptions were finalized during the year.

"(13) The number of disrupted adoptions in the State during the year.

"(14) Quantitative measurements showing whether the State is making progress toward the

child protection goals identified by the State under section 422(a)(9).

"(15) The number of infants abandoned in the State during the year, and the number of such infants who were legally adopted during the year and the length of time between the discovery of the abandonment and such adoption.

"(16) The number of children who died during the year while in foster care under the responsibility of the State.

"(17) The number of deaths in the State during the year resulting from child abuse or neglect.

"(18) The number of children served by the independent living program of the State.

"(19) Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

"(20) The response of the State to the findings and recommendations of the citizen review panels established by the State pursuant to section 425.

"(c) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

"(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART.—As used in subsection (b), the term 'State program funded under this part' includes any equivalent State program.

"SEC. 428. RESEARCH AND TRAINING.

"(a) IN GENERAL.—The Secretary shall conduct research and training in child welfare.

"(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary not to exceed $10,000,000 for each fiscal year.

"SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

"(a) IN GENERAL.—The Secretary shall conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected.

"(b) REQUIREMENTS.—The study required by subsection (a) shall—

"(1) have a longitudinal component; and

"(2) yield data reliable at the State level for as many States as the Secretary determines is feasible.

"(c) PREFERRED CONTENTS.—In conducting the study required by subsection (a), the Secretary should—

"(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

"(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

"(3) follow each case for several years while obtaining information on, among other things—

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

"(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

"(D) the number, type, and characteristics of out-of-home placements of the child; and

"(E) the average duration of each placement.

"(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a), and should include in such reports a comparison of the results of the study with the information reported by States under section 427.

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary of Health and Human Services $6,000,000 for each of fiscal years 1996 through 2000 to carry out this section.

"SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) PURPOSE.—The purpose of this section is to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

"(b) MULTIETHNIC PLACEMENTS.—

"(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

"(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

"(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

"(2) PENALTIES.—

"(A) STATE VIOLATORS.—A State that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the State under this part during the period.

"(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the entity during the period by a State from funds provided under this part.

"(3) PRIVATE CAUSE OF ACTION.—

"(A) IN GENERAL.—Any individual who is aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court.

"(B) STATUTE OF LIMITATIONS.—An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.".

SEC. 202. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 104(b)(2)(C) of this Act, is amended—

(A) by striking "(or foster care maintenance payments under part E)" and inserting "or cash payments under a State program funded under part B"; and

(B) by striking "or 471(a)(17)".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended—

(A) by striking "or E" the 1st place such term appears and inserting "or benefits or services are being provided under the State program funded under part B"; and

(B) by striking "or E" the 2nd place such term appears and inserting "or benefits or services were being provided under the State program funded under part B".

(3) Section 456(a)(1) of such Act (42 U.S.C. 656(a)(1)) is amended by striking "foster care maintenance payments" and inserting "benefits or services under a State program funded under part B".

(4) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 104(b)(13) of this Act, is amended by striking "or 471(a)(17)".

(b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL SECURITY ACT.—Part E of title IV of such Act (42 U.S.C. 671–679) is hereby repealed.

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: "(B) the State program funded under part B of title IV,".

(d) REPEAL OF SECTION 13712 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note) is hereby repealed.

(e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986.—Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting "(as in effect before October 1, 1995)" after "Act".

(f) REPEAL OF SECTION 553 OF THE HOWARD M. METZENBAUM MULTIETHNIC PLACEMENT ACT OF 1994.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108 Stat. 4056) is hereby repealed.

(g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Subtitle C of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 is hereby repealed.

SEC. 203. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

Section 1931 of the Social Security Act, as inserted by section 106(a)(2) of this Act, is amended—

(1) in subsection (a)(1)—

(A) by striking "part A of", and

(B) by striking "under such part" and inserting "under a part of such title"; and

(2) in subsection (b), by striking "part A of".

SEC. 204. EFFECTIVE DATE.

(a) IN GENERAL.—This title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—The amendments made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this title under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) studies have shown that States spend an excess of $15,000 each year on each special needs child in foster care, and would save significant amounts of money if they offered incentives to families to adopt special needs children;

(4) States should allocate sufficient funds under this title for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligi-

ble for adoption to help match them with families around the country.

TITLE III—BLOCK GRANTS FOR CHILD CARE AND FOR NUTRITION ASSISTANCE

Subtitle A—Child Care Block Grants

SEC. 301. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) GOALS.—Section 658A of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in the heading of such section by inserting "**AND GOALS**" after "**TITLE**",

(2) by inserting "(a) SHORT TITLE.—" before "This", and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

(g) INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.—Subtitle A of title II of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is repealed.

(h) REPEAL OF FAMILY UNIFICATION PROGRAM.—Subsection (x) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

Subtitle D—Related Provisions

SEC. 381. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1996 and at least every second year thereafter; and

(B) for each school district, in 1998 and at least every second year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) DEFINITION.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1996 through 2000.

SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUTCOMES.

(a) IN GENERAL.—The Secretary shall produce data relating to participation in programs authorized by this Act by families and children. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce comprehensive and reliable data.

(b) CONTENT.—Data under this section shall include, but not be limited to—

(1) changes in participation in welfare, health, education, and employment and training programs, for families and children, the duration of such participation, and the causes and consequences of any changes in program participation;

(2) changes in employment status, income and poverty status, family structure and process, and children's well-being, over time, for families and children participating in Federal programs and, if appropriate, other low-income families and children, and the causes and consequences of such changes; and

(3) demographic data, including household composition, marital status, relationship of householders, racial and ethnic designation, age, and educational attainment.

(c) FREQUENCY.—Data under this section shall reflect the period 1993 through 2002, and shall be published as often as practicable during that time, but in any event no later than December 31, 2003.

(d) DEFINITION.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,500,000 in fiscal year 1996, $10,000,000 for each of fiscal years 1997 through 2002, and $2,000,000 for fiscal year 2003.

Subtitle E—General Effective Date; Preservation of Actions, Obligations, and Rights

SEC. 391. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.

An amendment or repeal made by this title shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided before the effective date of amendment or repeal, as the case may be, under the Act so amended or so repealed; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs,

but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

Subtitle A—Eligibility for Federal Benefits Programs

SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is not lawfully present in the United States shall not be eligible for any Federal means-tested public benefits program (as defined in section 431(d)(2)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), any alien who is lawfully present in the United States as a nonimmigrant shall not be eligible for any Federal means-tested public benefits program.

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for

housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

(d) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this subtitle, to be lawfully present in the United States as a nonimmigrant.

SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5 SPECIFIED FEDERAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), any alien who is lawfully present in the United States shall not be eligible for any of the following Federal means-tested public benefits programs:

(1) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(2) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(3) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(4) MEDICAID.—The program of medical assistance under title XIX of the Social Security Act.

(5) FOOD STAMPS.—The program under the Food Stamp Act of 1977.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—Subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—Subsection (a) shall not apply to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION FOR CURRENT BENEFICIARIES.—Subsection (a) shall not apply to the eligibility of an alien for a program until 1 year after

the date of the enactment of this Act if, on such date of enactment, the alien is lawfully residing in any State or any territory or possession of the United States and is eligible for the program.

(6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence; and

(B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

SEC. 404. NOTIFICATION.

Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subtitle.

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is not lawfully present in the United States (as determined in accordance with regulations of the Attorney General) shall be eligible for any State means-tested public benefits program (as defined in section 431(d)(3)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other 'provision of law and except as otherwise provided in this section, no alien who is lawfully present in the United States as a nonimmigrant shall be eligible for any State means-tested public benefits program (as defined in section 431(d)(3)).

(b) EXCEPTIONS.—

(1) EMERGENCY ASSISTANCE.—The limitations under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(2) ALIENS GRANTED ASYLUM.—Subsection (a) shall not apply to an alien who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act.

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF ALIENS PAROLED INTO THE UNITED STATES.—An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for a period of less than 1 year shall be considered, for purposes of this subtitle, to be lawfully present in the United States as a nonimmigrant.

SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IMMIGRANTS FOR STATE AND LOCAL MEANS-TESTED PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section or section 412, a State is authorized to determine eligibility requirements for aliens who are lawfully present in the United States for any State means-tested public benefits program.

(b) EXCEPTIONS.—

(1) TIME-LIMITED EXCEPTION FOR REFUGEES.—The authority under subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of such alien's arrival into the United States.

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—The authority under subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—The authority under subsection (a) shall not apply

to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

(4) EMERGENCY ASSISTANCE.—The authority under subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(5) TRANSITION.—The authority under subsection (a) shall not apply to eligibility of an alien for a State means-tested public benefits program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully present in the United States and is eligible for

benefits under the program. Nothing in the previous sentence is intended to address alien eligibility for such a program before the date of the enactment of this Act.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO FAMILY-SPONSORED IMMIGRANTS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (c), in determining the eligibility and the amount of benefits of an alien for any means-tested public benefits program (as defined in section 431(d)) the income and resources of the alien shall be deemed to include—

(1) the income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 422) in behalf of such alien, and

(2) the income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien achieves United States citizenship through naturalization pursuant

to chapter 2 of title III of the Immigration and National-
ity Act.

(c) EXCEPTION FOR HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act.

SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(1) which is legally enforceable against the sponsor by the Federal Government and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit; and

"(2) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2). Such contract shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to grant third party beneficiary rights to any sponsored alien under an affidavit of support.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1) The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1).

"(2) Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the sponsored alien has received any benefit under any means-tested public benefits program, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over; and

"(C) is domiciled in any State.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this section, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) LAWFUL PRESENCE.—For purposes of this title, the determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An alien shall not be considered to be lawfully present in the United States for purposes of this title merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

(c) STATE.—As used in this title, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

(d) PUBLIC BENEFITS PROGRAMS.—As used in this title—

(1) MEANS-TESTED PROGRAM.—The term "means-tested public benefits program" means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) FEDERAL MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term "Federal means-tested public benefits program" means a means-tested public benefits program of (or contributed to by) the Federal Government and under which the Federal Government has specified standards for eligibility and includes the programs specified in section 403(a).

(3) STATE MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term "State means-tested public benefits program" means a means-tested public benefits program of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal means-tested public benefits program.

SEC. 432. CONSTRUCTION.

Nothing in this title shall be construed as addressing alien eligibility for governmental programs that are not means-tested public benefits programs.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of

1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

TITLE V—FOOD STAMP REFORM AND COMMODITY DISTRIBUTION

SEC. 501. SHORT TITLE.

This title may be cited as the "Food Stamp Reform and Commodity Distribution Act".

Subtitle A—Commodity Distribution Provisions

SEC. 511. SHORT TITLE.

This subtitle may be cited as the "Commodity Distribution Act of 1995".

SEC. 512. AVAILABILITY OF COMMODITIES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") is authorized during fiscal years 1996 through 2000 to purchase a variety of nutritious and useful commodities and distribute such commodities to the States for distribution in accordance with this subtitle.

(b) In addition to the commodities described in subsection (a), the Secretary may expend funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which are not expended or needed to

(2) waive such a claim if the Secretary determines that to do so will serve the purposes of this subtitle.

(b) Nothing contained in this section shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

SEC. 528. REPEALERS; AMENDMENTS.

(a) The Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is repealed.

(b) AMENDMENTS.—

(1) The Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by striking section 110;

(B) by striking subtitle C of title II; and

(C) by striking section 502.

(2) The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking section 4.

(3) The Charitable Assistance and Food Bank Act of 1987 (7 U.S.C. 612c note) is amended by striking section 3.

(4) The Food Security Act of 1985 (7 U.S.C. 612c note) is amended—

(A) by striking section 1571; and

(B) in section 1562(d), by striking "section 4 of the Agricultural and Consumer Protection Act of 1973" and inserting "section 110 of the Commodity Distribution Act of 1995".

(5) The Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(A) in section 4(a), by striking "institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants and children or elderly persons, or both, wherever located, disaster areas, summer camps for children" and inserting "disaster areas";

(B) in subsection 4(c), by striking "the Emergency Food Assistance Act of 1983" and inserting "the Commodity Distribution Act of 1995"; and

(C) by striking section 5.

(6) The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 612c note) is amended by striking section 1773(f).

Subtitle B—Simplification and Reform of Food Stamp Program

SEC. 531. SHORT TITLE.

This subtitle may be cited as the "Food Stamp Simplification and Reform Act of 1995".

CHAPTER 1—SIMPLIFIED FOOD STAMP PROGRAM AND STATE ASSISTANCE FOR NEEDY FAMILIES

SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP PROGRAM.

Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) At the request of the State agency, a State may operate a program, as provided in section 24, within the State or any political subdivisions within the State in which households with one or more members receiving regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant will be issued food stamp benefits in accordance with the rules and procedures established—

"(A) by the State under the Temporary Assistance for Needy Families Block Grant or this Act; or

"(B) under the food stamp program.".

SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.

(a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding the following new section:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) If a State elects to operate a program under section 4(a)(2) within the State or any political subdivision within the State—

"(1) households in which all members receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant shall be automatically eligible to participate in the food stamp program; and

"(2) benefits under such program shall be determined under the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, subject to subsection (g).

"(b) In approving a State plan to carry out a program under section 4(a)(2), the Secretary shall certify that the average level of food stamp benefits per household participating in the program under such section for the State or political subdivision in which such program is in

operation is not expected to exceed the average level of food stamp benefits per household that received benefits under the program established by a State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in such area in the preceding fiscal year, adjusted for any changes in the thrifty food plan under section 3(o). The Secretary shall compute the permissible average level of food stamp benefits per household each year for each State or political subdivision in which such program is in operation and may require a State to report any information necessary to make such computation.

"(c) When the Secretary determines that the average level of food stamp benefits per household provided by the State or political subdivision under such program has exceeded the permissible average level of food stamp benefits per household for the State or political subdivision in which the program was in operation, the State or political subdivision shall pay to the Treasury of the United States the value of the food stamp benefits in excess of the permissible average level of food stamp benefits per household in the State or political subdivision within 90 days after the notification of such excess payments.

"(d)(1) A household against which a penalty is imposed (including a reduction in benefits or disqualification) for noncompliance with the program established by

the State under the Temporary Assistance for Needy Families Block Grant may have the same penalty imposed against it (including a reduction in benefits or disqualification) in the program administered under this section.

"(2) If the penalty for noncompliance with the program established by the State under the Temporary Assistance for Needy Families block grant is a reduction in benefits in such program, the household shall not receive an increased allotment under the program administered under this section as a result of a decrease in the household's income (as determined by the State under this section) caused by such penalty.

"(3) Any household disqualified from the program administered under this subsection may, after such disqualification period has expired, apply for food stamp benefits under this Act and shall be treated as a new applicant.

"(e) If a State or political subdivision, at its option, operates a program under section 4(a)(2) for households that include any member who does not receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant, the Secretary shall ensure that the State plan provides that household eligibility shall be determined under this Act, benefits may be determined under the rules and

procedures established by the State under the Temporary Assistance for Needy Families Block Grant or this Act, and benefits provided under this section shall be equitably distributed among all household members.

"(f)(1) Under the program operated under section 4(a)(2), the State may elect to provide cash assistance in lieu of allotments to all households that include a member who is employed and whose employment produces for the benefit of the member's household income that satisfies the requirements of paragraph (2).

"(2) The State, in electing to provide cash assistance under paragraph (1), at a minimum shall require that such earned income is—

"(A) not less that $350 per month;

"(B) earned from employment provided by a nongovernmental employer, as determined by the State; and

"(C) received from the same employer for a period of employment of not less than 3 consecutive months.

"(3) If a State that makes the election described in paragraph (1) identifies each household that receives cash assistance under this subsection—

"(A) the Secretary shall pay to the State an amount equal to the value of the allotment that such

household would be eligible to receive under this section but for the operation of this subsection;

"(B) the State shall provide such amount to the household as cash assistance in lieu of such allotment; and

"(C) for purposes of the food stamp program (other than this section and section 4(a)(2))—

"(i) such cash assistance shall be considered to be an allotment; and

"(ii) such household shall not receive any other food stamp benefit for the period for which such cash assistance is provided.

"(4) A State that makes the election in paragraph (1) shall—

"(A) increase the cash benefits provided to households under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by any household receiving cash benefits under this subsection, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(B) pay the cost of any increase in cash benefits required by paragraph (1).

"(5) After a State operates a program under this subsection for 2 years, the State shall provide to the Secretary a written evaluation of the impact of cash assistance.

"(g) In operating a program under section 4(a)(2), the State or political subdivision may follow the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, except that the State or political subdivision shall comply with the requirements of—

"(1) subsections (a) through (g) of section 7 (relating to the issuance and use of coupons);

"(2) section 8(a) (relating to the value of allotments, except that a household's income may be determined under the program established by the State under the Temporary Assistance for Needy Families Block Grant);

"(3) section 8(b) (allotment not considered income or resources);

"(4) subsections (a), (c), (d), and (n) of section 11 (relating to administration);

"(5) paragraphs (8), (12), (17), (19), (21), (26), and (27) of section 11(e) (relating to the State plan);

"(6) section 11(e)(10) (relating to a fair hearing) or a comparable requirement established by the State under the Temporary Assistance for Needy Families Block Grant; and

"(7) section 16 (relating to administrative cost-sharing and quality control).".

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(26) the plans of the State agency for operating, at the election of the State, a program under section 4(a)(2), including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits;

"(B) a statement specifying whether the program operated by the State under section 4(a)(2) will include households that include members who do not receive regular cash benefits under the program established by the State

under the Temporary Assistance for Needy Families Block Grant; and

"(C) a description of the method by which the State or political subdivision will carry out a quality control system under section 16(c).".

SEC. 543. CONFORMING AMENDMENTS.

(a) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (e).

(b) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) by striking subsection (i); and

(2) by redesignating subsections (j), (k), and (l) as subsections (i), (j), and (k), respectively.

CHAPTER 2—FOOD STAMP PROGRAM

SEC. 551. THRIFTY FOOD PLAN.

Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking "(4) through January 1, 1980, adjust the cost of such diet every January 1 and July 1" and all that follows through the end of the subsection, and inserting the following: "(4) on October 1, 1995, adjust the cost of the thrifty food plan to reflect 103 percent of the cost of the thrifty food plan in June 1994 and increase such amount by 2 percent, rounding the result to the nearest lower dollar increment for each household size, and (5) on October 1, 1996, and each Oc-

tober 1 thereafter, increase the amount established for the preceding October 1, before such amount was rounded, by 2 percent, rounding the result to the nearest lower dollar increment for each household size.".

SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.

(a) Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A)"; and

(2) by striking "or (B) under any State or local laws," and all that follows through "or impracticable to do so,".

(b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended to read as follows:

"(e)(1) DEDUCTIONS FOR STANDARD AND EARNED INCOME.—

"(A) In computing household income, the Secretary shall allow a standard deduction of $134 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $229, $189, $269, and $118, respectively.

"(B) All households with earned income shall also be allowed an additional deduction of 20 percent of all earned income (other than that excluded by subsection (d) of this section and that earned

under section 16(j)), to compensate for taxes, other mandatory deductions from salary, and work expenses, except that such additional deduction shall not be allowed with respect to earned income that a household willfully or fraudulently fails (as proven in a proceeding provided for in section 6(b)) to report in a timely manner.

"(2) DEPENDENT CARE DEDUCTION.—The Secretary shall allow households a deduction with respect to expenses other than expenses paid on behalf of the household by a third party or amounts made available and excluded for the expenses under subsection (d)(3), the maximum allowable level of which shall be $200 a month for each dependent child under 2 years of age and $175 a month for each other dependent, for the actual cost of payments necessary for the care of a dependent when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment.

"(3) EXCESS SHELTER EXPENSE DEDUCTION.—

"(A) The Secretary shall allow households, other than those households containing an elderly or disabled member, with respect to expenses other than expenses paid on behalf of the household by a third party, an excess shelter expense deduction to

the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) Such excess shelter expense deduction shall not exceed $231 a month in the 48 contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $402, $330, $280, and $171 a month, respectively.

"(C)(i) Notwithstanding section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)), a household may not claim as a shelter expense any payment received, or costs paid on its behalf, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(ii) Notwithstanding section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)), a State agency may use a standard utility allowance as provided under subparagraph (D) for heating and cooling expenses only if the household incurs out-of-pocket heating or cooling expenses in excess of any payment received, or costs paid on its behalf, under the Low-Income

Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(iii) For purposes of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 shall be considered to be prorated over the entire heating or cooling season for which it was provided.

"(iv) At the end of any certification period and up to one additional time during each twelve-month period, a State agency shall allow a household to switch between any standard utility allowance and a deduction based on its actual utility costs.

"(D)(i) In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations.

"(ii) An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs.

"(iii) No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(4) HOMELESS SHELTER DEDUCTION.—(A) A State shall develop a standard homeless shelter deduction, which shall not exceed $139 a month, for the expenses that may reasonably be expected to be incurred by households in which all members are homeless but are not receiving free shelter throughout the month. Subject to subparagraph (B), the State shall use such deduction in determining eligibility and allotments for such households.

"(B) The Secretary may prohibit the use of the standard homeless shelter deduction for households with extremely low shelter costs.

"(5) ELDERLY AND DISABLED HOUSEHOLDS.—

"(A) The Secretary shall allow households containing an elderly or disabled member, with respect to expenses other than expenses paid on behalf of the household by a third party—

"(i) an excess medical expense deduction for that portion of the actual cost of allowable

medical expenses, incurred by elderly or disabled members, exclusive of special diets, that exceed $35 a month; and

"(ii) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) State agencies shall offer eligible households a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction provided for in subparagraph (A), in lieu of submitting information or verification on actual expenses on a monthly basis. The method described in the preceding sentence shall be designed to minimize the administrative burden for eligible elderly and disabled household members choosing to deduct their recurrent medical expenses pursuant to such method, shall rely on reasonable estimates of the member's expected medical expenses for the certification period (including changes that can be reasonably anticipated based on available information about the member's medical condition, public or private medical insur-

ance coverage, and the current verified medical expenses incurred by the member), and shall not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(6) CHILD SUPPORT DEDUCTION.—Before determining the excess shelter expense deduction, the Secretary shall allow all households a deduction for child support payments made by a household member to or for an individual who is not a member of the household if such household member was legally obligated to make such payments, except that the Secretary is authorized to prescribe by regulation the methods, including calculation on a retrospective basis, that State agencies shall use to determine the amount of the deduction for child support payments.".

(c) Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by striking "Under the rules prescribed by the Secretary, a State agency shall develop standard estimates" and all that follows through the end of the paragraph.

SEC. 553. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking "a level set by the Secretary, which shall be $4,500 through August 31,

1994," and all that follows through the end of the paragraph, and inserting "$4,550.".

SEC. 554. WORK REQUIREMENTS.

(a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)(A)(ii), by striking "an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4)" and inserting "a State job search program";

(2) in paragraph (2)(A)—

(A) by striking "title IV of the Social Security Act (42 U.S.C. 602)" and inserting "the program established by the State under the Temporary Assistance for Needy Families Block Grant"; and

(B) by striking "that is comparable to a requirement of paragraph (1)"; and

(3) by amending paragraph (4) to read as follows:

"(4)(A) Except as provided in subparagraphs (B), (C), and (D), an individual shall not be denied initial eligibility but shall be disqualified from the food stamp pro-

gram if after 90 days from the certification of eligibility of such individual the individual was not employed a minimum of 20 hours per week, or does not participate in a program established under section 20 or a comparable program established by the State or local government.

"(B) Subparagraph (A) shall not apply in the case of an individual who—

"(i) is under eighteen or over fifty years of age;

"(ii) is certified by a physician as physically or mentally unfit for employment;

"(iii) is a parent or other member of a household with responsibility for the care of a dependent;

"(iv) is participating a minimum of 20 hours per week and is in compliance with the requirements of—

"(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(III) a program of employment or training operated or supervised by an agency of State or local government which meets standards deemed appropriate by the Governor; or

"(v) would otherwise be exempt under subsection (d)(2).

"(C) Upon request of the State, the Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of the State if the Secretary makes a determination that such area—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis on which the Secretary made such a decision.

"(D) An individual who has been disqualified from the food stamp program under subparagraph (A) may reestablish eligibility for assistance if such person becomes exempt under subparagraph (B) or by—

"(i) becoming employed for a minimum of 20 hours per week during any consecutive thirty-day period; or

"(ii) participating in a program established under section 20 or a comparable program established by the State or local government.".

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by section 543(b), is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (k) as subsections (d) through (j), respectively.

(d) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended to read as follows:

"SEC. 20. (a)(1) The Secretary shall permit a State that applies and submits a plan in compliance with guidelines promulgated by the Secretary to operate a program within the State or any political subdivision within the State, under which persons who are required to work under section 6(d)(4) may accept an offer from the State or political subdivision to perform work on its behalf, or on behalf of a private nonprofit entity designated by the State or political subdivision, in order to continue to qualify for benefits after they have initially been judged eligible.

"(2) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a State or political subdivision to de-

sign and operate a program that is compatible and consistent with similar programs operated by the State or political subdivision.

"(b) To be approved by the Secretary, a program shall provide that participants work, in return for compensation consisting of the allotment to which the household is entitled under section 8(a), with each hour of such work entitling that household to a portion of its allotment equal in value to 100 percent of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

"(c) No State or political subdivision that receives funds provided under this section shall replace any employed worker with an individual who is participating in a program under this section for the purposes of complying with section 6(d)(4). Such an individual may be placed in any position offered by the State or political subdivision that—

"(1) is a new position;

"(2) is a position that became available in the normal course of conducting the business of the State or political subdivision;

"(3) involves performing work that would otherwise be performed on an overtime basis by a worker

who is not an individual participating in such program; or

"(4) that is a position which became available by shifting a current employee to an alternate position.

"(d) The Secretary shall allocate among the States or political subdivisions in each fiscal year, from funds appropriated for the fiscal year under section 18(a)(1), the amount of $75,000,000 to assist in carrying out the program under this section during the fiscal year.

"(e)(1) In making the allocation required under subsection (d), the Secretary shall allocate to each State operating a program under this section that percentage of the total funds allocated under subsection (d) which equals the estimate of the Secretary of the percentage of participants who are required to work under section 6(d)(4) that reside in such State.

"(2) The State shall promptly notify the Secretary if such State determines that it will not expend the funds allocated it under paragraph (1) and the Secretary shall reallocate such funds as the Secretary deems appropriate and equitable.

"(f) Notwithstanding subsection (d), the Secretary shall ensure that each State operating a program under this section is allocated at least $50,000 by reducing, to

the extent necessary, the funds allocated to those States allocated more than $50,000.

"(g) If, in carrying out such program during such fiscal year, a State or political subdivision incurs costs that exceed the amount allocated to the State agency under subsection (d)—

"(1) the Secretary shall pay such State agency an amount equal to 50 percent of such additional costs, subject to the first limitation in paragraph (2); and

"(2) the Secretary shall also reimburse each State agency in an amount equal to 50 percent of the total amount of payments made or costs incurred by the State or political subdivision in connection with transportation costs and other expenses reasonably necessary and directly related to participation in a program under this section, except that such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs and such reimbursement shall not be made out of funds allocated under subsection (d).

"(h) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a State or political subdivision to operate a program, upon

a finding that the State or political subdivision has failed to comply with the requirements of this section.".

(e) Section 7(i)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(6)) is amended by striking "section 17(f)" and inserting "section 17(e)".

SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED INDIVIDUALS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following new subsection:

"(i) An individual who is a member of a household who would otherwise be eligible to participate in the food stamp program under this section and who has been disqualified for noncompliance with program requirements from the program established by the State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not be eligible to participate in the food stamp program during the period such disqualification is in effect.".

SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) State agencies are encouraged to implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) or section 24 are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

"(B) Subject to paragraph (2), a State is authorized to procure and implement an on-line electronic benefit transfer system under the terms, conditions, and design that the State deems appropriate, except that each electronic benefit transfer card shall bear a photograph of the members of the household to which such card is issued.

"(C) Upon request of a State, the Secretary may waive any provision of this Act prohibiting the effective implementation of an electronic benefit transfer system under this subsection.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) by striking "the approval of";

(C) in subparagraph (A) by striking ", in any 1 year,"; and

(D) by amending subparagraph (D) to read as follows:

"(D)(i) measures to maximize the security of such system using the most recent technology available that the State considers appropriate and cost-effective and which may include (but is not limited to) personal identification numbers (PIN), photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the date of the enactment of the Personal Responsibility Act of 1995, measures that permit such system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment."; and

(3) in paragraph (3), by striking "the Secretary shall not approve such a system unless—" and inserting "such system shall provide that—".

(b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 542(a), is amended by adding at the end the following new section:

"SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

"(a) Upon fully implementing an electronic benefit transfer system which operates in the entire State, a State may, subject to the provisions of this section, elect to re-

ceive a grant for any fiscal year to operate a low-income nutrition assistance program in such fiscal year in lieu of the food stamp program.

"(b)(1) A State that meets the requirements of this section and elects to operate such program, shall receive each fiscal year under this section the sum of—

"(A)(i) the total dollar value of all benefits issued under the food stamp program by the State during fiscal year 1994; or

"(ii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during fiscal years 1992 through 1994; and

"(B)(i) the total amount received by the State for administrative costs under section 16(a) for fiscal year 1994; or

"(ii) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) for fiscal years 1992 through 1994.

"(2) Upon approval by the Secretary of the plan submitted by a State under subsection (c), the Secretary shall pay to the State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1).

"(c) To be eligible to operate a low-income nutrition assistance program under this section, a State shall submit for approval each fiscal year a plan of operation specifying the manner in which such a program will be conducted by the State. Such plan shall—

"(1) certify that the State has implemented a state-wide electronic benefit transfer system in accordance with section 7(i);

"(2) designate a single State agency responsible for the administration of the low-income nutrition assistance program under this section;

"(3) assess the food and nutrition needs of needy persons residing in the State;

"(4) limit the assistance to be provided under this section to the purchase of food;

"(5) describe the persons to whom such assistance will be provided;

"(6) assure the Secretary that assistance will be provided to the most needy persons in the State and that applicants for assistance shall have adequate notice and fair hearings comparable to those required under section 11;

"(7) provide that, in the operation of the low-income nutrition assistance program, there shall be

no discrimination on the basis of race, sex, religion, national origin, or political beliefs; and

"(8) include other information as may be required by the Secretary.

"(d) Payments made under this section to the State may be expended only in the fiscal year for which such payments are distributed, except that the State may reserve up to 5 percent of the grant received for a fiscal year to provide assistance under this section in subsequent fiscal years: *Provided,* That such reserved funds may not total more than 20 percent of the total grant received under this section for a fiscal year.

"(e) The State agency shall keep records concerning the operation of the program carried out under this section and shall make such records available to the Secretary and the Comptroller General of the United States.

"(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section, or the plan approved under subsection (c), then the Secretary shall take one or more of the following actions:

"(1) Suspend all or part of such payment authorized by subsection (b)(2) to be made available to such State, until the Secretary determines the State

to be in substantial compliance with such requirements.

"(2) Withhold all or part of such payments until the Secretary determines that there is no longer failure to comply with such requirements, at which time the withheld payment may be paid.

"(3) Terminate the authority of the State to operate the low-income nutrition assistance program.

"(g)(1) States which receive grants under this section shall provide for—

"(A) a biennial audit, conducted in accordance with the standards of the Comptroller General, of expenditures for the provision of nutrition assistance under this section; and

"(B) not later than 120 days after the end of each fiscal year in which an audit is conducted, provide the Secretary with such audit.

States shall make the report of such audit available for public inspection.

"(2) Not later than 120 days after the end of the fiscal year for which a State receives a grant under this section, such State shall prepare an activities report comparing actual expenditures for such fiscal year for nutrition assistance under this section with the expenditures for such fiscal year predicted in the plan submitted in ac-

cordance with subsection (c). Such State shall make the activities report available for public inspection.

"(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both.".

SEC. 557. VALUE OF MINIMUM ALLOTMENT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted on each October 1" and all that follows through the end of such subsection, and inserting a period.

SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month" after "following any period".

SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGEMENT.

(a) Section 13(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)(1)) is amended—

(1) in the fifth sentence, by inserting "(after a determination on any request for a waiver for good cause related to the claim has been made by the Secretary)" after "bill for collection"; and

(2) in the sixth sentence, by striking "1 year" and inserting "2 years".

(b) Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) by striking "national performance measure" and inserting "payment error tolerance level"; and

(B) by striking "equal to—" and all that follows through the period at the end and inserting the following:

"equal to its payment error rate less such tolerance level times the total value of allotments issued in such a fiscal year by such State agency. The amount of liability shall not be affected by corrective action under subparagraph (B).";

(2) in paragraph (3)(A), by striking "120 days" and inserting "60 days (or 90 days at the discretion of the Secretary)";

(3) in the last sentence of paragraph (6), by inserting "shall be used to establish a payment-error tolerance level. Such tolerance level for any fiscal year will be one percentage point added to the lowest national performance measure ever announced up to and including such fiscal year under this section.

The payment-error tolerance level" after "The announced national performance measure"; and

(4) by striking paragraphs (8) and (9).

SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

(a) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by section 542(b), is amended—

(1) in paragraph (25), by striking "and";

(2) in paragraph (26), by striking the period and inserting "; and" at the end; and

(3) by adding at the end the following new paragraph:

"(27) the plans of the State agency for including eligible food stamp recipients in a work supplementation or support program under section 16(j).".

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 554(b), is amended by adding at the end the following new subsection:

"(j) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) A State may elect to use the sums equal to the food stamp benefits that would otherwise be allotted to participants under the food stamp pro-

gram but for the operation of this subsection for the purposes of providing and subsidizing or supporting jobs under a work supplementation or support program established by the State.

"(2) If a State that makes the election described in paragraph (1) identifies each household that participates in the food stamp program which contains an individual who is participating in such work supplementation or support program—

"(A) the Secretary shall pay to the State an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State shall expend such amount in accordance with its work supplementation or support program in lieu of the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered

as the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation program.

"(3) No person shall be excused by reason of the fact that such State has a work supplementation or support program from any work requirement under section 6(d), except during the periods in which such individual is employed under such work supplementation or support program.

"(4) For purposes of this subsection, the term "work supplementation or support program" shall mean a program in which, as determined by the Secretary, public assistance, including any benefits provided under a program established by the State and the food stamp program, is provided to an employer to be used for hiring a public assistance recipient.".

SEC. 561. OBLIGATIONS AND ALLOTMENTS.

Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "are authorized to be appropriated such sums as are necessary for each of the fiscal years 1991 through 1995" and inserting the following:

"is provided to be obligated, not in excess of the cost estimate made by the Congressional Budget Office for this Act, as amended by the Personal Responsibility Act of 1995, for the fiscal year ending September 30, 1996, with adjustments for any estimates of total obligations for additional fiscal years made by the Congressional Budget Office to reflect the provisions contained in the Personal Responsibility Act of 1995";

(ii) by striking "In each monthly report, the Secretary shall also state" and inserting "Also, the Secretary shall file a report every February 15, April 15, and July 15, stating"; and

(iii) by striking "supplemental appropriations" and inserting "additional obligational authority"; and

(B) in paragraph (2), by striking "authorized to be appropriated" and inserting "obligated";

(2) in subsection (b)—

(A) in the first sentence, by striking "appropriation" and inserting "total obligations limitation provided"; and

(B) in the second sentence, by striking "appropriation" and inserting "obligational amount provided in subsection (a)(1)";

(3) in subsection (c)—

(A) by inserting "or under section 24" after "under sections 5(d) and 5(e)";

(B) by inserting "or under section 24" after "under section 5(c)";

(C) by striking "and" after "or otherwise disabled"; and

(D) by inserting before the period at the end ", and (3) adequate and appropriate recommendations on how to equitably achieve such reductions"; and

(4) in subsection (f), by striking "No funds appropriated" and inserting "None of the funds obligated".

CHAPTER 3—PROGRAM INTEGRITY

SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following new sentence:

"The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, under the food stamp program shall be valid.".

SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as previously amended by this title, is amended by adding at the end the following new sentence:

"No retail food store or wholesale food concern shall be approved for participation in the food stamp program unless an authorized employee of the Department of Agriculture, wherever possible, or an official of the State or local government designated by the Department of Agriculture, has visited such retail food store or wholesale food concern for the purpose of determining whether such retail

cate'' and inserting ''type of certificate, authorization cards, cash or checks issued in lieu of coupons, or access devices, including, but not limited to, electronic benefit transfer cards or personal identification numbers''.

SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking ''six months'' and inserting ''1 year''; and

(2) in clause (ii), by striking ''1 year'' and inserting ''2 years''.

SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking ''or'' at the end;

(2) in subclause (III), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new subclause:

''(IV) a conviction of an offense under subsection (a) or (b) of section 15 involving items referred to in such subsection having a value of $500 or more.''.

SEC. 580. CLAIMS COLLECTION.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code".

(b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting before the period at the end "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code".

SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(I) An individual shall be ineligible to participate in the food stamp program as a member of any household during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent

statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program or under programs that are funded under part A of title IV, title XIX, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 582. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) No individual is eligible to participate in the food stamp program as a member of any household during any period such individual has any unpaid liability that is both—

"(1) under a court order for the support of a child of such individual; and

"(2) for which the court is not allowing such individual to delay payment.".

SEC. 583. ELIMINATION OF FOOD STAMP BENEFITS WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended

by section 555, is amended by adding at the end the following:

"(j) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household while the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) violating a condition of probation or parole imposed under Federal or State law.".

(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and (C)" and inserting "(C)"; and

(2) by inserting before the semicolon at the end the following: ", (D) notwithstanding any other provision of law, the address of a member of a household shall be made available, on request, to a Federal, State, or local law enforcement officer if the of-

ficer furnishes the State agency with the name of the member and notifies the agency that (i) the member (I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or (II) has information that is necessary for the officer to conduct the officer's official duties, (ii) the location or apprehension of the member is within the official duties of the officer, and (iii) the request is made in the proper exercise of the duties, and".

Subtitle C—Effective Dates and Miscellaneous Provisions

SEC. 591. EFFECTIVE DATES.

(a) Except as provided in subsection (b), this title and amendments made by this title shall take effect on October 1, 1995.

(b) The amendments made by section 559 shall take effect on October 1, 1994.

SEC. 592. SENSE OF THE CONGRESS.

It is the sense of the Congress that States that operate electronic benefit systems to transfer benefits provided under the Food Stamp Act of 1977 should operate electronic benefit systems that are compatible with each other.

SEC. 593. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from subtitle B shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) of such Act (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking "(I)"; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking "(ix)" and inserting "(viii)";

(C) in clause (ix)—

(i) by striking "(viii)" and inserting "(vii)"; and

(ii) in subclause (II), by striking all that follows "15 years" and inserting a period;

(D) in clause (xiii)—

(i) by striking "(xii)" and inserting "(xi)"; and

(ii) by striking "(xi)" and inserting "(x)"; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) of such Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows "$25.00 per month" and inserting a period.

(5) Section 1634 of such Act (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place such term appears;

(B) by striking "and" the 3rd place such term appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995, and shall apply with respect to months beginning on or after such date.

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: "This paragraph is subject to subsection (j).";

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following:

"and for each of the fiscal years 1995 through 2000"; and

(D) by inserting after subsection (i) the following subsection:

"(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

"(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

"(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

"(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

"(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

"(3) ALLOTMENT.—

"(A) For purposes of paragraph (1), the allotment under this paragraph for a State for a fiscal year shall, except as provided in subparagraph (B), be the product of—

"(i) the amount appropriated in section 601(d)(1)(A) of the Personal Responsibility Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

"(ii) the percentage determined for the State under the formula established in section 1933(a).

"(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.".

SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS FOR DISABLED CHILDREN.

(a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENEFITS.—

(1) IN GENERAL.—Section 1614(a)(3)(A) of the Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is amended—

(A) by inserting "(i)" after "(3)(A)";

(B) by inserting "who has attained 18 years of age" before "shall be considered";

(C) by striking "he" and inserting "the individual";

(D) by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment impairment of comparable severity)"; and

(E) by adding after and below the end the following:

"(ii) An individual who has not attained 18 years of age shall be considered to be disabled for purposes of this title for a month if the individual—

"(I) meets all non-disability-related requirements for eligibility for cash benefits under this title;

"(II) has any medically determinable physical or mental impairment (or combination of impair-

ments) that meets the requirements, applicable to individuals who have not attained 18 years of age, of the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), or that is equivalent in severity to such an impairment (or such a combination of impairments); and

"(III)(aa) for the month preceding the first month for which this clause takes effect, was eligible for cash benefits under this title by reason of disability; or

"(bb) as a result of the impairment (or combination of impairments) involved—

"(1) is in a hospital, skilled nursing facility, nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or other medical institution; or

"(2) would be required to be placed in such an institution if the individual were not receiving personal assistance necessitated by the impairment (or impairments).

"(iii) As used in clause (ii)(III)(bb)(2), the term 'personal assistance' includes at least hands-on or stand-by assistance, supervision, or cueing, with activities of daily living and the administration of medical treatment (where

applicable). For purposes of the preceding sentence, the term 'acitivities of daily living' means eating, toileting, dressing, bathing, and transferring.''.

(2) NOTICE.—Within 1 month after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual whose eligibility for cash supplemental security income benefits under title XVI of the Social Security Act will terminate by reason of the amendments made by paragraph (1) of such termination.

(3) ANNUAL REPORTS ON LISTINGS OF IMPAIRMENTS.—The Commissioner of Social Security shall annually submit to the Congress a report on the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), that are applicable to individuals who have not attained 18 years of age, and recommend any necessary revisions to the listings.

(b) ESTABLISHMENT OF PROGRAM OF BLOCK GRANTS REGARDING CHILDREN WITH DISABILITIES.—

(1) IN GENERAL.—Title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) is amended by adding at the end the following:

"PART C—BLOCK GRANTS TO STATES FOR CHILDREN WITH DISABILITIES

"SEC. 1641. ENTITLEMENT TO GRANTS.

"Each State that meets the requirements of section 1642 for fiscal year 1997 or any subsequent fiscal year shall be entitled to receive from the Commissioner for the fiscal year a grant in an amount equal to the allotment (as defined in section 1646(1)) of the State for the fiscal year.

"SEC. 1642. REQUIREMENTS.

"(a) IN GENERAL.—A State meets the requirements of this section for a grant under section 1641 for a fiscal year if by the date specified by the Commissioner, the State submits to the Commissioner an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Commissioner determines to be necessary to carry out this part, and if the application contains an agreement by the State in accordance with the following:

"(1) The grant will not be expended for any purpose other than providing authorized services (as defined in section 1646(2)) to qualifying children (as defined in section 1646(3)).

"(2)(A) In providing authorized services, the State will make every reasonable effort to obtain payment for the services from other Federal or State

programs that provide payment for such services and from private entities that are legally liable to make the payments pursuant to insurance policies, prepaid plans, or other arrangements.

"(B) The State will expend the grant only to the extent that payments from the programs and entities described in subparagraph (A) are not available for authorized services provided by the State.

"(3) The State will comply with the condition described in subsection (b).

"(4) The State will comply with the condition described in subsection (c).

"(b) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—The condition referred to in subsection (a)(3) for a State for a fiscal year is that, with respect to the purposes described in paragraph (2), the State will maintain expenditures of non-Federal amounts for such purposes at a level that is not less than the following, as applicable:

"(A) For the first fiscal year for which the State receives a grant under section 1641, an amount equal to the difference between—

"(i) the average level of such expenditures maintained by the State for the 2-year period preceding October 1, 1995 (ex-

cept that, if such first fiscal year is other than fiscal year 1997, the amount of such average level shall be increased to the extent necessary to offset the effect of inflation occurring after October 1, 1995); and

"(ii) the aggregate of non-Federal expenditures made by the State for such 2-year period pursuant to section 1618 (as such section was in effect for such period).

"(B) For each subsequent fiscal year, the amount applicable under subparagraph (A) increased to the extent necessary to offset the effect of inflation occurring after the beginning of the fiscal year to which such subparagraph applies.

"(2) RELEVANT PURPOSES.—The purposes described in this paragraph are any purposes designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments, including such purposes that are authorized to be carried out under title XIX.

"(3) RULE OF CONSTRUCTION.—With respect to compliance with the agreement made by a State pursuant to paragraph (1), the State has discretion to select, from among the purposes described in

paragraph (2), the purposes for which the State expends the non-Federal amounts reserved by the State for such compliance.

"(4) USE OF CONSUMER PRICE INDEX.—Determinations under paragraph (1) of the extent of inflation shall be made through use of the consumer price index for all urban consumers, U.S. city average, published by the Bureau of Labor Statistics.

"(c) ASSESSMENT OF NEED FOR SERVICES.—The condition referred to in subsection (a)(4) for a State for a fiscal year is that each qualifying child will be permitted to apply for authorized services, and will be provided with an opportunity to have an assessment conducted to determine the need of such child for authorized services.

"SEC. 1643. AUTHORITY OF STATE.

"The following decisions are in the discretion of a State with respect to compliance with an agreement made by the State under section 1642(a)(1):

"(1) Decisions regarding which of the authorized services are provided.

"(2) Decisions regarding who among qualifying children in the State receives the services.

"(3) Decisions regarding the number of services provided for the qualifying child involved and the duration of the services.

"SEC. 1644. AUTHORIZED SERVICES.

"(a) AUTHORITY OF COMMISSIONER.—The Commissioner, subject to subsection (b), shall issue regulations designating the purposes for which grants under section 1641 are authorized to be expended by the States.

"(b) REQUIREMENTS REGARDING SERVICES.—The Commissioner shall ensure that the purposes authorized under subsection (a)—

"(1) are designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments;

"(2) include medical and nonmedical services; and

"(3) do not include the provision of cash benefits.

"SEC. 1645. GENERAL PROVISIONS.

"(a) ISSUANCE OF REGULATIONS.—Regulations under this part shall be issued in accordance with procedures established for the issuance of substantive rules under section 553 of title 5, United States Code. Payments under grants under section 1641 for fiscal year 1997 shall begin not later than January 1, 1997, without regard to whether final rules under this part have been issued and without regard to whether such rules have taken effect.

"(b) PROVISIONS REGARDING OTHER PROGRAMS.—

"(1) INAPPLICABILITY OF VALUE OF SERVICES.—The value of authorized services provided under this part shall not be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or federally-assisted program.

"(2) MEDICAID PROGRAM.—For purposes of title XIX, each qualifying child shall be considered to be a recipient of supplemental security income benefits under this title (without regard to whether the child has received authorized services under this part and without regard to whether the State involved is receiving a grant under section 1641). The preceding sentence applies on and after the date of the enactment of this part.

"(c) USE BY STATES OF EXISTING DELIVERY SYSTEMS.—With respect to the systems utilized by the States to deliver services to individuals with disabilities (including systems utilized before the date of the enactment of the Personal Responsibility Act of 1995), it is the sense of the Congress that the States should utilize such systems in providing authorized services under this part.

"(d) REQUIRED PARTICIPATION OF STATES.—Subparagraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall not apply to a State that does not participate in the pro-

gram established in this part for fiscal year 1997 or any succeeding fiscal year.

"SEC. 1646. DEFINITIONS.

"As used in this part:

"(1) ALLOTMENT.—The term 'allotment' means, with respect to a State and a fiscal year, the product of—

"(A) an amount equal to the difference between—

"(i) the number of qualifying children in the State (as determined for the most recent 12-month period for which data are available to the Commissioner); and

"(ii) the number of qualifying children in the State receiving cash benefits under this title by reason of disability (as so determined); and

"(B) an amount equal to 75 percent of the mean average of the respective annual totals of cash benefits paid under this title to each qualifying child described in subparagraph (A)(ii) (as so determined).

"(2) AUTHORIZED SERVICE.—The term 'authorized service' means each purpose authorized by the Commissioner under section 1644(a).

"(3) QUALIFYING CHILD.—

"(A) IN GENERAL.—The term 'qualifying child' means an individual who—

"(i) has not attained 18 years of age; and

"(ii)(I) is eligible for cash benefits under this title by reason of disability; or

"(II) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii), but (by reason of subclause (III) of such section) is not eligible for such cash benefits.

"(B) RESPONSIBILITIES OF COMMISSIONER.—The Commissioner shall provide for determinations of whether individuals meet the criteria established in subparagraph (A) for status as qualifying children. Such determinations shall be made in accordance with the provisions otherwise applicable under this title with respect to such criteria.".

(2) RULE REGARDING CERTAIN MILITARY PARENTS; CASH BENEFITS FOR QUALIFYING CHILDREN.—Section 1614(a)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended by striking "United States, and who, for the

month'' and all that follows and inserting the following: ''United States, and—

''(I) who, for the month before the parent reported for such assignment, received a cash benefit under this title by reason of blindness, or

''(II) for whom, for such month, a determination was in effect that the child is a qualifying child under section 1646(3).''.

(c) PROVISIONS RELATING TO SSI CASH BENEFITS AND SSI SERVICE BENEFITS.—

(1) CONTINUING DISABILITY REVIEWS FOR CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

(A) by inserting ''(i)'' after ''(G)''; and

(B) by adding at the end the following:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for cash benefits under this title and for services under part C—

''(aa) of each individual who has not attained 18 years of age and is eligible for such cash benefits by reason of disability; and

''(bb) of each qualifying child (as defined in section 1646(3)).

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.".

(2) DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.—

(A) IN GENERAL.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraph (1) of this subsection, is amended by adding at the end the following:

"(iii)(I) The Commissioner shall redetermine the eligibility of a qualified individual for supplemental security income benefits under this title by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

"(II) The redetermination required by subclause (I) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

"(III) As used in this clause, the term 'qualified individual' means an individual who attains 18 years of age and for whom, for the month preceding the month in which the individual attained such age, a determination was in effect that the individual is a qualifying child under section 1646(3).

"(IV) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.".

(B) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(G)(iii) of the Social Security Act.

(C) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(3) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraphs (1) and (2) of this subsection, is amended by adding at the end the following:

"(iv)(I) The Commissioner shall redetermine the eligibility for—

"(aa) cash benefits under this title by reason of disability of an individual whose low birth weight is

a contributing factor material to the Commissioner's determination that the individual is disabled; and

"(bb) services under part C of an individual who is eligible for such services by reason of low birth weight.

"(II) The redetermination required by subclause (I) shall be conducted once the individual has received such benefits for 12 months.

"(III) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.".

(4) APPLICABILITY OF MEDICAID RULES REGARDING COUNTING OF CERTAIN ASSETS AND TRUSTS OF CHILDREN.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended to read as follows:

"TREATMENT OF CERTAIN ASSETS AND TRUSTS IN ELIGIBILITY DETERMINATIONS FOR CHILDREN

"(c) Subsections (c) and (d) of section 1917 shall apply to determinations of eligibility for benefits under this title in the case of an individual who has not attained 18 years of age in the same manner as such subsections apply to determinations of eligibility for medical assistance under a State plan under title XIX, except that—

"(1) the amount described in section 1917(c)(1)(E)(i)(II) shall be the amount of cash

benefits payable under this title to an eligible individual who does not have an eligible spouse and who has no income or resources;

"(2) the look-back date specified in section 1917(c)(1)(B) shall be the date that is 36 months before the date the individual has applied for benefits under this title; and

"(3) any assets in a trust over which the individual has control shall be considered assets of the individual.".

(d) CONFORMING AMENDMENTS.—

(1) Subsections (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B) of section 1611 of the Social Security Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B)) are each amended by inserting "cash" before "benefit under this title".

(2) Section 1611(c)(1) of such Act (42 U.S.C. 1382(c)(1)) is amended—

(A) by striking "a benefit" and inserting "benefits";

(B) by striking "such benefit" and inserting "the cash benefit under this title"; and

(C) by striking "and the amount of such benefits" and inserting "benefits under this

title and the amount of any cash benefit under this title".

(3) Section 1611(c)(2) of such Act (42 U.S.C. 1382(c)(2)) is amended—

(A) by striking "such benefit" and inserting "the cash benefit";

(B) by inserting "cash" before "benefits" each place such term appears; and

(C) in subpargraph (B), by inserting "cash" before "benefit".

(4) Section 1611(c)(3) of such Act (42 U.S.C. 1382(c)(3)) is amended by inserting "cash" before "benefits under this title".

(5) Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by inserting "cash" before "benefit of".

(6) Section 1614(a)(4) of such Act (42 U.S.C. 1382c(a)(4)) is amended by inserting "or impairment" after "disability" each place such term appears.

(7) Section 1614(f)(1) of such Act (42 U.S.C. 1382c(f)(1)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(8) Section 1614(f)(2)(A) of such Act (42 U.S.C. 1382c(f)(2)(A)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit".

(9) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(10) Section 1616(e)(1) of such Act (42 U.S.C. 1382e(e)(1)) is amended by inserting "cash" before "supplemental".

(11) Section 1621(a) of such Act (42 U.S.C. 1382j(a)) is amended by striking "and the amount of benefits" and inserting "benefits under this title and the amount of any cash benefit under this title".

(12) Section 1631(a)(4) of such Act (42 U.S.C. 1383(a)(4)) is amended by inserting "cash" before "benefits" the 1st place such term appears in each of subparagraphs (A) and (B).

(13) Section 1631(a)(7)(A) of such Act (42 U.S.C. 1383(a)(7)(A)) is amended by inserting "cash" before "benefits based".

(14) Section 1631(a)(8)(A) of such Act (42 U.S.C. 1383(a)(8)(A)) is amended by striking "ben-

efits based on disability or blindness under this title" and inserting "benefits under this title (other than by reason of age)".

(15) Section 1631(c) of such Act (42 U.S.C. 1383(c)) is amended—

(A) by striking "payment" each place such term appears and inserting "benefits"; and

(B) by striking "payments" each place such term appears and inserting "benefits".

(16) Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(A) in paragraph (1)(B), by striking "amounts of such benefits" and inserting "amounts of cash benefits under this title";

(B) in paragraph (2), by inserting "cash" before "benefits" each place such term appears;

(C) by redesignating the 2nd paragraph (6) and paragraph (7) as paragraphs (7) and (8), respectively; and

(D) in paragraph (7) (as so redesignated), by inserting "cash" before "benefits" each place such term appears.

(17) Section 1631(g)(2) of such Act (42 U.S.C. 1383(g)(2)) is amended by striking "supplemental security income" and inserting "cash".

(18) Section 1635(a) of such Act (42 U.S.C. 1383d(a)) is amended by striking "by reason of disability or blindness".

(e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS FOR POOR DISABLED CHILDREN RESIDING IN STATES APPLYING ALTERNATIVE INCOME ELIGIBILITY STANDARDS UNDER MEDICAID.—

(1) IN GENERAL.—For the period beginning upon the 1st day of the 1st month that begins 90 or more days after the date of the enactment of this Act and ending upon the close of fiscal year 1996, an individual described in paragraph (2) shall be considered to be eligible for cash benefits under title XVI of the Social Security Act, by reason of disability notwithstanding that the individual does not meet any of the conditions described in section 1614(a)(3)(A)(ii)(III) of such Act.

(2) REQUIREMENTS.—For purposes of paragraph (1), an individual described in this paragraph is an individual who—

(A) has not attained 18 years of age;

(B) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii) of the Social Security Act;

(C) resides in a State that, pursuant to section 1902(f) of such Act, restricts eligibility for medical assistance under title XIX of such Act with respect to aged, blind, and disabled individuals; and

(D) is not eligible for medical assistance under the State plan under such title XIX.

(f) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e)(1)(B) of the Social Security Act (42 U.S.C. 1382(e)(1)(B)) is amended by inserting "or under any health insurance policy issued by a private provider of such insurance" after "title XIX".

(g) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a)(1), (c), (d) and (f), and section 1645(b)(2) of the Social Security Act (as added by the amendment made by subsection (b) of this section), shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) DELAYED APPLICABILITY TO CURRENT SSI RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The amendments made by subsection (a)(1) shall not apply, during the first 6 months that begin after the month in which this Act becomes law, to an individual who is a recipient of cash supplemental security income benefits under title XVI of the Social Security Act for the month in which this Act becomes law.

(h) REGULATIONS.—Within 3 months after the date of the enactment of this Act—

(1) the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by subsections (a)(1), (c), (d), and (f) and to implement subsection (e); and

(2) the Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement section 1645(b)(2) of the Social Security Act, as added by the amendment made by subsection (b) of this section.

SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DETERMINE ELIGIBILITY OF CHILDREN FOR SSI BENEFITS BY REASON OF DISABILITY.

Section 202(e)(2) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note) is amended—

(1) by striking "and" at the end of subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (H) and inserting after subparagraph (F) the following:

"(G) whether the criteria in the mental disorders listings in the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, are appropriate to ensure that eligibility of individuals who have not attained 18 years of age for cash benefits under the supplemental security income program by reason of disability is limited to those who have serious disabilities and for whom such benefits are necessary to improve their condition or quality of life; and".

SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM UNDER PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.

Section 1108 of the Social Security Act (42 U.S.C. 1308), as amended by section 104(e)(1) of this Act, is amended by inserting before "The total" the following:

"(a) PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.—The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972)—

"(1) for payment to Puerto Rico shall not exceed $18,053,940;

"(2) for payment to the Virgin Islands shall not exceed $473,659; and

"(3) for payment to Guam shall not exceed $900,718.

"(b) MEDICAID PROGRAMS.—".

SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is hereby repealed.

SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(e)), as amended by section 601(b)(1) of this Act, is amended by inserting after paragraph (2) the following:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with re-

spect to any month if, throughout the month, the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the

laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within the official duties of the officer; and

"(C) the request is made in the proper exercise of such duties.".

TITLE VII—CHILD SUPPORT

SEC. 700. REFERENCES.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom cash assistance is provided under the State program funded under part A of this title, benefits or services are provided under the State program funded under part B of this title, or medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left

margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the

amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrears with respect to the family that accrued before or after the family received cash assistance from the State.

"(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to

the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) DEFINITIONS.—As used in subsection (a):

"(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

"(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall not be required of such a family and section 454(6)(B) shall not apply to the family.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

SEC. 703. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following:

"(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result

in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 711. STATE CASE REGISTRY.

Section 454A, as added by section 745(a)(2) of this Act, is amended by adding at the end the following:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrears, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive infor-

mation from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX,

and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRA- AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 703(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 745(a)(2) of this Act, is amended by inserting after section 454A the following:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—The State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 745(a)(2) of this Act and as amended by section 711 of this Act, is amended by adding at the end the following:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(i) within 2 business days after receipt (from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State) of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 713. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a) and 712(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYERS.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning

given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) the date the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such

section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1997, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(f) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires

extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(g) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—

"(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to with-

holding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking "(5),"; and

(ii) by inserting ", and, at the option of the State, the requirements of subsection (b)(5)" before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement

unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting the following:

"any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which is imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage).''; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly up-

dated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(f)(2).

"(2) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have

access to the information in the Federal Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support order abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the infor-

mation in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security,

at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly pro-

vided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term ap-

pears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 715 of this Act, is amended by adding at the end the following:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 721. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) EXPANDED APPLICATION.—The State law enacted pursuant to paragraph (1) shall be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) JURISDICTION TO MODIFY ORDERS.—The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) SERVICE OF PROCESS.—The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only one court has issued a child support order, the order of that court must be recognized.

"(2) If two or more courts have issued child support orders for the same obligor and child, and

only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715 and 717(a) of this Act, is amended by adding at the end the following:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the

case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of parargraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 714 of this Act, is amended—

(1) in subsection (a)(2), by strking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the records of all other State and local government agencies (including law enforcement and corrections records), including automated access to records maintained in automated data bases.

"(E) CHANGE IN PAYEE.—In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the

obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump sum payments from—

"(I) a State or local agency (including unemployment compensation, workers' compensation, and other benefits); and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions; and

"(iii) attaching public and private retirement funds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (sub-

ject to such conditions or limitations as the State may provide).

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort

has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between administrative areas in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 745(a)(2) of this Act

and as amended by sections 711 and 712(c) of this Act, is amended by adding at the end the following:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 731. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dis-

missed becasue a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a

minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by

hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF FEDERAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such

procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) LEGAL FINDING OF PATERNITY.—Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be sus-

pended during the challenge, except for good cause shown.

"(iii) RESCISSION.—Procedures under which, after the 60-day period referred to in clause (i), a minor who has signed an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(I) attaining the age of majority; or

"(II) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent or guardian ad litem, or an attorney.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are

not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other

proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing

evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be

used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), and 713(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by inserting after paragraph (27) the following:

"(28) provide that the State agency responsible for administering the State plan—

"(A) shall require each individual who has applied for or is receiving assistance under the State program funded under part A to cooperate with the State in establishing the paternity of, and in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish; and

"(B) may require the individual and the child to submit to genetic tests.".

Subtitle E—Program Administration and Funding

SEC. 741. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The percent specified in this paragraph for any quarter is 66 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

quirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), 713(a), and 733 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by adding after paragraph (28) the following:

''(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 703(a)(2) and 712(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1995, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 745(a)(3) of the Personal Responsibility Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16).

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 746. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by

section 716(e) of this Act, is amended by adding at the end the following:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 747. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following:

"(i) the total amount of child support payments collected as a result of services

furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv);

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS.—Procedures under which the State shall review and adjust each support order being enforced under this part. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply

the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.".

SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making

the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the person has provided at least 10 days prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested, and

"(C) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

Subtitle G—Enforcement of Support Orders

SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) Subsection (c) of section 6402 of the Internal Revenue Code of 1986 is amended by striking the third sentence and inserting the following new sentences: "A reduction under this subsection shall be after any other reduction allowed by subsection (d) with respect to the Department of Health and Human Services and the Department of Education with respect to a student loan and before any other reduction allowed by law and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.".

(2) Paragraph (2) of section 6402(d) of such Code is amended—

(A) by striking "Any overpayment" and inserting "Except in the case of past-due legally enforceable debts owed to the Department of Health and Human Services or to the Department of Education with respect to a student loan, any overpayment"; and

(B) by striking "with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the 1st sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the 2nd sentence, by striking "in accordance with section 457(b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) by striking paragraph (2) and inserting the following:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457(a), in the case of past-due support assigned to a State pursuant to requirements imposed pursuant to section 405(a)(8); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned."; and

(D) in paragraph (3)—

(i) by striking "or (2)" each place such term appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting the following:

"(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting the following:

"(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject,

in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State

procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar

as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances,

or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensa-

tion paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration

for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—As used in this section:

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued

in accordance with applicable State law by a court of competent jurisdiction.

"(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this

subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 762(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: "In the case of a spouse or former spouse who, pursuant to section 405(a)(8) of the Social Security Act (42 U.S.C. 605(a)(8)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which

provides for payments from the disposable retired pay of a member to satisy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the first pay period that begins after such 30-day period.

SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 721 of this Act, is amended by adding at the end the following:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT.

It is the sense of the Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support.

SEC. 766. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 701(a), 715, 717(a), and

723 of this Act, is amended by adding at the end the following:

"(16) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) Procedures requiring the State, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 404(b)(1)) as the court deems appropriate.

"(B) As used in subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

SEC. 767. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 716 and 746(b) of this Act, is amended by adding at the end the following:

"(o) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means an order issued by a court or an administrative process established under State law that requires support and maintenance of a child or of a child and the parent with whom the child is living.".

SEC. 768. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715, 717(a), and 723 of this Act, is amended by adding at the end the following:

"(15) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

Subtitle H—Medical Support

SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

Subtitle I—Enhancing Responsibility and Opportunity for Non-residential Parents

SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 791. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State

plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. SCORING.

Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

"(H) SPECIAL ALLOWANCE FOR WELFARE REFORM.—For any fiscal year, the adjustments shall be appropriations for discretionary programs resulting from the Personal Responsibility Act of 1995 (as described in the joint explanatory statement accompanying a conference report on that Act) in discretionary accounts and the outlays flowing in all years from such appropriations (but not to exceed amounts authorized for those programs by that Act for that fiscal year) minus appropriations for comparable discretionary programs for fiscal year 1995 (as described in the joint explanatory statement accompanying a conference report on that Act.".

SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits

established by Federal, State, or local governments.''.

Passed the House of Representatives March 24, 1995.

Attest:

Clerk.

HR 4 EH——2

HR 4 EH——3

HR 4 EH——4

HR 4 EH——5

HR 4 EH——6

HR 4 EH——7

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Calendar No. 125

104TH CONGRESS
1ST SESSION

H. R. 4

[Report No. 104–96]

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 27), 1995
Received; read twice and referred to the Committee on Finance

JUNE 9 (legislative day, JUNE 5), 1995
Reported under authority of the Senate on June 8 (legislative day, June 5), 1995, by Mr. PACKWOOD, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~SECTION 1. SHORT TITLE.~~

~~This Act may be cited as the "Personal Responsibility Act of 1995".~~

~~SEC. 2. TABLE OF CONTENTS.~~

~~The table of contents of this Act is as follows:~~

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

SECTION 1. SHORT TITLE; REFERENCE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family Self-Sufficiency Act of 1995".

(b) REFERENCE TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. BLOCK GRANTS TO STATES.

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families with minor children;

"(2) provide job preparation and opportunities for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(I) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child; and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program for more than 24 months (whether or not consecutive), or at the option of the State, a lesser period, to engage in work activities in accordance with section 404 and part F.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program in accordance with part E.

"(5) CERTIFICATION THAT THE STATE WILL OPERATE A JOBS PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a JOBS program in accordance with part F.

"(6) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(7) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The chief executive officer of the State shall certify which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(8) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part and part F.

"(9) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has—

"(I) not attained 19 years of age; and

"(II) is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker relative.

"(2) WORK ACTIVITY.—The term 'work activity' means an activity described in section 482.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"SEC. 403. PAYMENTS TO STATES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—Subject to the provisions of section 406, the Secretary shall pay to each eligible State for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

"(2) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated $16,779,000,000 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to States under such paragraph.

"(B) INDIAN TRIBES.—There are authorized to be appropriated and there are appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to Indian tribes under such paragraph in accordance with section 482(i).

"(b) STATE FAMILY ASSISTANCE GRANT.—

"(1) IN GENERAL.—For purposes of subsection (a), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(2) STATE APPROPRIATION OF GRANT.—Notwithstanding any other provision of law, any funds received by a State under this part shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under this part.

"(3) SPECIAL RULE FOR INDIAN TRIBES.—For amount of a State family assistance grant for a fiscal year for an Indian tribe, see section 482(i).

"(c) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State

to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO PROVIDE CHILD CARE AND TRANSITIONAL SERVICES.—A State to which a grant is made under this section may provide, at the State's option, child care and transitional services to—

"(A) families at risk of becoming eligible for assistance under the program if child care is not provided; and

"(B) families that cease to receive assistance under the program because of employment.

"(d) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(e) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under this

part or enforce any provision of this part, except to the extent expressly provided in this part.

"(f) SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Supplemental Assistance for Needy Families Federal Loan Fund'.

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the Supplemental Assistance for Needy Families Federal Loan Fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (b) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 406 imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for—

"(A) the purpose of providing assistance under the State program funded under this part; or

"(B) welfare anti-fraud activities, systems, or initiatives, including positive client identity verification and computerized data record matching and analysis.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	***The minimum participation rate is:***
1996	20
1997	30
1998	35
1999	40
2000	45
2001 or thereafter	50.

"(B) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year before fiscal year 1999, a State may opt to not require an individual described in section

402(a)(19)(C) (as such section was in effect on September 30, 1995) to engage in work activities and may exclude such individuals from the determination of the minimum participation rate specified for such fiscal year in subparagraph (A).

"(C) CHILD CARE FOR INDIVIDUALS WITH CHILDREN UNDER 6 YEARS OF AGE.—If a State requires an individual described in section 402(a)(19)(C)(iii)(II) (as such section was in effect on September 30, 1995) to engage in work activities, the State shall provide the individual with child care.

"(D) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month, expressed as a percentage, is—

"(I) the number of families receiving assistance under the State program

funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is participating, per the State's requirement which must be at least 20 hours each week in the month, in work activities described in clause (i), (ii), (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A), (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate

specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	***The minimum participation rate is:***
1996	*60*
1997 or 1998	*75*
1999 or thereafter	*90.*

"(B) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of 2-parent families receiving assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

"(II) the total number of 2-parent families receiving assistance under the

State program funded under this part during the month.

"(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal year if the adult is making progress in such activities, per the State's requirement which must be at least 30 hours each week in a month, in work activities described in clause (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

"(b) PENALTIES AGAINST INDIVIDUALS.—

"(1) APPLICABLE TO ALL FAMILIES.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage (within the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section, a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance that would otherwise be payable to the family; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) APPLICABLE TO 2-PARENT FAMILIES.—If an adult in a 2-parent family refuses to engage (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 30 hours per week during any month, a State to which a grant is made under section 402 shall—

"(A) reduce the amount of assistance otherwise payable to the family; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(3) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

"SEC. 405. LIMITATIONS.

"(a) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraph (2), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family of an individual who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(b) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(c) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case

of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"(d) STATE OPTION TO PROHIBIT ASSISTANCE FOR CERTAIN ALIENS.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 may, at its option, prohibit the use of any part of the grant to provide assistance

under the State program funded under this part for an individual who is not a citizen or national of the United States.

"(2) DEEMING OF INCOME AND RESOURCES IF ASSISTANCE IS PROVIDED.—For deeming of income and resources requirements if assistance is provided to an individual who is not a citizen or national of the United States, see section 1145.

"SEC. 406. STATE PENALTIES.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 408 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404 for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, if a State's program operated under part D of this title is found as a result of a review conducted under section 452(a)(4) of this title not to have complied substantially with the requirements of such part for any quarter beginning after September 30, 1983, and the Secretary determines that the State's

program is not complying substantially with such requirements at the time such finding is made, the amounts otherwise payable to the State under section 403 for such quarter and each subsequent quarter, prior to the first quarter throughout which the State program is found to be in substantial compliance with such requirements, shall be reduced (subject to paragraph (2)) by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the second consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the third or a subsequent consecutive such finding made as a result of such a review.

"(B) SUSPENSION OF REDUCTIONS.—

"(i) IN GENERAL.—The reductions required under subparagraph (A) shall be suspended for any quarter if—

"(I) the State submits a corrective action plan, within a period prescribed

by the Secretary following notice of the finding under subparagraph (A), which contains steps necessary to achieve substantial compliance within a time period which the Secretary finds to be appropriate;

"(II) the Secretary approves such corrective action plan (and any amendments thereto) as being sufficient to achieve substantial compliance; and

"(III) the Secretary finds that the corrective action plan (and any amendments approved under subclause (II)) is being fully implemented by the State and that the State is progressing in accordance with the timetable contained in the plan to achieve substantial compliance with such requirements.

"(ii) CONTINUATION OF SUSPENSION.—A suspension of the penalty under clause (i) shall continue until such time as the Secretary determines that—

"(I) the State has achieved substantial compliance;

"(II) the State is no longer implementing its corrective action plan; or

"(III) the State is implementing or has implemented its corrective action plan but has failed to achieve substantial compliance within the appropriate time period (as specified in clause (i)(I)).

"(iii) EXCEPTIONS.—

"(I) ACHIEVES COMPLIANCE.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(I), the penalty shall not be applied.

"(II) NO LONGER IMPLEMENTING CORRECTIVE ACTION PLAN.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(II), the penalty shall be applied as if the suspension had not occurred.

"(III) FAILURE TO ACHIEVE COMPLIANCE WITHIN APPROPRIATE TIME PERIOD.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(III), the penalty shall be applied to all quarters ending after the

expiration of the time period specified in such clause and prior to the first quarter throughout which the State program is found to be in substantial compliance.

"(C) DETERMINATION OF SUBSTANTIAL COMPLIANCE.—For purposes of this paragraph and section 452(a)(4) of this title, a State which is not in full compliance with the requirements of part D shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the child support enforcement program.

"(6) FOR FAILURE TO TIMELY REPAY A SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN.—If the Secretary determines that a State has failed to repay any amount borrowed from the Supplemental Assistance for Needy Families Federal Loan Fund established under section 403(f) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the imme-

diately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) REQUIREMENTS.—

"(1) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) REASONABLE CAUSE FOR NONCOMPLIANCE.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"SEC. 407. RELIGIOUS CHARACTER AND FREEDOM.

"Notwithstanding any other provision of law, any religious organization participating in the State program funded under this part shall retain its independence from Federal, State, and local government, including such an organization's control over the definition, development, practice, and expression of its religious beliefs. However, a religious organization participating in the State program under this part shall not deny needy families and children any assistance provided under this part on the basis of religion, a religious belief, or refusal to participate in a religious practice.

"SEC. 408. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance

was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404 and part F, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(a).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) REPORT ON CHILD SUPPORT COLLECTED.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) REPORT ON CHILD CARE.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the pro-

gram under this part, along with a description of the types of child care provided, including—

"(1) child care provided in the case of a family that has ceased to receive assistance under this part because of employment; or

"(2) child care provided in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) REPORT ON TRANSITIONAL SERVICES.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"SEC. 409. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing

such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States

most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) STUDY ON ALTERNATIVE OUTCOMES MEASURES.—

"(1) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 410. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by titles I and II of the Family Self-Sufficiency Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 411. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part, part D, and part F of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 412. STATE DEMONSTRATION PROGRAMS.

"Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 413. NO INDIVIDUAL ENTITLEMENT.

"Notwithstanding any other provision of law, no individual is entitled to any assistance under this part or any service under part F.".

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such pro-

vision or plan as in effect as of June 1, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of June 1, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may, at the option of the State, continue to be applied in relation to this title after the date the waiver would otherwise expire.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 104. WAIVERS.

(a) CONTINUATION OF WAIVERS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 of the Social Security Act or otherwise which relates to the provision of assistance under a State plan under part A of title IV of such Act (42 U.S.C. 1396 et seq.), is in effect or approved by the Secretary of Health and Human Services (in this sec-

tion referred to as the "Secretary") as of October 1, 1995, the amendments made by this Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

(2) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403 of the Social Security Act, as added by section 101, in lieu of any other payment provided for in the waiver.

(b) STATE OPTION TO TERMINATE WAIVER.—

(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

(3) HOLD HARMLESS PROVISION.—

(A) IN GENERAL.—A State that, not later than the date described in subparagraph (B),

submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

(i) January 1, 1996; or

(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

SEC. 105. DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS UNDER THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–1320b–14) is amended by adding at the end the following new section:

"DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS

"SEC. 1145. (a) DEEMING REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any Federal program of assistance authorized under this Act, or any program of assistance authorized under this Act funded in whole or in part by the Federal Government for which eligibility is based on need, the income and resources described in subsection (b) shall, notwithstanding any other provision of law, be deemed to be the income and resources of such individual.

"(b) DEEMED INCOME AND RESOURCES.—The income and resources described in this subsection include the following:

"(1) The income and resources of any person who, as a sponsor of such individual's entry into the United States (or in order to enable such individual lawfully to remain in the United States), executed an affidavit of support or similar agreement with respect to such individual.

"(2) The income and resources of such sponsor's spouse.

"(c) LENGTH OF DEEMED INCOME PERIOD.—The requirement of subsection (a) shall apply for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

"(d) DEEMED INCOME AUTHORITY TO STATE AND LOCAL AGENCIES.—

"(1) IN GENERAL.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any State or local program of assistance authorized under this Act for which eligibility is based on need, or any need-based program of assistance authorized under this Act and administered by a State or local government other than a program described in subsection (a), the State or local government may, notwithstanding any other provision of law, require that the income and resources described in subsection (b) be deemed to be the income and resources of such individual.

"(2) LENGTH OF DEEMING PERIOD.—A State or local government may impose a requirement described

in paragraph (1) for the period described in subsection (c).".

(b) CONFORMING AMENDMENTS.—

(1) Section 1621 (42 U.S.C. 1382j) is repealed.

(2) Section 1614(f)(3) (42 U.S.C. 1382c(f)(3)) is amended by striking "section 1621" and inserting "section 1145".

SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking

"under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A"; and

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "402(a)(26) or".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the

State plan approved under part A" and inserting "assistance under a State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A or aid is being paid under the State's plan approved under part E".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A or aid was being paid under the State's plan approved under part E".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child by reason of the death of a parent" and inserting "with respect to whom assistance is being pro-

vided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid" and inserting "assistance under a State program funded".

(11) Section 454 (42 U.S.C. 654)) is amended—

(A) in paragraph (5)(A)—

(i) by striking "under section 402(a)(26)"; and

(ii) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;"; and

(B) in paragraph (6)(D), by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(12) Section 456 (42 U.S.C. 656) is amended by striking "under section 402(a)(26)" each place it appears.

(13) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26) or".

(14) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(15) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended by striking "the State's plan approved" and inserting "a State program funded".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A

and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1), by striking "would meet the requirements of section 406(a) or of section 407 but for his removal from the home of a relative (specified in section 406(a))" and inserting "would be a minor child in a needy family under the State program funded under part A but for the child's removal from the home of the child's custodial parent or caretaker relative."; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking "aid under a State plan approved under section 402" and inserting "assistance under a State program funded under part A"; and

(ii) in subparagraph (B)—

(I) in clause (i), by striking "aid" and inserting "assistance"; and

(II) in clause (ii), by striking "relative specified in section 406(a)"

and inserting "the child's custodial parent or caretaker relative".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by striking "met the requirements of section 406(a) or section 407" and all that follows through "specified in section 406(a))," and inserting "was a minor child in a needy family under the State program funded under part A or would have met such a standard except for the child's removal from the home of the child's custodial parent or caretaker relative," ; and

(ii) by striking "(or 403)";

(B) in subparagraph (B)(i), by striking "aid under the State plan approved under section 402" and inserting "assistance under the State program funded under part A";

(C) in subparagraph (B)(ii)—

(i) in subclause (I), by striking "aid" and inserting "assistance"; and

(ii) in subclause (II)—

(I) by striking "a relative specified in section 406(a)" and inserting "the child's custodial parent or caretaker relative"; and

(II) by striking "aid" each place such term appears and inserting "assistance".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such

child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(f) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(g) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 107. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "a State plan approved" and inserting "a State program funded";

(2) in subsection (d)(5)—

(A) by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "a State plan approved" and inserting "a State program funded"; and

(4) in subsection (k)(1)(A), by striking "a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved" and inserting "assistance payable to the household under a State program funded".

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded";

(2) in subsection (d)(4)—

(A) in subparagraph (B)(i), by striking "in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act" and inserting "under the State program funded

under part A of title IV of the Social Security Act";

(B) in subparagraph (I)(i)(II), by striking "benefits under part A" and inserting "assistance under a State program funded under part A"; and

(C) in subparagraph (L)(ii) by striking "training"; and

(3) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "assistance under a State program funded".

(c) Section 8(e) of such Act (7 U.S.C. 2017(e)) is amended—

(1) in paragraph (1)(A)(i), by striking "aid to families with dependent children" and inserting "assistance under a State program";

(2) in paragraph (2)(A)(ii)(I), by striking "benefits paid to such household under a State plan for aid to families with dependent children approved" and inserting "assistance paid to such household under a State program funded"; and

(3) in paragraph (3), by striking "such aid to families with dependent children" and inserting "the assistance under a State program funded under part A of title IV of the Social Security Act".

(d) Section 11 of such Act (7 U.S.C. 2020) is amended—

(1) in subsection (e)(2), by striking "the aid to families with dependent children program" and inserting "the State program funded"; and

(2) in subsection (i)(1), by striking "the aid to families with dependent children program" and inserting "the State program funded".

(e) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(f) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in subsection (b)—

(A) the first sentence of paragraph (1)(A), by striking "aid to families with dependent children" and inserting "assistance under a State program funded"; and

(B) in paragraph (3)—

(i) in the first sentence of subparagraph (B), by striking "aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.)" and inserting "assistance under part

A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(ii) in subparagraph (C)—

(II) in the first sentence, by striking "subsections (a)(19) and (g)" and all that follows through "section 402(g)(1)(A)) and"; and

(III) in the second sentence, by striking "'aid to families with dependent children'" and inserting "'assistance under the State program funded under part A'"; and

(iii) in subparagraph (E), by striking "the provisions of section 402, and sections 481 through 487," and inserting "sections 481 through 487"; and

(2) in subsection (i)—

(A) in paragraph (1), by striking "benefits under a State plan" and all that follows through "and without regard" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (referred to in this subsection as an 'eligible household') shall be issued monthly allot-

ments following the rules and procedures of the program, and without regard"; and

(B) in paragraph (2)—

(i) in subparagraph (D)—

(I) in the first sentence, by striking "benefit provided under" and inserting "assistance provided under a State program funded under"; and

(II) in the first sentence, by striking "section 402(a)(7)(C)" and all that follows to the end period and inserting "any nonrecurring lump-sum income and income deemed or allocated to the household under the State program funded under such part"; and

(ii) in subparagraph (E)—

(I) in the first sentence, by striking "section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8))" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(II) in the second sentence, by striking "the earned income disregards provided under 402(a)(8) of the Social

Security Act" and inserting "any earned income disregards provided under the State program funded under such part".

(g) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(h) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State

program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (d)(2)(C), by striking "program for aid to families with dependent children" and inserting "State program funded".

(i) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (d)(2)(A)(ii)(II), by striking "program for aid to families with dependent children established" and inserting "State program funded";

(2) in subsection (e)(4)(A), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(3) in subsection (f)(1)(C)(iii), by striking "aid to families with dependent children," and inserting "State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and with the".

SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (Public Law 94-566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security

Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is repealed.

(h) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(i) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(j) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(k) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under"

and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(l) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "Provided further, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(m) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)"; and

(5) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(n) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(o) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act";

(2) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(3) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children"

and inserting "assistance under the State program funded"; and

(4) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded".

(p) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(q) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(r) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(s) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in section 255(h) (2 U.S.C. 905(h), by striking "Aid to families with dependent children (75–

0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(t) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(u) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(v) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

SEC. 109. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 110. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—

(1) STATE OPTION TO CONTINUE AFDC PROGRAM.—

(A) 6-MONTH EXTENSION.—A State may continue a State program under parts A and F of title IV of the Social Security Act, as in effect on September 30, 1995 (for purposes of this paragraph, the "State AFDC program") until March 31, 1996.

(B) REDUCTION OF FISCAL YEAR 1996 GRANT.—In the case of any State opting to continue the State AFDC program pursuant to subparagraph (A), the State family assistance grant paid to such State under section 403(b) of the Social Security Act (as added by section 101 and as in effect on and after October 1, 1995) for fiscal year 1996 (after the termination of the State AFDC program) shall be reduced by an amount equal to the total Federal payment to such State under section 403 of the Social Security Act (as in effect on September 30, 1995) for such fiscal year.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

SEC. 201. MODIFICATIONS TO THE JOBS PROGRAM.

(a) INCREASED EMPLOYMENT AND JOB RETENTION.—

(1) JOB OPPORTUNITIES AND BASIC SKILLS.—The heading for part F of title IV (42 U.S.C. 681 et seq.) is amended by striking "TRAINING".

(2) PURPOSE.—Section 481(a) (42 U.S.C. 681(a)) is amended to read as follows:

"SEC. 481. (a) PURPOSE.—It is the purpose of this part to assist each State in providing such services as the State determines to be necessary to—

"(1) enable individuals receiving assistance under part A to enter employment as quickly as possible;

"(2) increase job retention among such individuals; and

"(3) ensure that needy families with children obtain the supportive services that will help them avoid long-term welfare dependence.".

(b) ESTABLISHMENT AND OPERATION OF STATE PROGRAMS.—

(1) STATE PLANS FOR JOBS PROGRAMS.—Section 482(a) (42 U.S.C. 682(a)) is amended—

(A) in the heading, by striking "TRAINING";

(B) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking "of aid to families with dependent children";

(II) by striking "training"; and

(III) by striking "under a plan approved" and all that follows through the period and inserting a period;

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking "plan for establishing and operating the program must describe" and inserting "shall submit to the Secretary periodically, but not less frequently than every 2 years, a plan describing";

(II) in clause (ii)—

(aa) by striking "the extent to which such services are expected to be made available by other agencies on a nonreimbursable basis,"; and

(bb) by striking "program, and" and inserting "program."; and

(III) by striking clause (iii);

(iii) by striking subparagraph (C);

(iv) in subparagraph (D)(i), by striking "Not later than October 1, 1992, each State shall make" and inserting "Each State shall make appropriate services of"; and

(v) by redesignating subparagraph (D) as subparagraph (C);

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting "(2)(A) The";

(ii) by striking "approved"; and

(iii) by adding at the end the following new subparagraphs:

"(B) The State agency shall establish procedures to—

"(i) encourage the placement of participants in jobs as quickly as possible, including using performance measures that reward staff performance, or such other management practice as the State may choose; and

"(ii) assist participants in retaining employment after they are hired.

"(C) The Secretary shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to achieve the purpose of this part."; and

(D) by striking paragraph (3).

(2) EMPLOYABILITY PLAN.—Section 482(b)(1) (42 U.S.C. 682(b)(1)) is amended—

(A) in subparagraph (A), by inserting "the employability of each participant under the program and, in appropriate circumstances, a subsequent assessment which may include" after "assessment of"; and

(B) in subparagraph (B)—

(i) by striking "such assessment" and inserting "the subsequent assessment"; and

(ii) by striking the last sentence.

(3) PROVISION OF INFORMATION.—Section 482(c) (42 U.S.C. 682(c)) is amended—

(A) in paragraph (1), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(B) in paragraph (2), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(C) in paragraph (4), by striking "aid to families with dependent children of the grounds for exemption from participation in the program and the consequences of refusal to participate if not exempt" and inserting "assistance under the State program funded under part A of the consequences of refusal to participate in the program under this part"; and

(D) by striking paragraph (5).

(4) SERVICES AND ACTIVITIES.—Section 482(d) (42 U.S.C. 682(d)) is amended—

(A) in paragraph (1)(A), by striking "Such services and activities—" and all that follows through the period and inserting "Such services and activities shall be designed to improve the employability of participants and may include any combination of the following:

"(i) Educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency.

"(ii) Job skills training.

"(iii) Job readiness activities to help prepare participants for work.

"(iv) Job development and job placement.

"(v) Group and individual job search.

"(vi) On-the-job training.

"(vii) Work supplementation programs as described in subsection (e).

"(viii) Community work experience programs as described in subsection (f), or any other community service programs approved by the State.

"(ix) A job placement voucher program, as described in subsection (g).

"(x) Unsubsidized employment.";

(B) in paragraph (2), by striking the last sentence; and

(C) in paragraph (3)—

(i) by striking "the Secretary shall permit up to 5 States to" and inserting "A State may"; and

(ii) by striking the last sentence.

(5) WORK SUPPLEMENTATION PROGRAM.—Section 482(e) (42 U.S.C. 682(e)) is amended—

(A) in paragraph (1)—

(i) by striking "aid to families with dependent children" each place it appears and inserting "assistance under the State program funded under part A"; and

(ii) by striking "paragraph (3)(C)(i) and (ii)" and inserting "paragraph (3)"; and

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (C), (D), (F), and (G);

(ii) in subparagraph (B), by striking "approved";

(iii) in subparagraph (E)—

(I) by striking "aid to families with dependent children" and inserting "assistance";

(II) by striking "(as determined under subparagraph (D))"; and

(III) by striking "State plan approved" and inserting "State program"; and

(iv) by redesignating subparagraphs (B) and (E) as subparagraphs (A) and (B), respectively;

(C) in paragraph (3) to read as follows:

"(3) For purposes of this section, a subsidized job is a job provided to an individual for not more than a 12-month period—

"(A) by the State or local agency administering the State plan under part A; or

"(B) by any other employer for which all or part of the wages are paid by such State or local agency. A State may provide or subsidize under the program any type of job which such State determines to be appropriate.";

(D) by striking paragraph (4);

(E) in paragraph (5)(A)—

(i) by striking "eligible" each place it appears; and

(ii) by redesignating such paragraph as paragraph (4);

(F) in paragraph (6)—

(i) by striking "aid to families with dependent children under the State plan approved" each place it appears and inserting "assistance"; and

(ii) by redesignating such paragraph as paragraph (5); and

(G) by striking paragraph (7).

(6) COMMUNITY WORK EXPERIENCE PROGRAM.—Section 482(f) (42 U.S.C. 682(f)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking "aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part" and inserting "assistance payable with respect to the family of which such individual is a member under the State program funded under part A"; and

(II) in clause (ii), by striking "aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part (excluding any portion of such aid" and inserting "assistance payable with respect to the family of

which such individual is a member under the State program funded under part A (excluding any portion of such assistance";

(ii) by striking subparagraph (C);

(iii) in subparagraph (D)—

(I) by striking "approved"; and

(II) by striking "community work experience program" and all that follows through the period and inserting "community service program."; and

(iv) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(B) in paragraph (3)—

(i) by striking "any program of job search under subsection (g),"; and

(ii) by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A"; and

(C) by striking paragraph (4).

(7) JOB PLACEMENT VOUCHER PROGRAM.—Section 482(g) (42 U.S.C. 682(g)) is amended to read as follows:

"(g) JOB PLACEMENT VOUCHER PROGRAM.—(1) The State agency may establish and operate a job placement voucher program for individuals participating in the program under this part.

"(2) A State that elects to operate a job placement voucher program under this subsection—

"(i) shall establish eligibility requirements for participation in the job placement voucher program; and

"(ii) may establish other requirements for such voucher program as the State deems appropriate.

"(3) A job placement voucher program operated by a State under this subsection shall include the following requirements:

"(A) The State shall identify, maintain, and make available to an individual applying for or receiving assistance under part A a list of State-approved job placement organizations that offer services in the area where the individual resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(B)(i) An individual determined to be eligible for assistance under part A shall, at the time the individual becomes eligible for such assistance—

"(I) receive the list and description described in subparagraph (A);

"(II) agree, in exchange for job placement and support services, to—

"(aa) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the individual; and

"(bb) comply with the terms of the contract; and

"(III) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(ii) The State shall impose the sanctions provided for in section 404(b) on any individual who does not fulfill the terms of a contract executed with a State-approved job placement organization.

"(C) At the time an individual executes a contract with a State-approved job placement organization, the individual shall provide the organization with the job placement voucher that the individual received pursuant to subparagraph (B).

"(D)(i) A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing an individual in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

"(I) finds an employment position (as determined by the State) for the individual who provided the voucher; and

"(II) certifies to the State that the individual remains employed with the employer that the organization originally placed the individual with for the greater of—

"(aa) 6 continuous months; or

"(bb) a period determined by the State.

"(ii) A State may modify, on a case-by-case basis, the requirement of clause (i)(II) under such terms and conditions as the State deems appropriate.

"(E)(i) The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for individuals

participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

"(ii) The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under clause (i).

"(iii) The State shall submit a report containing the results of an evaluation conducted under clause (ii) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this clause and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.".

(8) DISPUTE RESOLUTION PROCEDURES.—Section 482(h) (42 U.S.C. 682(h)) is amended by striking "or through the provision of a hearing pursuant to section 402(a)(4); but in no event shall aid to families with dependent children" and inserting "; but in no event shall assistance under the State program funded under part A".

(9) PROVISIONS RELATING TO INDIAN TRIBES.—

Section 482(i) (42 U.S.C. 682(i)) is amended—

(A) in paragraph (1)—

(i) by striking "training" each place it appears; and

(ii) in the second sentence, by inserting ", for fiscal years before 1996," after "State";

(B) in paragraph (2), by inserting ", for fiscal years before 1996," after "paragraph (1)";

(C) in paragraph (3)—

(i) by striking "training" each place it appears; and

(ii) by striking "402(a)(19)" and inserting "404";

(D) in paragraph (4)—

(i) by striking "training"; and

(ii) by striking "and the maximum amount" and all that follows through the period at the end of the second sentence and inserting "and the amount that may be paid under section 403 to the State within which the tribe or Alaska Native organization is located shall be increased by any portion of the amount retained by the Sec-

retary with respect to such program (and not payable to such tribe or Alaska Native organization for obligations already incurred).";

(E) in paragraph (7)(D), by striking "training" each place it appears;

(F) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively; and

(G) by inserting after paragraph (2), the following new paragraph:

"(3) For any fiscal year after 1995, the amount of payment to any tribe or organization received under this subsection shall be an amount equal to the amount such tribe or organization received for fiscal year 1994.".

(c) COORDINATION REQUIREMENTS.—Section 483 (42 U.S.C. 683) is amended—

(1) in subsection (a)(2), by striking "not less than 60 days before its submission to the Secretary,";

(2) in subsection (b), by striking "education and training services" and inserting "necessary and supportive assistance for employment"; and

(3) in subsection (c), by striking "approved".

(d) PROVISIONS GENERALLY APPLICABLE.—Section 484 (42 U.S.C. 684) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "family responsibilities,"; and

(B) in paragraph (5), by striking ", the participant's circumstances,";

(2) in subsection (c), by striking the last sentence; and

(3) in subsection (e), by striking "AFDC program" and inserting "State program funded under part A".

(e) CONTRACT AUTHORITY.—Section 485 (42 U.S.C. 685) is amended in subsections (a) and (c), by striking "approved" each place it appears.

(f) PERFORMANCE STANDARDS.—Section 487(c) (42 U.S.C. 687(c)) is amended by striking "matching rate" and inserting "payment to the States under section 403".

SEC. 202. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1995, unless a State has exercised the option described in section 110(b).

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

SEC. 301. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following new subparagraph:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking "(I)"; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking "(ix)" and inserting "(viii)";

(C) in clause (ix)—

(i) by striking "(viii)" and inserting "(vii)"; and

(ii) in subclause (II), by striking all that follows "15 years" and inserting a period;

(D) in clause (xiii)—

(i) by striking "(xii)" and inserting "(xi)"; and

(ii) by striking "(xi)" and inserting "(x)"; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows "$25.00 per month" and inserting a period.

(5) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place it appears;

(B) by striking "and" the 3rd place it appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

SEC. 302. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United

States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 303. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year pe-

riod beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 304. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 301(b)(1) of this Act, is amended by inserting after paragraph (2) the following new paragraph:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 305. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTIONS 301 AND 302.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by sections 301 and 302 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 301 or 302, such amendments shall apply with respect to the benefits of such individual for months beginning on or after

January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 303 and 304 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 311. RESTRICTIONS ON ELIGIBILITY FOR BENEFITS.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 301(a), is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual;

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked, pervasive, and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individual functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) CONTINUING DISABILITY REVIEWS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine pursuant to the procedures of title XVI of the Social Security Act the eligibility of any individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by subsection (a) or (b). The Commissioner of Social Security shall give redetermination reviews under this subparagraph priority over other redetermination reviews.

(B) GRANDFATHER AND HOLD HARMLESS.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997, and such individual shall be held harmless for any payment of benefits made until such date.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 312. CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING FOR CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 311(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of disability.

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.".

(b) DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection

(a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining such eligibility for applicants who have attained the age of 18 years.

A review under this clause shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(H)(iii) of the Social Security Act, as added by paragraph (1).

(3) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall redetermine the eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A redetermination under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 313. TREATMENT REQUIREMENTS FOR DISABLED INDIVIDUALS UNDER THE AGE OF 18.

(a) IN GENERAL.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E)(i) Not later than 3 months after the Commissioner determines that an individual under the age of 18 is eligible for benefits under this title by reason of disability (and periodically thereafter, as the Commissioner may require), the representative payee of such individual shall file with the State agency that makes disability determinations on behalf of the Commissioner of Social Security in the State in which such individual resides, a copy of the treatment plan required by clause (ii).

"(ii) The treatment plan required by this clause shall be developed by the individual's treating physician or other medical provider, or if approved by the Commissioner, other service provider, and shall describe the services that such physician or provider determines is appropriate for the treatment of such individual's impairment or combination of impairments. Such plan shall be in such form and contain such information as the Commissioner may prescribe.

"(iii) The representative payee of any individual described in clause (i) shall provide evidence of adherence to the treatment plan described in clause (ii) at the time of any redetermination of eligibility conducted pursuant to section 1614(a)(3)(G)(ii), and at such other time as the Commissioner may prescribe.

"(iv) The failure of a representative payee to comply without good cause with the requirements of clause (i) or (iii) shall constitute misuse of benefits to which subparagraph (A)(iii) (but not subparagraph (F)) shall apply. In providing for an alternative representative payee as required by subparagraph (A)(iii), the Commissioner shall give preference to the State agency that administers the State plan approved under title XIX for the State in which the individual described in clause (i) resides or any other State agency designated by the State for such responsibility, unless the Commissioner determines that selection of another organization or person would be appropriate. Any such State agency that serves as a representative payee shall be a 'qualified organization' for purposes of subparagraph (D) of this paragraph.

"(v) This subparagraph shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determinations, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments) and the availability of treatment for such impairment (or impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of

this subparagraph should not apply to an individual's representative payee.".

(b) ACCESS TO MEDICAID RECORDS.—

(1) REQUIREMENT TO FURNISH INFORMATION.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 103(b), is amended—

(A) by striking "and" at the end of paragraph (62);

(B) by striking the period at the end of paragraph (63) and inserting "; and"; and

(C) by adding after paragraph (63) the following new paragraph:

"(64) provide that the State agency that administers the plan described in this section shall make available to the Commissioner of Social Security such information as the Commissioner may request in connection with the verification of information furnished to the Commissioner by a representative payee pursuant to section 1631(a)(2)(E)(iii).".

(2) REIMBURSEMENT OF STATE COSTS.—Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following new subsection:

"(d) The Commissioner of Social Security shall reimburse a State for the costs of providing information pursu-

ant to section 1902(a)(64) from funds available for carrying out this title.".

(c) REPORT TO THE CONGRESS.—Not later than the last day of the 36th month beginning after the date of the enactment of this Act, the Inspector General of the Social Security Administration shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of this section.

(d) EFFECTIVE DATE.—This section shall take effect on the 1st day of the 12th month that begins after the date of the enactment of this Act.

Subtitle C—Study of Disability Determination Process

SEC. 321. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall contract with the National Academy of Sciences, or other independent entity, to conduct a comprehensive study of the disability determination process under titles II and XVI of the Social Security Act, including the validity, reliability, equity, and consistency with current scientific knowledge and standards of the Listing of Impairments set forth in

appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations.

(b) STUDY OF DEFINITIONS.—The study described in subsection (a) shall also include an examination of the appropriateness of the definitions of disability in titles II and XVI of the Social Security Act and the advantages and disadvantages of alternative definitions.

(c) REPORTS.—The Commissioner of Social Security shall, through the applicable entity, issue an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 12 months and 24 months, respectively, from the date of the contract for such study.

Subtitle D—National Commission on the Future of Disability

SEC. 331. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 332. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to

the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 333. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this

Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 334. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 335. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at

any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 336. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 337, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 337. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 401. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) cash assistance is provided under the State program funded under part A of this title, (II) benefits or services are provided under the State program funded under part B of this title, or (III) medical assistance is provided

under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any

State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 402. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the

State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before or after the family received cash assistance from the State.

"(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse

amounts paid to the family as cash assistance from the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) DEFINITIONS.—As used in subsection (a):

"(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

"(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any State for which subparagraph (B) does not apply; or

"(B) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall not be required of such a family and section 454(6)(B) shall not apply to the family.".

(b) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and";
and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

(3) CLERICAL AMENDMENTS.—The amendments made by subsection (b) shall become effective on October 1, 1995.

SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(b), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties

to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination; and

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 404. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 411. STATE CASE REGISTRY.

Section 454A, as added by section 445(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for

both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State

or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other

agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 412. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 404(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency, to—

"(i) monitor and enforce support collections through the unit (including carry-

ing out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 445(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a

contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 445(a)(2) of this Act and as amended by section 411 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant

to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 413. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 412(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given

such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—Each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or the equivalent, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child

support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of

Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 414. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking "(5),"; and

(ii) by inserting ", and, at the option of the State, the requirements of subsection (b)(5)" before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1),

by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(C) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each absent parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the absent parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) shall include the information provided to the employer under paragraph (6)(A).".

(D) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(E) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(F) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence

of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(G) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 415. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 416. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child visitation rights";

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for visitation rights, or any agent of such court;";

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(4) the absent parent, only with regard to a court order against a resident parent for child visitation rights.".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsection:

"(h)(1) Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i)(1) In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j)(1)(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible,

and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k)(1) The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by

the Commissioner in performing the verification services described in subsection (j).

"(2) The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including governmental entities)" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following new paragraph:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 417. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 415 of this Act, is amended by adding at the end the following new paragraph:

"(13) Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency hav-

ing administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social secu-

rity number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 421. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f)(1) In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) The State law enacted pursuant to paragraph (1) may be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

" '(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 422. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 423. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415 and 417(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for

assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 424. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 425. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 414 of this Act, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(I) Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(G) To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(H) In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribu-

nal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 445(a)(2) of this Act and as amended by sections 411 and 412(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 431. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5)(A)(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 21 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 21 years was then in effect in the State.

"(B)(i) Procedures under which the State is required, in a contested paternity case, unless otherwise barred by State law, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) Procedures which require the State agency in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii)(I) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II)(aa) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D)(i) Procedures under which the name of the father shall be included on the record of birth of the

child only if the father and mother have signed an acknowledgment of paternity and under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include

the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 432. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 433. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), and 413(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by inserting after paragraph (27) the following new paragraph:

"(28) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and re-determination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish and taking into account the best interests of the child;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order; and

"(D) shall promptly notify the individual and the State agency administering the State program funded under part A of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 441. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The percent specified in this paragraph for any quarter is 66 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding subsection (a), the total expenditures under the State plan approved under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 442. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

"(a) INCENTIVE ADJUSTMENTS.—

"(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify

for an incentive adjustment under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 12 percentage points, in connection with paternity establishment; and

"(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds in the State program under this part within 2 years after the date of the payment.

"(b) DEFINITIONS.—As used in this section:

"(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

"(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(B) the total number of children born out of wedlock in the State during the fiscal year.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).

"(3) STATE DEFINED.—The term 'State' does not include any area within the jurisdiction of an Indian tribal government.".

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the 1st place such term appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a) and (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect before the date of the enactment of this section, shall be effective for

purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 443. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which

the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this section.

SEC. 444. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), 413(a), and 433 of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following new paragraph:

"(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 445. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity es-

tablishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 412(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Family Self-Sufficiency Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 445(a)(3) of the Family Self-Sufficiency Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), but limited to the amount approved for States in the advance planning documents of such States submitted before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1998 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are

for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount speci-

fied in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 446. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary

as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 416(f) of this Act, is amended by adding at the end the following new subsection:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by

the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 447. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Child Support Guidelines Commission (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including—

(A) support (including shared support) for postsecondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the Consumer Price Index or either parent's income and expenses in particular cases;

(8) procedures to help noncustodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child

support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The 1st sentence of subparagraph (C), the 1st and 3rd sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the Presi-

dent, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply the appropriate ad-

justment to the orders eligible for adjustment under the threshold established by the State.

"(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.".

SEC. 453. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the re-

quest certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested, and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42

U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 454. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a depository institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of

negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "depository institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v)); and

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)).

(2) The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Subsection (c) of section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended by striking the 3rd and 4th sentences and inserting the following new sentences: "A reduction under this subsection shall be applied 1st to satisfy past-due support, before any other reductions allowed by law (including a credit against future liability for an internal revenue tax) have been made. A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 6402(d) of such Code is amended by striking "with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NONASSIGNED ARREARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the 1st sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the 2nd sentence, by striking "in accordance with section 457(b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) by striking paragraph (2) and inserting the following new paragraph:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457(a), in the case of past-due support assigned to a State; and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned."; and

(D) in paragraph (3)—

(i) by striking "or (2)" each place such term appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting the following:

"(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting the following:

"(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

(4) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations

against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individ-

ual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a 1st-come, 1st-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) workers' compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as

prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—As used in this section:

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in

accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement,

equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable

to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency

administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 463(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: "In the case of a spouse or former spouse who assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order,

the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 465. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 421 of this Act, is amended by adding at the end the following new subsection:

"(g) In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 466. WORK REQUIREMENT FOR PERSONS OWING CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 401(a), 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

"(16) Procedures requiring the State, in any case in which an individual owes support with respect to a child receiving services under this part, to seek a court order or administrative order that requires the individual to—

"(A) pay such support in accordance with a plan approved by the court; or

"(B) if the individual is not working and is not incapacitated, participate in work activities (including, at State option, work activities as defined in section 482) as the court deems appropriate.".

SEC. 467. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 416 and 446(b) of this Act, is amended by adding at the end the following new subsection:

"(o) As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 469. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 470. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

"(15) Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 446, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(30) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for ac-

tion (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Family Self-Sufficiency Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(b), 413(a), 433, and 444(a), is amended—

(A) by striking "and" at the end of paragraph (28);

(B) by striking the period at the end of paragraph (29) and inserting "; and"; and

(C) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(k) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(k) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

Subtitle H—Medical Support

SEC. 475. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 476. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), 423, and 469 of this Act, is amended by adding at the end the following new paragraph:

"(16) Procedures under which all child support orders enforced under this part shall include a provi-

sion for the health care coverage of the child, and in the case in which an absent parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 481. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following new section:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup),

and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 491. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State

plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

Amend the title so as to read: "An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.".

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THE FAMILY SELF-SUFFICIENCY ACT OF 1995

JUNE 9 (legislative day, JUNE 5), 1995.—Ordered to be printed

Filed, under authority of the order of the Senate of June 8 (legislative day, June 5), 1995

Mr. PACKWOOD, from the Committee on Finance, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4]

The Committee on Finance, to which was referred the bill (H.R. 4) to amend the Social Security Act to replace the AFDC program with block grants for needy families with children, to replace child welfare, adoption assistance and foster care programs with a block grant for child protection, to make various reforms to the Supplemental Security Income program, to strengthen the child support enforcement program (along with various reforms to other programs under other laws), and which would restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, having considered the same, reports favorable thereon with an amendment in the nature of a substitute, and recommends that the bill as amended do pass.

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I. PURPOSE AND SCOPE

The Committee bill fundamentally reshapes the Nation's welfare programs. The most important change is to devolve to the States

(and U.S. territories) primary responsibility for the Aid to Families with Dependent Children (AFDC) program and related programs under the Social Security Act. The Committee bill replaces the present AFDC entitlement to cash welfare, and the myriad of complicated Federal rules and regulations for the AFDC program, with block grants under which the States (and U.S. territories) are given great latitude to design a program to assist needy families with minor children become self-sufficient and productive members of the work force. States determine who will be eligible to receive assistance and the types of assistance to be provided. States are authorized to deny assistance to noncitizens if they so choose.

The Committee bill transforms welfare into a temporary program that places strong emphasis on employment skills and work activities. Able-bodied adults who have received benefits for 2 years must participate in JOBS activities for at least 20 hours a week. The JOBS program for AFDC recipients is modified to give States more flexibility in serving the needs of welfare recipients and to strengthen work requirements. Welfare is made temporary by limiting the receipt of benefits to 5 years except in the case of hardship.

The Committee bill also makes much needed reforms to the Supplemental Security Income (SSI) welfare program, which is funded solely by Federal dollars and has experienced rapid growth of certain populations in recent years. The Committee bill changes SSI eligibility for drug addiction and alcoholism impairments, for noncitizens who enter the U.S. on the basis that they not become a public charge and who have not worked in the U.S. for specified time periods, and for certain children with disabilities.

The Committee bill provides a uniform rule for "deeming" a sponsor's income and resources to noncitizens for all means-tested programs in the Social Security Act. The sponsor's income and resources are deemed to the noncitizen for the greater of 5 years after lawfully entering the U.S. or the time specified in the sponsor's affidavit of support.

The Committee bill strengthens the child support enforcement program by requiring States to improve paternity establishment programs, establish uniform tracking systems and a directory of new hires, and adopt uniform laws to expedite interstate child support collections.

II. EXPLANATION OF PROVISIONS

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Present law

The Aid to Families with Dependent Children ("AFDC") program was enacted in 1935 to provide Federal matching funds to allow States to make cash payments on behalf of needy dependent children. AFDC programs are currently operated in all 50 States, the District of Columbia, and three territories (Guam, Puerto Rico, and U.S. Virgin Islands).

The original AFDC legislation imposed very few requirements on States. Amendments to the program over the years have drastically

increased requirements on States. Although States still set "standards of need" and benefit levels for the program, there is an extensive set of Federal eligibility rules, especially with respect to how a family's income and resources are determined. Income and resources of a sponsor of a noncitizen are "deemed" to the noncitizen for the first three years after lawfully entering the United States in determining eligibility for the AFDC program.

States must submit, for approval by the Secretary of HHS, a State plan that describes the cash benefits and services offered by the State and explains how the State intends to comply with 43 requirements of present law.

States must also have in effect an approved child support program, an approved plan for JOBS, foster care and adoption assistance programs, and an eligibility and verification program.

Reasons for change

Consolidating the AFDC program and related programs into a block grant provides States with much needed flexibility in the use of Federal funds to help needy families with minor children. Streamlining Federal requirements will allow States to devote more time to serving needy families and to develop programs that address the special circumstances of localities. States are guaranteed Federal funding for 5 years so they can make long-term plans without fear of reduced funding. The primary condition placed on Temporary Family Assistance funds is an increased commitment to make able-bodied adults on welfare work. Removing the individual entitlement to cash benefits sends a clear message to welfare recipients that welfare assistance is temporary and is not intended to continue on year after year leading to welfare dependency.

Summary of principal provisions

1. Section 101.—Block grants to States.

a. AFDC programs consolidated into Temporary Family Assistance block grant program

The AFDC program along with related programs are consolidated into a new grant to States called the "Temporary Family Assistance" grant to increase the flexibility of States in operating an assistance program for needy families with minor children. The Temporary Family Assistance grant replaces the following AFDC programs under the Social Security Act:

(1) AFDC cash benefits.
(2) AFDC administration.
(3) AFDC work-related child care.
(4) Transitional child care.
(5) At-risk families child care.
(6) Emergency assistance.
(7) Funding for the JOBS program.

b. Purposes

The purposes of the new grant program are to provide Federal funds for temporary assistance to needy families with minor children so that such children can be maintained in their homes or the

homes of relatives, to promote self-sufficiency of parents of needy children by placing greater emphasis on job preparation and employment, and to prevent and reduce the incidence of out-of-wedlock pregnancies, generally understood to be one of the root causes of welfare dependency.

c. State plan requirements

Under the Temporary Family Assistance grant, States must submit to the Secretary of Health and Human Services (HHS), and update annually, a plan outlining how the State intends to do the following:

(1) Offer a program to serve needy families with minor children throughout the State (assistance may vary from locality to locality within a State);

(2) Provide assistance to needy families with minor children for up to 5 years (longer for hardship cases) and provide job preparation and work experience to adults in the family so that they become self-sufficient;

(3) Require at least one parent in a needy family receiving benefits for more than 24 months (whether or not consecutive) to engage in work activities in accordance with section 404 and Title IV–F (as amended by the Committee bill);

(4) Meet participation rates for the JOBS program;

(5) If different from other recipients, provide benefits paid to needy families moving into the State and to noncitizens;

(6) Safeguard and restrict the use and disclosure of information about needy families receiving benefits; and

(7) Reduce the incidence of out-of-wedlock pregnancies with special emphasis on teenage pregnancy.

States must certify annually that they will operate a child support enforcement program under Title IV–D; a child protection program under Title IV–B; adoption assistance and foster care programs under Title IV–E; a JOBS program under Title IV–F; and an income and eligibility verification system under section 1137. States must certify which State agency or agencies are responsible for the administration and supervision of the program. In this regard, a State may contract with public and private organizations to provide services to welfare recipients. States must certify that any reports required under Title IV–A and IV–F will be filed with the Secretary of HHS and must provide an estimate of State funding for the program.

d. Eligibility for assistance

The Temporary Family Assistance grant is to be used to serve needy families with minor children. A minor child is an individual under 18 years old or, if a full-time student, under 19 years old and who resides with the individual's custodial parent or other caretaker relative.

States are to determine standards of need, eligibility criteria, and types and levels of assistance under the State's program funded under the Temporary Family Assistance grant, subject to work requirements and limitations on assistance under Title IV–A and IV–F. States may reduce or deny assistance to families that refuse to comply with work requirements. States may apply the rules of an-

other State to families who move from the other State for up to 12 months. States are authorized to deny assistance to noncitizens, if they so choose, and must "deem" the income and resources of a sponsor to the noncitizen for five years after lawfully entering the United States (longer if required in the affidavit of support).

A family cannot receive assistance under a State's program funded under the Temporary Family Assistance grant for more than 60 months (whether or not consecutive) after September 30, 1995, unless the State exempts the family by reason of hardship. States determine what constitutes a hardship for this purpose and are limited to granting hardship for a maximum of 15 percent of the average monthly caseload for the fiscal year. The 60-month period begins for an individual who was previously a minor child in a needy family when that individual becomes the head of household of a needy family with a minor child.

Individuals receiving other Federal assistance payments, such as Social Security benefits, Supplemental Security Income payments, or foster care payments, are not eligible for assistance under a State program funded under the Temporary Family Assistance grant.

An individual who is convicted in a Federal or State court of having made a fraudulent statement or representation with respect to the place of such individual's residence in order to receive assistance or benefits simultaneously from two or more States under programs in Titles IV, XVI, or XIX, or the Food Stamp Act of 1977 is not eligible to receive assistance under a State program funded under the Temporary Family Assistance grant for 10 years beginning with the date of conviction. An individual who is a fugitive felon or who is violating probation or parole is not eligible to receive assistance under a State program funded under the Temporary Family Assistance grant.

e. Payments to States and uses of funds

The total amount of the Temporary Family Assistance grant is $16,779,000,000 for each of the fiscal years 1996 through 2000. Each eligible State is entitled to receive a State Family Assistance Grant equal to the actual Federal AFDC and related program expenditures paid to the State for fiscal year 1994. Payments to States are made quarterly. States are allowed to carry forward unused grant funds to future years. Federal grant funds may be subject to appropriation by a State legislature, consistent with the terms and conditions of the Temporary Family Assistance grant. Indian tribes and Alaska Native organizations currently operating a JOBS program will continue to receive Federal funds directly at the same level paid to them for fiscal year 1994.

States may use Temporary Family Assistance funds in any manner reasonably calculated to accomplish the purposes of Title IV–A, including assistance to families who left welfare for employment (for a transition period) and families at risk of going on welfare. The Committee intends that the types of expenditures which were authorized by Title IV–A before the effective date of the Committee bill will continue to be an authorized use of funds. For example, authorized expenditures under present Title IV–A include cash benefits; JOBS program services for recipients and noncustodial par-

ents; work supplementation payments; child care services for recipients, families who left welfare for employment (for a transition period) and families at risk of going on welfare; transportation and other work-related expenses for recipients and families who left welfare for employment (for a transition period); pregnancy prevention education, medical and counselling services; emergency assistance to avoid destitution of a child or to provide temporary shelter; reasonable administration costs, including quality control systems; and welfare fraud detection. The Committee intends that Temporary Family Assistance funds not be used to pay expenses related to other federally funded programs, such as medical services covered by Medicaid, or to supplant State funding of such other programs.

f. Supplemental assistance for needy families Federal loan fund

The Federal Government is authorized to establish a revolving loan fund of $1.7 billion to be administered by the Secretary of HHS for supplemental funding needs for State programs funded under the Temporary Family Assistance grant. Loan funds may be used to provide assistance under such State programs and welfare anti-fraud activities. Eligible States may borrow from the revolving fund if the State has not been found to misuse funds under the Temporary Family Assistance grant. A State's outstanding loan balance may not exceed 10 percent of the State Family Assistance grant at any time. States must repay their loans, with interest based on short-term Treasury rates, within three years. In the event of default, the State's grant for the quarter after the default is reduced by the amount of the loan in default.

g. Penalties against States

The Secretary of HHS is authorized to collect the following penalties from States for noncompliance with Temporary Family Assistant grant requirements:

(1) Any amount found by audit to be in violation of this program, plus 5 percent of such amount as a penalty (unless reasonable cause is shown), will be withheld from the next quarterly payment;

(2) 5 percent of the amount otherwise payable for a fiscal year will be withheld if the State fails to submit an annual report regarding the use of funds within 6 months after the end of the fiscal year unless the Secretary of HHS determines the State has reasonable cause for such failure (the penalty is rescinded if the report is submitted within 12 months);

(3) Up to 5 percent (within discretion of the Secretary of HHS) of the amount otherwise payable for the next fiscal year will be withheld if the State fails to meet the JOBS participation rates for a fiscal year;

(4) Up to 5 percent (within discretion of the Secretary of HHS) of the amount otherwise payable for the next fiscal year will be withheld if the State fails to participate in the Income and Eligibility Verification System designed to reduce welfare fraud;

(5) Up to 5 percent if the Secretary of HHS determines a State fails to ensure that families are cooperating with the child support enforcement agency in establishing paternity or assigning child support rights to the State; and

(6) Any amount borrowed from the revolving loan fund which is not repaid within 3 years, plus interest, will be withheld from the next quarterly payment.

The Secretary of HHS may not reduce any quarterly payment to the States by more than 25 percent. Any remaining penalty (above 25 percent) will be withheld from the State's payments during succeeding payment periods.

States must provide State funds to replace reductions in State Family Assistance grants for the above penalties.

h. Mandatory work requirements

[See discussion at Title II—Modifications to JOBS program.]

i. Religious character and freedom

The Committee bill provides that any religious organization participating in a State's program funded under the Temporary Family Assistance grant shall retain its independence from Federal, State, and local government, including such an organization's control over all aspects of its religious beliefs, and must not deny needy families and children assistance on the basis of religion, religious beliefs, or refusal to participate in a religious practice.

j. Data collection and reporting

Each State receiving Temporary Family Assistance grant funds is required, not later than six months after the end of each fiscal year, to transmit to the Secretary of HHS an annual report describing the use of Federal funds and any State funds and providing aggregate information on needy families receiving assistance under the State's program funded under the Temporary Family Assistance grant during the fiscal year. States are to include the percentage of funds used for cash assistance, the JOBS program, child care, transitional services, administrative costs and overhead; child support received by the States for needy families receiving assistance; the number non-custodial parents participating in the JOBS program; and aggregate information on needy families receiving assistance during the fiscal year.

k. Research, evaluations, and national studies

The Secretary of HHS may conduct research on the effects, costs, and benefits of State programs funded under the Temporary Family Assistance grant. The Secretary of HHS may assist States in developing innovative approaches to helping welfare recipients attain self-sufficiency through employment and shall evaluate the effectiveness of such approaches.

The Secretary of HHS is required annually to rank the States in order of their success in moving individuals receiving assistance into long-term private sector jobs. In addition, the Secretary is to undertake an annual review and evaluation of the three States most recently ranked highest and the three States ranked lowest.

The Secretary of HHS is required to conduct a study of outcomes measures for evaluating the success of a State in moving individuals receiving assistance off of welfare through employment and report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than September 30, 1998.

l. Study by the Census Bureau

The Bureau of the Census is directed to expand the Survey of Income and Program Participation as necessary to obtain information to enable interested persons to evaluate the impact of State programs funded under the Temporary Family Assistance grant, with particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and ending of welfare spells, and the cause of repeat welfare spells.

m. Assistant Secretary for Family Support

The Assistant Secretary for Family Support within the Department of Health and Human Services will administer the programs under Title IV–A, IV–D, and IV–F.

n. State demonstration programs

The Committee bill is not intended to limit in any way the ability of a State to conduct demonstration projects in one or more political subdivisions directed at identifying innovative or effective programs.

o. No individual entitlement

The Committee bill ends the individual entitlement to assistance under the AFDC programs under Title IV–A and IV–F.

2. Section 102.—Report on data processing

Not later than 6 months after the date of enactment, the Secretary of HHS is required to submit to the Congress a report on the status of State automated data processing systems to assist in managing the State's program funded under Temporary Family Assistance grant, tracking program participants, and checking for individuals participating in more than one State program.

3. Section 103.—Continued application of current standards under Medicaid program

The Committee does not intend the changes to Title IV–A, made in the Committee bill, to change Medicaid eligibility. Therefore, the Committee bill requires States to continue Medicaid eligibility based on AFDC eligibility rules in effect on June 1, 1995. That is, families who could have qualified under a State's June 1, 1995, AFDC eligibility requirements will continue to qualify for Medicaid in the future, even though such families may not qualify for assistance under a State program funded under the Temporary Family Assistance grant. Similarly, families receiving adoption assistance and foster care maintenance payments under Title IV–E will continue to qualify for Medicaid in the future based on eligibility requirements in effect on June 1, 1995.

4. Section 104.—Waivers

States that have a waiver under section 1115 or otherwise relating to AFDC programs under Title IV–A in effect on October 1, 1995, may continue to operate a program under the terms of the waiver notwithstanding any other provision of the Committee bill. The State is not, however, entitled to any Federal payments under the waiver.

A State may terminate a waiver, if it so chooses, and must submit a report to the Secretary of HHS on the result or effect of such waiver. A State is relieved of any accrued cost neutrality liabilities under the waiver if the State terminates the waiver by the later of January 1, 1996, or 90 days following the adjournment of the first regular session of the State legislature that begins after the date of enactment of the Committee bill.

5. Section 105.—Deemed income requirement for Federal and federally funded programs under the Social Security Act

The present law-deeming rules for determining the eligibility of noncitizens for selected programs under the Social Security Act are replaced with a uniform deeming rule that applies to all means-tested programs under the Social Security Act. The uniform deeming rule requires that the income and resources of a sponsor and the sponsor's spouse be deemed to a noncitizen for the later of 5 years beginning on the date the noncitizen lawfully entered the United States or the period specified in an affidavit of support.

The uniform deeming rule applies to State means-tested programs that are funded under the Social Security Act, including programs funded under the Temporary Family Assistance grant, Medicaid, and Supplemental Security Income. However, noncitizens will continue to be eligible for emergency medical services.

6. Section 106.—Conforming amendments to the Social Security Act

The Committee bill contains a series of technical amendments to conform the provisions of the Committee bill to other provisions of the Social Security Act.

7. Section 107.—Conforming amendments to the Food Stamp Act of 1977 and related provisions

The Committee bill contain a series of technical amendments to conform the provisions of the Committee bill to the Food Stamp Act of 1977 and related provisions.

8. Section 108.—Conforming amendments to other laws

The Committee bill contains a series of technical amendments to conform the provisions of the Committee bill to other laws.

9. Section 109.—Secretarial submission of legislative proposal for technical and conforming amendments

Not later than 90 days after the date of enactment of the Committee bill, the Secretary of HHS, in consultation with the heads of appropriate other Federal agencies, must submit to the appropriate committees of the Congress, a legislative proposal providing for such technical conforming amendments to the law as are required to fully implement the provisions of the Committee bill.

child and demonstrate to SSA's satisfaction that they followed that plan. Noncompliance would lead to appointment of another representative payee, not to termination of benefits. The bill also mandates several studies of disability issues.

The proposed cutbacks in children's SSI benefits would affect spending in other programs. Food stamp outlays would increase, under current law, to replace a portion of the cash income lost by the children's families. Effects on two other programs, however, are omitted from CBO's estimate. Under current law, approximately half of the disabled children losing SSI benefits would be likely to end up on the AFDC programs; but because that program would be abolished in Title I and replaced by a fixed block grant to the states, no extra spending would result. The cutback in children's SSI benefits would have only negligible effects on the Medicaid program. Most children removed from SSI would still qualify for Medicaid-either through their eligibility for the program of temporary assistance to needy families (the successor to the AFDC program) or their poverty status.

Administrative costs.—Several provisions of Title III would affect the administrative costs of the SSI program. Those costs are funded out of an overall discretionary appropriation that limits administrative expenses of the Social Security Administration. The most significant burdens would be those involved in checking citizenship status and conducting continuing disability reviews (CDRs). Title III would presumably require SSA to check the citizenship status of all SSI beneficiaries—those coded as citizens as well as those identified as aliens—to verify their continued eligibility for benefits. CBO estimates the one-time cost of that effort at about $50 million; some savings would materialize in later years, though, as SSA would need to sift through fewer applications from legal aliens. The disability-related provisions would, in CBO's judgment, involve approximately $300 million in nonrecurring costs (principally in 1996) as SSA reviews drug addicts and alcoholics and disabled children for continued eligibility, and about $100 million a year thereafter because of the permanent requirement for additional CDRs. SSA would save small amounts of money (less than $5 million a year) from processing fewer benefit checks. Extra administrative costs are expected to total $0.3 billion in 1996 and $0.1 billion a year thereafter.

Title IV: Child support enforcement

Title IV would change many aspects of the operation and financing of the federal and state child support enforcement system. CBO estimates that the change in spending relative to current law would fluctuate between net costs or net savings of $100 million annually over the seven-year estimation period (see Table 3). The key provisions of Title IV would mandate the use of new enforcement techniques with a potential to increase collections, eliminate a current $50 payment to welfare recipients for whom child support is collected, allow former public assistance recipients to keep a greater share of their child support collections, and authorize new spending on automated systems. Similar to current law, the bill would require that states share with the federal government child

support collected on behalf of families who receive cash assistance through the Temporary Assistance for Needy Families Block Grant.

New enforcement techniques.—Using reports on the performance of various enforcement strategies at the state level, CBO estimates that child support collections received by families on cash assistance in 2000 would increase under the bill by roughly 12 percent over current projections (from $3.5 billion to $3.9 billion). Most of the improvement would result from the creation of a new-hire registry (designed to speed the receipt of earnings information on noncustodial parents) and provisions that would expedite the process by which states seize the assets of noncustodial parents who are delinquent in their child support payments. Some states have already applied the proposed enforcement techniques, thereby reducing the potential of improving collections further. CBO projects that the additional collections would result in savings of roughly $0.2 billion in 2000 to the federal government through shared child support collections, as well as reduced spending in food stamps and Medicaid.

Elimination of the $50 passthrough.—Additional federal savings would be generated by eliminating the current $50 passthrough. Under current law, amounts up to the first $50 in monthly child support collected are paid to the family receiving cash assistance without affecting the level of the welfare benefit. Thus, families for whom noncustodial parents contribute child support get as much as $50 more a month than do otherwise identical families for whom such contributions are not made. Eliminating the $50 child support payment beginning in 1996 would save the federal government between $0.1 billion and $0.2 billion annually.

Distributing additional child support to former AFDC recipients.—H.R. 4 would require states to share more child support collections with former recipients of public assistance, reducing federal and state recoupment of prior benefit payments. When someone ceases to receive public assistance, states continue to collect and enforce the family's child support order. All amounts of child support collected on time are sent directly to the family. If a state collects past-due child support, however, it may either send the amount to the family or to use the collection to reimburse itself and the federal government for past AFDC payments. The proposal, which would take effect in fiscal year 2000, would require states to send a larger share of arrearage collections to families, which would reduce recoupment by federal and state governments. Based on a survey of child support directors, CBO estimates that this provision would cost the federal government $0.3 billion in 2000 and $0.4 billion in 2001 and 2002.

Additional provisions with budgetary implications.—A number of other provisions would increase federal outlays. First, H.R. 4 would fund further improvements in states' automated systems at an estimated annual cost of $0.1 billion. Second, the bill would provide about $50 million annually to provide about $50 million annually to provide technical assistance to states and to operate a computer system designed to locate non-custodial parents. Third, the bill would change federal cost sharing in enforcing child support. Although individual states would see their share of federal funds

change relative to current law, CBO estimates that the new funding formula would be cost neutral from the federal standpoint.

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The pay-as-you-go effects of the bill are as follows.

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Outlays	0	−954	−4,376	−5,637
Receipts	0	0	0	0

8. Estimated cost to State and local governments: In general, H.R. 4 mandates no new or additional spending by state and local governments and gives those governments the freedom to cut back on some spending that they already incur. It is impossible that state and local government will opt to spend more on certain activities, but that choice would be up to them.

Title I of H.R. 4 would change the structure of federal funding for cash assistance and job training for recipients of welfare benefits. THe bill would repeal the federal entitlement for these programs to individuals and would allow states to spend a specified amount of federal money provided in a block grant with a greater degree of flexibility. To the extent that demand or eligibility for these programs increases above the level of federal funding, states could choose to increase their own spending to keep pace or could reduce the amount of benefits or limit eligibility to maintain current levels of spending.

Title III's provisions, which would affect the SSI program, likewise could increase or decrease state and local spending, depending on a variety of factors. State and local government spending for legal immigrants would automatically be reduced by limiting aliens' eligibility for two programs: SSI (which is typically supplemented by states) and Medicaid. Legal immigrants cut off from federal benefits, however, might turn to state- and locally-funded general assistance (GA) and general medical assistance (GMA) programs instead, raising the demand for such benefits. Elsewhere, the bill permits but does not require states to deny benefits under the new family assistance block grant to legal aliens.

The proposed removal of drug addicts and alcoholics from the SSI and Medicaid rolls would probably boost demand for general assistance payments but trim states' costs for Medicaid and for SSI supplements, with uncertain overall effects. Cutbacks in cash SSI benefits to disabled children will probably increase demands on state and local welfare programs, but those are extensively restructured by Title I in a way that affords states great latitude.

Title IV would increase child support collections and reduce the reliance on welfare for certain families. CBO estimates the provisions would reduce state and local spending by $0.3 billion in 2002.

9. Estimate comparison: None.

10. Previous CBO estimate: On March 31, 1995, CBO issued an estimate of H.R. 4 as passed by the House of Representatives. Comparisons between the House-passed version of H.R. 4 and this substitute are difficult to make because this bill amends only programs

under the jurisdiction of the Committee on Finance (AFDC, Supplemental Security Income, Foster Care, Medicaid, and Child Support Enforcement). The House-passed bill also addressed the Food Stamp program, Child Nutrition programs, and the Child Care and Development Block Grant. The following outlines the key modifications to the House bill made by the Committee on Finance.

Titles I and II: Temporary assistance for needy families block grant and JOBS modification

The Temporary Assistance for Needy Families Block Grant is funded at a higher level in the Finance Committee substitute ($16.8 billion rather than $15.4 billion a year). The difference stems from two sources. First, the Finance version includes $1.0 billion for three AFDC-related child care programs. The House provided for such funding in a separate, discretionary child care block grant. Second, the Finance Committee provides an additional $0.4 billion for the AFDC and JOBS programs.

In addition, the Finance Committee amended the House-proposed adjustments to the block grant, dropping the population adjustment and eliminating the adjustments based on the so-called illegitimacy ratio. The federal loan fund is increased from $1.0 billion to $1.7 billion.

Finally, the Finance Committee struck a number of requirements in the House-passed version that would prohibit states from providing cash assistance to children born while their mothers were receiving welfare and to families headed by a mother who is under age 18 and who gave birth outside of marriage.

Title III: Supplemental Security Income

Restricting benefits for aliens.—H.R. 4, as reported by the Committee on Finance, would save more money by restricting SSI benefits for aliens than would its counterpart passed by the House. That is chiefly because the House bill contains two significant exemptions—namely, for legal aliens who are 75 years of age or older or who are developmentally disabled—that are absent in this version. In contrast, the Finance Committee's bill exempts another group (Social Security recipients who have paid enough in taxes to collect benefits on their own record) that would not be spared by the House. Although that is a large group, its average SSI benefit is much lower than that for other aliens, and thus the exemption is not particularly costly. CBO assumes that there would be a stronger incentive for aged aliens to become naturalized under the Finance Committee's version. Under the House-passed bill, many elderly aliens could simply wait until age 75 to claim SSI benefits. Since that possibility is blocked in the Senate bill, naturalization would be the only way to obtain benefits.

H.R. 4, as passed by the House, would bar most legal aliens from the Medicaid and food stamp programs as well as from SSI. Those provisions are absent in the Finance Committee-reported bill.

Restricting benefits for drug addicts and alcoholics.—This bill and the House-passed act have nearly identical restrictions on the eligibility of drug addicts and alcoholics for SSI. The House approved a provision adding $100 million a year in budget authority

beginning in 1997 to drug treatment and research programs. This bill has no comparable provision.

Restricting benefits for certain disabled children.—Both the House-passed and Finance Committee-reported bills would limit the provision of SSI benefits to disabled children by repealing IFAs and tightening eligibility. The greatest contrast lies in the two bills' emphasis on cash payments versus services. The House bill would steer most children seeking SSI in the future toward noncash benefits. It would set up a program of block grants to states enabling them to offer services (chosen from a list authorized by the Commissioner of Social Security) to disabled children. All qualified children would be entitled to an evaluation of their need for services, but no child would be entitled to a specific level or value of services. The total amount of the block grant would be set at just under 75 percent of the amount of cash benefits for which it would substitute. SSA could award cash benefits to future applicants only if it were convinced that the child would otherwise be institutionalized. In contrast, the Finance bill would retain cash benefits for disabled children.

Title IV: Child support enforcement

The differences between this substitute and the House-passed version are technical in nature and would have no effect on the federal budget. CBO's estimate of this substitute differs from that of the House bill because CBO has revised its estimate of the proposal to distribute additional child support to former AFDC recipients. Information from states that was available to CBO at the time of the House's action suggested that the policy would result in only modest federal and state costs. Subsequent analyses by states in early May indicate the proposal would be more costly than previously estimated.

Child protection

The major difference between the Finance Committee substitute and the House-passed version is that the House bill would transform Foster Care, Adoption Assistance, and other child welfare programs into a block grant. The House-passed version saved between $0.3 billion and $0.8 billion in Child Protection programs annually. The finance Committee's bill does not amend Child Protection programs.

11. Estimate prepared by: John Tapogna and Sheila Dacey (Titles I, II and IV), Kathy Ruffing (Title III), and Robin Rudowitz (Medicaid).

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

SUMMARY TABLE.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, As reported by the Senate Committee on Finance

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002	1996–2000 total	1996–2000 total
Title I: Temporary Assistance for Needy Families Block Grant									
Direct spending:									
Budget Authority	(557)	(998)	(1,429)	(1,713)	(2,065)	(2,355)	(2,650)	(6,762)	(11,767)
Outlays	(473)	(943)	(1,384)	(1,678)	(2,030)	(2,312)	(2,615)	(6,508)	(11,435)
Title II: Jobs Program									
Direct spending:									
Budget authority	0	0	0	0	0	0	0	0	0
Outlays	0	0	0	0	0	0	0	0	0
Title III: Supplemental Security Income									
Direct spending:									
Budget authority	(547)	(3,419)	(4,221)	(4,459)	(5,006)	(4,427)	(5,102)	(17,652)	(27,181)
Outlays	(405)	(3,375)	(4,241)	(4,432)	(4,985)	(4,406)	(5,082)	(17,438)	(26,926)
Authorizations of appropriations:									
Budget authority	300	125	100	100	100	100	100	NA	NA
Outlays	300	125	100	100	100	100	100	NA	NA
Title IV: Child Support									
Direct spending:									
Budget authority	(76)	(58)	(12)	(93)	112	(20)	(53)	(127)	(200)
Outlays	(76)	(58)	(12)	(93)	112	(20)	(53)	(127)	(200)
Totals: Titles I–IV:									
Direct spending:									
Budget authority	(1,180)	(4,475)	(5,662)	(6,265)	(6,959)	(6,802)	(7,805)	(24,541)	(39,148)
Outlays	(954)	(4,376)	(5,637)	(6,203)	(6,903)	(6,738)	(7,750)	(24,073)	(38,561)
Authorizations of appropriations:									
Budget authority	300	125	100	100	100	100	100	NA	NA
Outlays	300	125	100	100	100	100	100	NA	NA

Notes.—Numbers in parentheses are negative numbers.
Rows and columns may not add because of rounding.
NA=not available.

Note.—H.R. 4 creates a new block grant of temporary assistance for needy families and specifies funding levels through fiscal year 2000. CBO's estimates for 2001 and 2002 assume that the level of the block grant will remain the same as in 2000.

TABLE 1.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLES I AND II TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT AND JOBS, AS REPORTED BY THE SENATE COMMITTEE ON FINANCE

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Repeal AFDC, Emergency Assistance, JOBS, and Child Care Programs							
Family support payments:							
Budget authority	(17,454)	(17,855)	(18,311)	(18,845)	(19,437)	(20,027)	(20,622)
Outlays	(17,194)	(17,800)	(18,266)	(18,810)	(19,402)	(19,992)	(20,587)
Food Stamp Program: [1]							
Budget authority	50	175	300	450	625	825	1,025
Outlays	50	175	300	450	625	825	1,025

TABLE 1.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLES I AND II TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT AND JOBS, AS REPORTED BY THE SENATE COMMITTEE ON FINANCE—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Medicaid:							
Budget authority	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Outlays	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Authorize Temporary Family Assistance Block Grant							
Family support payments:							
Budget authority	16,787	16,787	16,787	16,787	16,787	16,787	16,787
Outlays	16,619	16,787	16,787	16,787	16,787	16,787	16,787
Evaluation of Block Grant							
Family support payments:							
Budget authority	10	10	10	10	10	0	0
Outlays	2	10	10	10	10	8	0
Penalties for State Failure to Meet Work Requirements							
Family support payments:							
Budget authority	0	0	0	0	(50)	(50)	(50)
Outlays	0	0	0	0	(50)	(50)	(50)
Incentive for States to Pay Foster Care rather than AFDC Benefits							
Foster Care Program:							
Budget authority	0	0	0	10	25	35	45
Outlays	0	0	0	10	25	35	45
Incentive for States to Fund Training through the Food Stamp Employment and Training Program							
Food Stamp Program: [1]							
Budget authority	0	0	0	100	200	300	400
Outlays	0	0	0	100	200	300	400
Denial of Benefits to Persons who Misrepresent Residence							
Food Stamp Program: [1]							
Budget authority	0	(5)	(5)	(5)	(5)	(5)	(5)
Outlays	0	(5)	(5)	(5)	(5)	(5)	(5)
Hold States Harmless for Cost-Neutrality Liabilities							
Family support payments:							
Budget authority	50	0	0	0	0	0	0
Outlays	50	0	0	0	0	0	0
Impose Five-Year Deeming of Sponsors' Income and Resources							
Medicaid:							
Budget authority	0	(110)	(210)	(220)	(220)	(220)	(230)
Outlays	0	(110)	(210)	(220)	(220)	(220)	(230)
Total Titles I and II, by account:							
Family Support Payments:							
Budget authority	(607)	(1,058)	(1,514)	(2,048)	(2,690)	(3,290)	(3,885)
Outlays	(523)	(1,003)	(1,469)	(2,013)	(2,655)	(3,247)	(3,850)
Food Stamp Program:							
Budget authority	50	170	295	545	820	1,120	1,420
Outlays	50	170	295	545	820	1,120	1,420
Medicaid: [2]							
Budget authority	0	(110)	(210)	(220)	(220)	(220)	(230)
Outlays	0	(110)	(210)	(220)	(220)	(220)	(230)

TABLE 1.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLES I AND II TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT AND JOBS, AS REPORTED BY THE SENATE COMMITTEE ON FINANCE—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Foster Care Program:							
Budget authority	0	0	0	10	25	35	45
Outlays	0	0	0	10	25	35	45
Total, all accounts:							
Budget authority	(557)	(998)	(1,429)	(1,713)	(2,065)	(2,355)	(2,650)
Outlays	(473)	(943)	(1,384)	(1,678)	(2,030)	(2,312)	(2,615)

[1] Estimate assumes the Food Stamp program is an open-ended entitlement.
[2] Medicaid savings shown for Title I reflect only the effect of imposing a 5-year sponsor-to-alien deeming requirement. Other language in Title I, intended to hold Medicaid beneficiaries harmless from the switch to temporary assistance for needy families, has unclear effects on the Medicaid program. States may implement such provisions in a number of ways potentially resulting in small costs, small savings, or budget neutrality. The impact of the legislation would be largely determined by the implementing regulations.

Note.—H.R 4 creates a new block grant of temporary assistance for needy families and specifies funding levels through fiscal year 2000. CBO's estimates for 2001 and 2002 assume that the level of the block grant will remain the same as in 2000.

TABLE 2.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLE III SUPPLEMENTAL SECURITY INCOME, As reported by the Senate Committee on Finance

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Restricting Benefits for Legal Aliens							
Supplemental Security Income:							
Budget authority	(170)	(2,190)	(2,710)	(2,710)	(2,900)	(2,470)	(2,760)
Outlays	(170)	(2,190)	(2,710)	(2,710)	(2,900)	(2,470)	(2,760)
Medicaid: [1]							
Budget authority	(10)	(180)	(230)	(240)	(260)	(270)	(290)
Outlays	(10)	(180)	(230)	(240)	(260)	(270)	(290)
Food Stamps: [2]							
Budget authority	20	270	335	335	330	335	340
Outlays	20	270	335	335	330	335	340
Drug Addicts and Alcoholics [3]							
Supplemental Security Income-Benefits:							
Budget authority	(29)	(200)	(215)	(249)	(260)	(230)	(280)
Outlays	(29)	(200)	(215)	(249)	(260)	(230)	(280)
Supplemental Security Income-Referral and Monitoring Costs:							
Budget authority	(142)	(186)	(166)	(193)	(214)	(235)	(255)
Outlays	0	(142)	(186)	(166)	(193)	(214)	(235)
Medicaid:							
Budget authority	(12)	(81)	(89)	(108)	(117)	(125)	(136)
Outlays	(12)	(81)	(89)	(108)	(117)	(125)	(136)
Food Stamps: [2]							
Budget authority	3	25	30	30	30	30	35
Outlays	3	25	25	30	30	30	35
Disabled Children [2]							
Supplemental Security Income Benefits:							
Budget authority	(242)	(1,022)	(1,371)	(1,549)	(1,865)	(1,732)	(2,056)
Outlays	(242)	(1,022)	(1,371)	(1,549)	(1,865)	(1,732)	(2,056)
Food Stamps: [2]							
Budget authority	35	145	200	225	250	270	300
Outlays	35	145	200	225	250	270	300
Additional administrative costs (authorization of appropriations)							
Supplemental Security Income:							
Budget authority	300	125	100	100	100	100	100
Outlays	300	125	100	100	100	100	100

TABLE 2.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLE III SUPPLEMENTAL SECURITY INCOME, As reported by the Senate Committee on Finance—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Total Title III, by account:							
Supplemental security income:							
Budget authority	(583)	(3,598)	(4,462)	(4,701)	(5,239)	(4,667)	(5,351)
Outlays	(441)	(3,554)	(4,482)	(4,674)	(5,218)	(4,646)	(5,331)
Medicaid:							
Budget authority	(22)	(261)	(319)	(348)	(377)	(395)	(426)
Outlays	(22)	(261)	(319)	(348)	(377)	(395)	(426)
Food Stamps: [2]							
Budget authority	58	440	560	590	610	635	675
Outlays	58	440	560	590	610	635	675
Total, all accounts (direct spending):							
Budget authority	(547)	(3,419)	(4,221)	(4,459)	(5,006)	(4,427)	(5,102)
Outlays	(405)	(3,375)	(4,241)	(4,432)	(4,985)	(4,406)	(5,082)
Authorization of appropriations:							
Supplemental Security Income:							
Budget authority	300	125	100	1000	100	100	100
Outlays	300	125	100	1000	100	100	100

[1] The proposal would not bar aliens explicity from Medicaid. However, some aliens would lose Medicaid coverage by virtue of losing their SSI eligibility.
[2] Estimate assumes the Food Stamp program is an open-ended entitlement.
[3] Proposal could increase number of individuals participating in the Temporary Assistance for Needy Families block grant; however, such an increase would not affect federal spending.

TABLE 3.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLE IV CHILD SUPPORT ENFORCEMENT—AS REPORTED BY THE SENATE COMMITTEE ON FINANCE [1]

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
New Enforcement Techniques							
State directory of new hires:							
Family support payments	0	0	11	(9)	(13)	(18)	(19)
Food Stamp Program	0	0	(2)	(10)	(15)	(22)	(23)
Medicaid	0	0	(8)	(18)	(31)	(46)	(52)
Subtotal	0	0	2	(37)	(59)	(86)	(93)
State laws providing expedited enforcement of child support:							
Family support payments	0	0	0	(18)	(38)	(60)	(84)
Food Stamp Program	0	0	0	(6)	(14)	(22)	(30)
Medicaid	0	0	0	(6)	(14)	(24)	(37)
Subtotal	0	0	0	(31)	(66)	(106)	(152)
State laws concerning paternity:							
Family support payments	0	(17)	(18)	(20)	(22)	(24)	(26)
Food Stamp Program	0	(3)	(3)	(4)	(4)	(4)	(5)
Medicaid	0	(2)	(2)	(3)	(3)	(4)	(5)
Subtotal	0	(22)	(24)	(26)	(29)	(32)	(36)
Suspend drivers' licenses:							
Family support payments	0	(8)	(17)	(27)	(37)	(39)	(41)
Food Stamp Program	0	(2)	(5)	(8)	(12)	(12)	(13)
Medicaid	0	(2)	(4)	(6)	(10)	(11)	(12)
Subtotal	0	(12)	(26)	(41)	(59)	(62)	(66)
Adoption of uniform State laws:							
Family support payments	0	10	2	(8)	(13)	(18)	(24)

TABLE 3.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLE IV CHILD SUPPORT ENFORCEMENT—AS REPORTED BY THE SENATE COMMITTEE ON FINANCE [1]—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Food Stamp Program	0	0	(1)	(3)	(5)	(7)	(9)
Medicaid	0	0	(2)	(4)	(7)	(11)	(16)
Subtotal	0	10	(1)	(15)	(25)	(36)	(49)
Subtotal, New Enforcement	.....	(23)	(49)	(151)	(239)	(323)	(396)
Eliminate $50 passthrough:							
Family support payments	(250)	(270)	(290)	(320)	(360)	(390)	(420)
Food Stamp Program	130	140	150	170	190	200	200
Medicaid	0	0	0	0	0	0	0
Subtotal	(120)	(130)	(140)	(150)	(170)	(190)	(200)
Distribute child support arrears to former AFDC families first:							
Family support payments	0	0	0	0	360	420	470
Food Stamp Program	0	0	0	0	(60)	(70)	(80)
Medicaid	0	0	0	0	0	0	0
Subtotal	0	0	0	0	300	350	390
Other Provisions with budgetary implications							
Automated data processing development:							
Family support payments	0	28	59	84	84	5	0
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	0	28	59	84	84	5	0
Automated data processing operation and maintenance:							
Family support payments	3	12	55	52	52	46	40
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	3	12	55	52	52	46	40
Technical assistance to State programs:							
Family support payments	36	47	51	55	60	56	60
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	36	47	51	55	60	56	60
State obligation to provide services:							
Family support payments	0	0	0	3	11	22	39
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	0	0	0	3	11	22	39
Federal and State reviews and audits:							
Family support payments	0	3	3	3	3	3	3
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	0	3	3	3	3	3	3
Performance-based incentives:							
Family support payments	0	0	0	0	0	0	0
Food Stamp Program	0	0	0	0	0	0	0

10. Section 110.—Effective date; transition rule

The provisions and amendments made by Title I of the Committee bill are generally effective on October 1, 1995. States may elect to continue their present law AFDC programs until March 31, 1996, and the State Family Assistance Grant for fiscal year 1996 will be reduced by the amount of Federal payments made before April 1, 1996.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM (AND TITLE I—WORK REQUIREMENTS)

Present law

The Family Support Act of 1988 established a new program, the Job Opportunities and Basic Skill Training Program (JOBS), to help needy families with children obtain the education, training and employment needed to avoid long-term welfare dependence. A JOBS program is currently operated in all 50 States, the District of Columbia, and three territories (Guam, Puerto Rico, and the U.S. Virgin Islands). In addition, Indian tribes and Alaska Native organizations can operate a JOBS program and receive funds directly from the Federal Government.

States must make available a range of services and activities under the JOBS program. States are required to offer:

(1) Educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency;

(2) Job skills training;

(3) Job readiness activities to help prepare participants for work; and

(4) Job development and job placement.

States are also required to offer at least two of the following:

(1) Group and individual job search;

(2) On-the-job training;

(3) Work supplementation programs; and

(4) Community work experience programs (CWEP) or other approved work experience programs.

States may offer postsecondary education in appropriate cases and such other education, training, and employment activities.

A work assignment under the JOBS program must not result in the:

(1) Displacement of any currently employed worker or position;

(2) Impairment of contracts for services or collectively bargained agreements;

(3) Filling of a position when an employee has been laid off from an equivalent position or when an employer has reduced its work force to create a vacancy for a subsidized worker; and

(4) Filling of any established position vacancy.

To the extent resources are available, a State must require non-exempt AFDC recipients to participate in the JOBS program.

States must guarantee child care for AFDC recipients who need care for children under age 6 in order to engage in JOBS activities.

Recipients exempt from participation in the JOBS program are those who are:

(1) A parent or other relative caring for a child under age 3 (younger at State option);

(2) A parent or other relative caring for a child under age 6 if the State does not guarantee child care;

(3) Employed 30 hours or more a week;

(4) Under age 16 attending school full time;

(5) Pregnant women past their first trimester;

(6) Living in areas where the program is not available;

(7) Ill, incapacitated, or of advanced age; and

(8) Needed in the home because of the illness or incapacity of another household member.

The Congressional Budget Office estimates that 60 percent of the AFDC caseload is exempt from participating in the JOBS program.

Beginning with FY 1990, a State must meet specified participation rates—i.e., a specified percentage of all non-exempt recipients must participate in the JOBS program for at least 20 hours weekly. Job search activities do not count as participation after the first 4 months of receiving benefits. The participation rate was set at 7 percent in FY 1990 and has risen to 20 percent by FY 1995. This participation requirement expires at the end of FY 1995.

In addition, a State must meet specified participation rates for two-parent families. At least one parent in a two-parent family must participate at least 16 hours weekly in a work experience program, a work supplementation program, on-the-job training, or a State-designed work program (or educational activities for a parent under age 25 without a high school diploma). The participation rate for two-parent families is 50 percent for FY 1995; 60 percent for FY 1996; and 75 percent for FY 1997 and 1998. This participation requirement expires at the end of FY 1998.

Five States are allowed to offer JOBS activities to non-custodial parents.

Reasons for change

The Committee believes that the most effective way to escape welfare and become self-sufficient is through employment. Able-bodied adults should not be allowed to stay on welfare year after year without working. However, because of exemptions and weak participation standards, less than 10 percent of welfare recipients now participate in some type of job readiness or work activity under the JOBS program. The Committee bill addresses this problem by strengthening participation requirements and modifying the JOBS program to give States more flexibility in offering employment activities to welfare recipients.

Summary of principal provisions

States must continue to have a JOBS program to be eligible to receive funds under the Temporary Family Assistance grant. Federal funding for the JOBS program is included in the State Family Assistance Grant. Indian tribes and Alaska Native organizations

currently operating a JOBS program may continue to receive Federal funding (at FY 1994 levels) directly for that purpose.

The JOBS program is modified to give States more flexibility in offering JOBS activities. States may offer any combination of present law JOBS activities (instead of the six mandatory activities). Requirements for job search and work supplementation are streamlined. New JOBS activities are authorized for community service programs approved by the State and job placement voucher programs. All States are allowed to open their JOBS program to non-custodial parents. A work assignment under the JOBS program may fill an established unfilled position vacancy.

States must guarantee child care for recipients who need care for children under age 6 in order to participate in JOBS activities.

States must meet new minimum participation requirements based on the entire caseload:

Fiscal year:	*Percent*
1996	25
1997	30
1998	35
1999	40
2000	45
2001 and thereafter	50

Participation rates are measured by averaging monthly participation rates for a year. The monthly participation rate is equal to the number of recipient families in which at least one parent is engaged in JOBS program activities (job search is limited to the first 4 weeks) for at least 20 hours per week in a month divided by the total number of recipient families that received cash benefit for the month. For FY 1996, 1997 and 1998, States have the option to compute these participation rates using present law exemptions. After FY 1998, no exemptions will be allowed in computing participation rates.

Beginning with FY 1996, participation for two-parent families means that one parent in a two-parent family must participate in work activities for at least 30 hours a week. In addition, the participation rate for two-parent families will be increased to 90 percent for FY 1999 and thereafter.

States may reduce or terminate assistance for families who refuse to participate in JOBS program activities.

States not meeting the required participation rates in a fiscal year will have their grant reduced by up to 5 percent the succeeding fiscal year.

The Secretary of HHS is to conduct research on the cost/benefit of the JOBS program and to evaluate promising State approaches to employing welfare recipients. The Secretary of HHS must also rank the States in order of their success in moving recipients into long-term private sector jobs, and review the three most and three least successful programs. The Department of Health and Human Services will develop these rankings based on data collected under the bill.

TITLE III—SUPPLEMENTAL SECURITY INCOME

General description

The Supplemental Security Income (SSI) program was established by the 1972 amendments to the Social Security Act to provide cash assistance to needy aged (age 65 and over), blind, and disabled individuals. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or last at least 12 months. The SSI program is entirely funded by the Federal Government (States may provide supplemental payments).

SUBTITLE A—ELIGIBILITY RESTRICTIONS

1. Section 301.—Denial of SSI benefits by reason of disability to drug addicts and alcoholics.

Present law

Individuals whose drug addiction or alcoholism is a contributing factor material to their disability are eligible to receive SSI cash benefits for up to 3 years if they meet SSI income and resource requirements. These recipients must have a representative payee, must participate in an approved treatment program when available and appropriate, and must allow their participation in a treatment program to be monitored. Medicaid benefits continue beyond the 3-year limit unless the individual was expelled from SSI for failure to participate in a treatment program.

Reasons for change

The number of SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability has grown from 5,000 in 1985 to 101,000 in 1994. Costs have risen from $14 million in 1985 to $433 million in 1994. The Committee believes this trend is inappropriately diverting scarce Federal resources from severely disabled individuals and is providing a perverse incentive, contrary to the long-term interests of alcoholics and addicts, by providing them with cash payments so long as they do not work.

Summary of principal provisions

An individual will no longer be considered disabled for the SSI program if alcoholism or drug addiction is a contributing factor material to the individual's disability.

2. Section 302.—Limited eligibility of noncitizens for SSI benefits

Present law

Aged, blind, and disabled noncitizens can qualify for SSI cash benefits if they meet SSI income and resource requirements. In determining a noncitizen's income and resources, the income and resources of a sponsor is deemed to be those of the noncitizen for 5 years after the noncitizen lawfully entered the United States.

Reasons for change

Except for asylees and refugees, noncitizens granted entry into the United States stipulate that they will be self-sufficient while living in the United States and will not become a public charge. Notwithstanding this stipulation, the number of noncitizens receiving SSI cash benefits have grown dramatically in the last decade from 240,000 in 1986 to 740,000 in 1994. Costs have risen from $684 million in 1986 to $2.9 billion in 1994. The Committee believes that noncitizens should abide to the condition of self-sufficiency under which they gained entry into the United States. Limiting SSI eligibility for noncitizens who have not worked in the United States for significant time periods will ensure that scarce Federal resources will continue to be available to needy citizens.

Summary of principal provisions

Noncitizens will no longer be eligible to qualify for SSI cash benefits unless they have worked in the United States for a sufficient period to qualify for Social Security disability income (20 quarters of work) or old age benefits (40 quarters of work). Noncitizens who entered the United States as an asylee or refugee will be eligible for SSI cash benefits for up to 5 years after entering the United States (if they otherwise meet the SSI program requirements). Noncitizens who served in the United States Armed Forces and their spouses and dependent children will also be eligible for SSI cash benefits.

3. Section 303.—Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in two or more States

An individual who is convicted in a Federal or State court of having made a fraudulent statement or representation with respect to the place of such individual's residence in order to receive assistance or benefits simultaneously from two or more States under programs under Titles IV, XVI, or XIX, or the Food Stamp Act of 1977 is not eligible to receive SSI benefits for 10 years beginning with the date of conviction.

4. Section 304.—Denial of SSI benefits for fugitive felons and probation and parole violators

An individual who is a fugitive felon or who is violating probation or parole is not eligible to receive SSI benefits

5. Section 305.—Effective dates; application to current recipients

The eligibility changes to the SSI program are generally effective for months beginning on or after the date of enactment of the Committee bill.

Individuals receiving SSI cash benefits on the date of enactment who will no longer qualify for SSI because of alcoholism or drug addiction or because of noncitizen status will continue to receive SSI cash benefits until January 1, 1997 (if the individual otherwise continues to be eligible). The Social Security Administration must notify such individuals of the change in law within 90 days after the date of enactment. An individual so notified who wishes to reapply

for SSI benefits on another basis must reapply to the Commissioner of Social Security within 4 months after the date of enactment and the Commissioner must make a determination of such individual's eligibility within 1 year after the date of enactment.

SUBTITLE B—BENEFITS FOR DISABLED CHILDREN

Present law

There is no definition of childhood disability in statute. Instead, a needy individual under age 18 is determined eligible for SSI "if he suffers from any medically determinable physical or mental impairment of comparable severity" with that of an adult considered disabled and eligible for SSI benefits.

Under current disability evaluation procedures, the Social Security Administration begins by collecting information about an individual's impairments(s) and ability to function from many sources, including, as appropriate, parents, physicians, psychologists, other health professionals, and teachers. With this information, the Social Security Administration first decides if the impairment(s) of an individual under age 18 "meets or equals" an impairment in the "Listing of Impairments"—over 100 specific physical or mental conditions relating to individuals under age 18 described in regulations. If an individual does not have a listed impairment, the Social Security Administration next determines if the individual's impairment is of sufficient severity to equal a listing. If indicated, the Social Security Administration may also consider whether the combined effect of all impairments are of sufficient severity to be disabling (regardless of whether any single impairment is severe enough to meet a listing), or whether an individual's overall functional limitations resulting from his or her impairment(s) are of sufficient severity to be disabling.

If the Social Security Administration finds that the impairment(s) of an individual under age 18 cannot meet or equal the Listing as described above, it applies another set of disability evaluation rules, an "individualized functional assessment" (IFA).

Current law provides for continuing disability reviews of current recipients to ensure that such individuals remain disabled. Under the Social Security Independence and Program Improvements Act of 1994 (P.L. 103–296), beginning on October 1, 1995, the Commissioner of Social Security is required to conduct at least 100,000 continuing disability reviews each year of disabled SSI recipients. The provision expires on October 1, 1998.

Reasons for change

The Committee believes the provisions of the Committee bill are the minimum changes needed to restore Congressional and public confidence in the children's SSI program and to preserve the program for families with children with severe disabilities.

The Committee is concerned about significant program growth experienced in recent years. Over the last 5 years the SSI rolls have grown from 300,000 to over 900,000 children, and costs have increased from $1.5 billion to $4.5 billion. Although a significant amount of this growth followed from Congressional mandates to the Social Security Administration, e.g., to conduct outreach pro-

grams to locate children eligible for the program and to improve the Listing for mental impairments, other growth resulted from regulations issued in 1991 establishing the IFA that liberalized the eligibility regulations beyond Congressional intent. Substantial further growth in this program is projected.

The lack of a childhood disability definition is a fundamental defect in the current statute, and has led to substantial confusion over program eligibility. The Social Security Administration has been required to translate what are essentially two definitions of adult work disability in statute into a childhood disability definition.

The Committee bill establishes a statutory definition of childhood disability. By this definition, the Committee intends that only needy children with severe disabilities be eligible for children's SSI. The Committee believes that the Listing and the other disability determination regulations as modified by the Committee bill properly reflect the severity of disability contemplated by the statutory definition. In those areas of the Listing that involve domains of functioning, the Committee expects no less than two marked impairments as the standard for qualification. The Committee suggests the Social Security Administration revisit the Listing, as appropriate, to ensure that it meets this standard.

However, the Committee does not intend to suggest by its definition of childhood disability that every child need be especially evaluated for functional limitations, or that this definition creates a supposition for any such examination. The Committee notes that under the current procedure for writing individual listings, level of functioning is an explicit consideration in deciding which impairments, with what medical or other findings, are of sufficient severity to be included in the Listing. Nonetheless, the Committee does not intend to limit the use of functional assessments and functional information, if reflecting sufficient severity and are otherwise appropriate.

The Committee bill includes a technical change to the Listing for mental disorders. The Committee has eliminated references to maladaptive behavior in the domain of personal/behavioral function. Under the Listing for childhood mental disorders, maladaptive behavior may be counted twice in determining disability; once in the domain of personal/behavioral function, and again in the domain of social function. Under the Committee bill, such behavior may continue to be scored, but only once, and within the domain of social function. This change has been endorsed by various expert groups.

The Committee bill repeals the regulations establishing the IFA, and IFAs are no longer grounds for disability determinations. In the Committee's view, the IFA is a misnomer. Although the term conjures up images of a special kind of evaluation of a child's ability to function, such as a unique medical examination or clinical assessment by a psychologist, or perhaps special consideration of the disabling effects of multiple impairments, in reality the IFA is a set of regulations that permits individuals with modest conditions or impairments to be eligible for this program. The Committee is also aware that there is considerable confusion about the use of functional information in making disability determinations. The Com-

mittee notes that findings from functional assessments are substantially considered in the current Listing, and will continue to be. For example, a substantially improved Listing for childhood mental disorders was promulgated by the Social Security Administration in 1990, which emphasized functional assessment criteria and added new listings for certain specific conditions, such as Attention Deficit Hyperactivity Disorder (ADHD). As a disability determination methodology, the Committee also notes that the General Accounting Office in a March 1995 report sharply criticized the IFA, citing a number of fundamental flaws.

The Committee urges those who seek changes in eligibility standards or other program features to resolve such matters directly with Congress. As a general matter, it is impossible for Congress to properly oversee any program, especially an entitlement program, when rules are reinterpreted by a court and unilaterally implemented by an agency. The Committee is also deeply concerned about the false hopes such behavior creates for individuals who then expect to benefit from a program.

This circumstance certainly applies to children's SSI. As noted above, in 1991 the Social Security Administration substantially liberalized program eligibility regulations. This action was prompted by its reading of the Supreme Court decision in *Sullivan* v. *Zebley*. The *Zebley* decision was based on limited legislative history and obscure statutory language regarding the children's SSI program, which the Committee is now correcting. But the Committee notes that several relevant bills were before the Congress at the time of the *Zebley* decision, but that the Congress had not yet determined to act on any of those measures. In the future, the Committee invites the Social Security Administration to consult with it on any substantive matter to avoid such misunderstandings.

The Committee believes that the children's SSI program requires further examination. The Committee bill requires both a study of the disability determination process and a National Commission on the Future of Disability. The National Commission also has the larger purpose of examining dramatic projected growth in SSI, generally, and SSDI and the concerns of individuals with disabilities about barriers to independence and employment created by these programs.

For example, there is an ongoing controversy over the purpose of the children's SSI program. According to history of the original SSI legislation, the House Ways and Means Committee included children with disabilities in the SSI program to assist families with the extra expenses associated with their child's disability (see H. Rpt. 92–231 at 147–148). The Senate Finance Committee did not agree, believing the needs of children with disabilities were generally only greater for health care, and that most children would qualify for Medicaid (see S. Rpt. 92–1230 at 385). The Senate receded in conference.

The Committee believes this is an important issue that needs to be revisited. It is easy to imagine extra expenses for a child with a disability, and helping families with such expenses is an appropriate rationale for this program. However, the best data available indicate that for many children receiving SSI their families do not incur extra disability-related expenses on their behalf, and that SSI

is often used for general household expenses. Moreover, there is a small percentage of children who incur huge disability-related expenses barely touched by the SSI payment. These data raise fundamental questions of fairness and equity.

The Committee also believes there are many unmet needs for children with disabilities, and is aware of the controversy over whether some children would be better served by services, such as mental health treatment or purchase of items of assistive technology, rather than by cash payments. In the 23 years since the SSI program was created, substantial new programs have been created to assist children with disabilities, including Federal funding for special education and expansion of Medicaid. The impact of these programs on cash needs of children with disabilities merits careful evaluation as well.

The Committee is determined to treat fairly those current recipients affected by the rules changes, and has included explicit protection for appeal and due process procedures and a partial grandfathering (until January 1, 1997), with a hold harmless provision for any overpayments. The Committee expects the Social Security Administration to be mindful of its experience with the hazards of large scale continuing disability reviews and urges it to conduct these reviews in an orderly fashion.

Summary of principal provisions

1. Section 311.—Benefits for disabled children

Section 311 repeals the "comparable severity" test in statute for determining disability of individuals under age 18, and adds a definition of childhood disability to the statute:

> An individual under the age of 18 shall be considered disabled for the purposes of this Title if that individual has a medically determinable physical or mental impairment, which results in marked, pervasive, and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

Under the Listing that relates to mental disorders, the Social Security Administration is directed to eliminate references to maladaptive behavior in the domain of personal/behavior functioning.

For children whose eligibility for SSI may be affected by provisions of this bill, the Commissioner shall conduct a continuing disability review within 1 year after enactment. However, no individual shall be removed until such review is completed, and an individual's right to appeal and other due process procedures are preserved. Notwithstanding such review, no individual shall be removed from the rolls until January 1, 1997. A recipient shall be held harmless for any payments made until removed from the rolls.

2. Section 312.—Continuing disability reviews

The Commissioner is required to conduct a continuing disability review every 3 years for every individual under age 18 except for those individuals whose condition is not expected to improve. The

Commissioner is required to redetermine eligibility for SSI for an individual whose low birth weight is a contributing factor to that individual's disability determination no later than 12 months after birth. The Commissioner is required to redetermine eligibility for SSI for an individual who has reached 18 years of age.

3. Section 313.—Treatment requirements for disabled individuals under age 18

Each representative payee of an individual under age 18 shall ensure that a treatment plan prepared by a physician for such individual is followed, and shall file a copy of the treatment plan with the State agency that makes disability determinations.

SUBTITLE C—STUDY OF DISABILITY DETERMINATION PROCESS

1. Section 321.—Study of Disability Determination Process

The Commissioner is directed to contract with the National Academy of Sciences, or other independent entity, for a study of the disability determination procedure, of both individuals under age 18 and adults.

SUBTITLE D—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

1. Section 331.—National Commission on the Future of Disability

A National Commission on the Future of Disability is established to examine growth in the SSDI and SSI and reported barriers to employment and independence of individuals with disabilities created by these programs; and to make appropriate recommendations.

TITLE IV—CHILD SUPPORT ENFORCEMENT

Present law

The Child Support Enforcement (CSE) program was enacted in 1975 to address the problem of nonsupport of children. The 1975 legislation added a new part D to Title IV of the Social Security Act. This legislation authorized Federal matching funds to be used for locating absent parents, establishing paternity, establishing support obligation owed by the noncustodial parent, and obtaining child and spousal support. The basic responsibility for administering the program is left to the States, but the Federal Government plays a major role in funding, monitoring and evaluating State programs, providing technical assistance, and in certain instances, in giving direct assistance to the State in locating absent parents and obtaining support payments from them.

The current CSE program requires States to offer child support enforcement services for both welfare and nonwelfare families. For welfare families, services are automatic. Once an individual applies for AFDC or Medicaid the individual is required to cooperate with the State in establishing paternity and locating the father unless she is found to have good cause for refusing to cooperate. If an individual does not have a good cause for noncooperation, the family's AFDC benefit is reduced.

Applicants or recipients of AFDC must assign their rights to child or spousal support to the State. If the State collects child sup-

port from the noncustodial parent, the State and Federal government get to keep the amount of money needed to offset the costs the State and Federal government incurred because the family was on welfare. If any money is leftover, it is paid to the family. In an attempt to get individuals to cooperate, the first $50 of any amount collected goes to the family.

States that do not comply with their State child support plan face a reduction of their AFDC matching funds by 1 to 5 percent, depending on the severity of noncompliance. Penalties are suspended if the State submits a corrective action plan that is approved by the Secretary.

Reasons for change

The current child support system can be strengthened and improved to increase paternity establishment and collections of child support. An important part of child support enforcement is the ability to track a nonpaying, noncustodial parent. Because individuals can frequently change jobs to avoid paying support, a new system will be established to require employers to send to State registries information on all new hires within a specified time period. These new hire registries will match information with outstanding support orders so support orders can be enforced more quickly.

Because most of the problems in the current system stem from interstate cases, the current Federal Parent Locator Service is expanded to include information from the State registries so that support orders can be more easily matched with workers. In addition, all States are required to adopt the Uniform Interstate Family Support Act (UIFSA) so that all States have uniform laws and procedures governing child support.

Summary of principal provisions

The Committee bill strengthens child support enforcement by increasing paternity acknowledgement, establishing more support orders, and increasing child support collections through additional enforcement techniques. In addition, a new system will be established that will better track the noncustodial parent.

SUBTITLE A—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

1. Section 401.—State obligation to provide child support enforcement services

States must provide child support services to recipients of programs under the Temporary Family Assistance grant, Medicaid, and Title IV–E. In addition, child support services must be provided to individuals who apply for services.

2. Section 402.—Distribution of child support collections

The $50 passthrough to families is ended. Instead, States are given the option of passing the entire child support payment through to the family. If a State elects this option, the State must still pay the Federal share of the collection to the Federal Government. For arrearages that accrued before the custodial parent went on welfare, the money is first paid to the family if the family leaves welfare. Only after all arrearages owed to the custodial parent

have been repaid, any arrearages owed to the State and Federal Government are repaid.

3. Section 403.—Rights to notification and hearings

All individuals involved in the process of establishing or modifying child support orders must be notified and have access to a fair hearing or other formal complaint procedure.

4. Section 404.—Privacy safeguards

States must implement safeguards against unauthorized use or disclosure of information relating to proceedings to establish paternity or to enforce child support. These safeguards must include prohibitions on release of information where there is a protective order or where the State has reason to believe a party is at risk of physical or emotional harm from the other party. This provision is effective October 1, 1997.

SUBTITLE B—LOCATE AND CASE TRACKING

1. Section 411.—State case registry

States are required to collect information using automatic data processing systems. These systems must include:

(1) Each case in which an order has been entered or modified on or after October 1, 1998, and must use standard data elements such as name, Social Security number, and other uniform identification numbers;

(2) Payment records for cases being enforced by the State agency, including amount of current and past due support owed, amounts collected and distributed, birth date of the child to whom the obligation is owed, and the amount of any lien imposed by the State;

(3) Updates on case records in the State registry being enforced by the State on the basis of information received from judicial and administration actions, from proceedings, from orders relating to paternity and support, from data matches, and from other sources; and

(4) Extracts for purposes of sharing and matching with Federal and State data bases and locator services, including the Federal Parent Locator Service, and with the child support enforcement programs in other States.

2. Section 412.—Collection and disbursement of support payments

State child support agencies are required, beginning October 1, 1998, to operate a centralized, automated unit for collection and disbursement of child support under orders enforced by the child support agency. The purpose of the Disbursement Unit is to collect and disburse support payments, to generate orders and notices of withholding to employers, to keep an accurate identification of payments, to promptly distribute money to custodial parents or other States, and to furnish parents with a record of the current status of support payments. The Disbursement Unit must distribute all amounts payable within 2 business days after receiving the money and identifying information from the employer. The State Disburse-

ment Unit may be established by linking local disbursement units through an automated information network.

3. Section 413.—State directory of new hires

States are required to establish, by October 1, 1997, a State Directory of New Hires to which employers and labor organizations in the State must furnish a W–4 form for each newly hired employee. Employers must submit the W–4 form within 15 days after the date of hire or the first business day of the week following the date the employee is first paid. The employer or labor organization may submit the report magnetically, electronically, or by first class mail. Government agencies are considered employers for purposes of New Hire reporting.

An employer failing to make a timely report is subject to a $25 fine for each unreported employee. There is also a $500 penalty on employers for every employee for whom they do not transmit a W–4 form if, under the laws of the State, there is shown to be a conspiracy between the employer and the employee to prevent the proper information from being filed.

By October 1, 1997, each State Directory of New Hires must conduct automated matches of the Social Security numbers of reported employees against the Social Security numbers of records in the State Case Registry being enforced by the State agency and must report the information on matches to the State child support agency. Then, within 2 business days, the State must issue a withholding order directing the employer to withhold wages in accordance with the child support order.

In addition, within 2 working days of receiving the W–4 information from employers, the State Directory of New Hires must furnish the information to the National Directory of New Hires for matching with the records of other State case registries. The State Directory of New Hires must also report quarterly to the National Directory of New Hires information on wages and unemployment compensation (this information is taken directly from a report that States are currently required to submit to the Secretary of Labor).

The State child support agency must use the new hire information for purposes of establishing paternity as well as establishing, modifying, and enforcing child support obligations.

New hire information must also be disclosed to the Temporary Family Assistance, Medicaid, Unemployment Compensation, Food Stamp, and territorial cash assistance programs for income eligibility verification; to the Social Security Administration for use in determining the accuracy of Supplemental Security Income payments under Title XVI and in connection with benefits under Title II of the Social Security Act; to the Secretary of the Treasury for administration of the Earned Income Tax Credit program and for verification of claims concerning employment on tax returns; to State agencies administering unemployment and workers' compensation programs to assist determinations of the allowability of claims; and to researchers (but without individual identifiers) conducting studies that serve the purposes of the child support enforcement program.

4. Section 414.—Amendments concerning income withholding

Since January 1, 1994, States are required to use immediate wage withholding for all new support orders, regardless of whether a parent has applied for child support enforcement services. There are two times when this rule does not apply:

(1) One of the parents demonstrates and the court or administrative agency finds that there is good cause not to do so; or

(2) A written agreement is reached between both parents which provides for an alternative arrangement.

States must have laws providing that all child support orders issued or modified before October 1, 1996, which are not otherwise subject to income withholding, will become subject to income withholding immediately if arrearage occurs.

5. Section 415.—Locator information from interstate networks

All State and Federal child support enforcement agencies must have access to the motor vehicle and law enforcement locator systems in all States.

6. Section 416.—Expansion of the Federal Parent Locator Service

FPLS is already a central component of the Federal child support effort, and is especially useful in interstate cases. The FPLS would be expanded to include new sources of timely information that is to be used for the purposes of establishing parentage and establishing, modifying, or enforcing child support obligations and locating the custodial parent so that visitation orders can be enforced. Within the FPLS, an automated registry known as the Federal Case Registry of Child Support Orders would be established. The Federal Case Registry contains abstracts of child support orders and other information specified by the Secretary (such as names, Social Security numbers or other uniform identification numbers, State case identification numbers, wages or other income, and rights to health care coverage) to identify individuals who owe or are owed support, and the State which has jurisdiction over the case.

In addition to the Federal Case Registry, the provision establishes within the FPLS a National Directory of New Hires containing information supplied by State Directories of New Hires. When fully implemented, the Federal Directory of New Hires will contain identifying information on virtually every person who is hired in the United States. In addition, the Federal Case Registry will contain quarterly data supplied by the State Directory of New Hires on wages and unemployment compensation paid. Provisions are included in the bill to ensure accuracy and to safeguard information in the FPLS from inappropriate disclosure or use.

The Secretary is required to match data in the National Directory of New Hires against the child support order abstracts in the Federal Case Registry of Child Support Orders and to report information obtained from matches to the State child support agency responsible for the case within 2 days. The information is to be used for purposes of locating individuals to establish paternity, and to establish, modify, or enforce child support.

7. Section 417.—Collection and use of Social Security numbers for use in child support enforcement

States must have laws requiring that Social Security numbers be placed on applications and in the files for professional licenses, commercial drivers licenses, occupational licenses, marriage licenses, divorce decrees, death certificates, child support orders, and paternity determination or acknowledgement orders.

SUBTITLE C—STREAMLINING AND UNIFORMITY OF PROCEDURES

1. Section 421.—Adoption of uniform State laws

By January 1, 1997, all States must have UIFSA and the procedures required for its implementation in effect.

2. Section 422.—Improvements to full faith and credit for child support orders

The provision changes and expands the recently enacted Federal law governing full faith and credit for child support orders by adding several provisions. One provision clarifies the definition of a child's home State; another makes several revisions to ensure that full faith and credit laws can be applied consistently with UIFSA; another clarifies the rules about which child support order States must honor when there is more than one order.

3. Section 423.—Administrative enforcement in interstate cases

States are required to have laws that facilitate the enforcement of child support orders across State lines. States are required to have laws that permit them to send and receive, without registering the underlying order unless the enforcement action is contested by the obligor on the grounds of mistake of fact or invalid order. The transmission of the order itself serves as certification to the responding State of the arrears amount and of the fact that the initiating State met all procedural due process requirements. No court action is required or permitted by the responding State. In addition, each responding State must match the case against its data bases, take appropriate action if a match occurs, and send the collections, if any, to the initiating State. States must keep records of the number of requests they receive, the number of cases that result in a collection, and the amount collected. States must respond to interstate requests within 5 days.

4. Section 424.—Use of forms in interstate enforcement

The Secretary must issue standardized forms that all States must use for income withholding, for imposing liens in interstate cases, and for issuing administrative subpoenas in interstate cases. The forms must be issued by June 30, 1996, and States must begin using the forms by October 1, 1996.

5. Section 425.—State laws providing expedited procedures

States must adopt procedures to expedite both the establishment of paternity and the establishment, enforcement, and modification of support:

(1) Ordering genetic testing;
(2) Entering a default order;

(3) Issuing subpoenas to obtain information necessary to establish, modify, or enforce an order;

(4) Obtaining access to records from State and local government agencies, law enforcement records, and corrections records;

(5) Directing parties to pay support to the appropriate government entity;

(6) Ordering income withholding;

(7) Securing assets to satisfy arrearages by intercepting or seizing periodic or lump-sum payment from States or local agencies; these payments include unemployment compensation, workers' compensation, judgments, settlements, lottery winnings, assets held by financial institutions, and public and private retirement funds; and

(8) Increasing automatically the monthly support due to include amounts to offset arrears.

SUBTITLE D—PATERNITY ESTABLISHMENT

1. Section 431.—State laws concerning paternity establishment

States must strengthen their paternity establishment laws by requiring that paternity may be established until the child reaches age 21 and by requiring the child and all other parties to undergo genetic testing upon the request of a party, where the request is supported by a sworn statement establishing a reasonable possibility of parentage or nonparentage. When the tests are ordered by the State agency, States must pay for the costs, subject to recoupment at State option from the father if paternity is established.

States must have procedures that: create a simple civil process for establishing paternity under which benefits, rights and responsibilities of acknowledgement are explained to unwed parents; establish a paternity acknowledgement program through hospitals and birth record agencies (and other agencies as designated by the Secretary) and that require the agencies to use a uniform affidavit developed by the Secretary that is entitled to full faith and credit in any other State; create a signed acknowledgement of paternity that is considered a legal finding of paternity, unless rescinded within 60 days, and thereafter may be challenged in court only on the basis of fraud, duress, or material mistake of fact; allow minors who sign a voluntary acknowledgement to rescind it until age 18 or the date of the first proceeding to establish a support order, visitation, or custody rights; and provide that no judicial or administrative proceedings are required or permitted to ratify an acknowledgement which is not challenged by the parents.

States must also have procedures for admitting into evidence accredited genetic tests, unless any objection is made within a specified number of days, and if no objection is made, clarifying that test results are admissible without the need for foundation or other testimony; creating a rebuttable or, at State option, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child; requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any ad-

ditional showing required by the State law; providing that parties in a contested paternity action are not entitled to a jury trial; requiring issuance of an order for temporary support, upon motion of a party, pending an administrative or judicial determination of parentage, where paternity is indicated by genetic testing or other clear and convincing evidence; providing that bills for pregnancy, childbirth, and genetic testing are admissible without foundation testimony; ensuring that putative fathers have a reasonable opportunity to initiate paternity action; and providing for voluntary acknowledgements and adjudications of paternity to be filed with the State registry of birth records for data matches with the central registry established by the State.

The Secretary is required to develop an affidavit to be used for voluntary acknowledgement of paternity which includes the Social Security number of each parent.

2. Section 432.—Outreach for voluntary paternity establishment

States will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate.

3. Section 433.—Cooperation by applicants for and recipients of temporary family assistance

Individuals who apply for or receive public assistance under the Temporary Family Assistance Program must cooperate with child support enforcement efforts by providing specific identifying information about the other parent, unless the applicant or recipient is found to have good cause for refusing to cooperate. "Good cause" is defined by States. States may also require the applicant and child to submit to genetic testing. Responsibility for determining failure to cooperate is shifted from the agency that administers the Temporary Family Assistance Program to the agency that administers the child support program.

SUBTITLE E—PROGRAM ADMINISTRATION AND FUNDING

1. Section 441.—Federal matching payments

The Committee bill maintains the Federal matching payment for child support activities at 66 percent.

2. Section 442.—Performance-based incentives and penalties

Beginning in 1999, a new incentive system will be put in place. This system will reward good State performance by increasing the State's basic matching rate of 66 percent by adding up to 12 percentage points for outstanding performance in establishing paternity and by adding up to an additional 12 percentage points for overall performance. The Secretary will design the specific features of the system and, in doing so, will maintain overall Federal reimbursement of State programs through the combined matching rate and incentives at the level projected for the current combined matching and incentive payments to States.

The minimum paternity establishment ratio is either 90 percent or:

(a) If the State paternity establishment ratio is between 50 percent and 90 percent for the fiscal year, the paternity establishment ratio of the State for the immediately preceding fiscal year plus 6 percentage points; or

(b) If the State ratio is less than 50 percent for a fiscal year, the paternity establishment ratio for the immediately preceding fiscal year plus 10 percentage points.

States are required to recycle incentive payments back into the child support program.

3. Section 443.—Federal and State reviews and audits

The Committee provision shifts the focus of child support audits from process to performance outcomes. This goal is accomplished by adding a new State plan provision that requires States to annually review and report to the Secretary, using data from their automatic data processing system, both information adequate to determine the State's compliance with Federal requirements for expedited procedures and timely case processing as well as the information necessary to calculate their levels of accomplishment and rates of improvement on the new performance indicators established by the Committee bill (percentage of cases in which an order was established, percentage of cases in which support is being paid, ratio of child support collected to child support due, and cost-effectiveness of the program). The Secretary is required to determine the amount (if any) of incentives or penalties; the Secretary must also review State reports on compliance with Federal requirements and provide States with recommendations for corrective action. Audits must be conducted at least once every 3 years, or more often in the case of States that fail to meet Federal requirements. The purpose of the audits is to assess the completeness, reliability, accuracy, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the State program.

These provisions take effect beginning with the calendar quarter that begins 12 months after enactment.

4. Section 444.—Required reporting procedures

The Secretary is required to establish procedures and uniform definitions for State collection and reporting of required information necessary to measure State compliance with expedited processes and timely case processing as well as the data necessary to perform the incentive calculations.

5. Section 445.—Automated data processing requirements

States are required to have a single statewide automated data processing and information retrieval system which has the capacity to perform the following functions: to account for Federal, State, and local funds; to maintain data for Federal reporting; to calculate the State's performance for purposes of the incentive and penalty provisions; and to safeguard the integrity, accuracy, and completeness of, and access to, data in the automated systems (including policies restricting access to data).

The statutory provisions for State implementation of Federal automatic data processing requirements are revised to provide

that, first, all requirements enacted in or before the Family Support Act of 1988 are to be met by October 1, 1997, and second, that the requirements enacted in the Family Self-Sufficiency Act of 1995 are met by October 1, 1999. The October 1, 1999 deadline will be extended by 1 day for each day by which the Secretary fails to meet the deadline for regulations.

6. Section 446.—Technical assistance

The Secretary can use 1 percent of the Federal share of child support collections on behalf of families in the Temporary Family Assistance program from the preceding year to provide technical assistance to the States. Technical assistance can include training of State and Federal staff, research and demonstration programs, and special projects of regional or national significance.

The Secretary must use 2 percent of the Federal share of collections on behalf of Temporary Family Assistance recipients for operation of the Federal Parent Locator Service to the extent that costs of the Parent Locator Service are not recovered by user fees.

7. Section 447.—Reports and data collection by the Secretary

The Committee provision amends current data collection and reporting requirements to conform the requirements to changes made by this bill and to eliminate unnecessary and duplicative information. More specifically, States are required to report the following data each fiscal year: the total amount of child support payments collected, the cost to the State and Federal governments of furnishing child support services, the number of cases involving families that became ineligible for aid under part A with respect to whom a child support payment was received, the total amount of current support collected and distributed, the total amount of past-due support collected and distributed, and the total amount of support due and unpaid for all fiscal years.

SUBTITLE F—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

1. Section 451.—National Child Support Guidelines Commission

A national child support guidelines commission is established to consider the adequacy of State child support guidelines, feasibility of adopting uniform terms in all child support orders, how to define income and under what circumstances income should be imputed, and the tax treatment of child support payments. In addition, they would recommend procedures to automatically adjust child support orders periodically and to help noncustodial parents address grievances regarding visitation and custody orders.

2. Section 452.—Simplified process for review and adjustment of child support orders

As under present law, States must review and, if appropriate, adjust child support orders enforced by the State child support agency every 3 years. However, States are given two simplified means by which they can use automated means to accomplish the review. First, States may adjust the order by applying the State guidelines and updating the reward amount. Second, States may

apply a cost-of-living increase to the order. In either case, both parties must be given an opportunity to contest the adjustment.

States must also review and, upon a showing of a change in circumstances, adjust orders pursuant to the child support guidelines upon request of a party. States are required to give parties one notice of their right to request review and adjustment, which may be included in the order establishing the support amount.

3. Section 453.—Furnishing consumer reports for purposes relating to child support

Authorized individuals seeking to establish or modify a child support order will be given access to the consumer report agency to determine the appropriate levels of payment.

4. Section 454.—Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases

A depository institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation. An individual can only be sued for disclosing information if they knowingly, or by reason of negligence, disclosed a financial record of an individual for purposes other than those listed above.

SUBTITLE G—ENFORCEMENT OF SUPPORT ORDERS

1. Section 461.—Federal income tax refund offset

The offsets of child support arrears owed to individuals take priority over most debts owed to Federal agencies. It also eliminates disparate treatment of families not receiving public assistance by repealing provisions applicable only to support arrears not assigned to the State.

2. Section 462.—Internal Revenue Service collection of arrearages.

No additional fee may be assessed for adjustments to an amount previously certified with respect to the same obligor.

3. Section 463.—Authority to collect support from Federal employees

The rules governing wage withholding for Federal employees are clarified and simplified by:

(1) Establishing that Federal employees are subject to wage withholding and other legal processes to collect child support;

(2) Establishing rules that Federal agencies must respond to wage withholding or other legal processes to collect support;

(3) Deleting existing laws governing designation of agents to receive and respond to process and replace with streamlined provisions that require Federal agencies to designate agents and publish their name, title, address, and telephone number in the Federal registry annually;

(4) Requiring agents, upon receipt of process, to send written notice to the individual involved as soon as possible;

(5) Amending existing law governing allocation of monies owed by an individual to give priority to child support; and

(6) Broadening the definition of income to include funds such as insurance benefits, retirement and pension pay, survivor's benefits, compensation for death and black lung disease, veteran's benefits, and workers' compensation.

4. Section 464.—Enforcement of child support obligations of members of the Armed Forces

The Secretary of Defense must establish a central personnel locator service that contains residential or, in specified instances, duty addresses of every member of the Armed Services (including retirees, the National Guard, and the Reserves). The locator service must be updated within 30 days of the individual member establishing a new address. Information from the locator service must be made available to the Federal Parent Locator Service. The Secretary of Defense must issue regulations to facilitate granting of leave for members of the Armed Services to attend hearings to establish paternity or to establish child support orders.

The Secretary of each branch of the Armed Forces (including retirees, the Coast Guard, the National Guard, and the Reserves) is required to make child support payments directly to any State to which a custodial parent has assigned support rights as a condition of receiving public assistance. The Secretary of Defense must also ensure that payments to satisfy current support or child support arrears are made from disposable retirement pay. The Secretary of Defense must begin payroll deduction within 30 days or the first pay period after 30 days of receiving a wage withholding order.

5. Section 465.—Voiding of fraudulent transfers

States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or an equivalent law providing for voiding transfers of income or property in order to avoid payment of child support.

6. Section 466.—Work requirement for persons owing child support

States must have laws that direct courts to order individuals owing past-due support with respect to a child receiving assistance under the Temporary Family Assistance program either to pay support due or participate in work activities.

7. Section 467.—Definition of support order

A support order is defined as an order issued by a court or an administrative process that requires support of a child or of a child and the parent with whom the child lives.

8. Section 468.—Reporting arrearages to credit bureaus

States must establish procedures where the State must report periodically to consumer reporting agencies the name of any parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent. The parent who is delinquent in payment of support must be afforded all due process required under State law, including notice and reasonable opportunity to contest the accuracy of such information.

9. Section 469.—Liens

States must establish procedures under which liens are imposed against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property. States must accord full faith and credit to liens established in another State, without registration of the underlying order.

10. Section 470.—State law authorizing suspension of licenses

Each State must have in effect laws under which the State has (and uses in appropriate cases) authority to withhold, suspend, or restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.

11. Section 471.—Denial of passports for nonpayment of child support

If an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months of child support, the Secretary shall transmit a certification to the Secretary of State to deny, revoke, or limit a passport.

SUBTITLE H—MEDICAL SUPPORT

1. Section 475.—Technical correction to ERISA definition of medical child support order

This provision expands the definition of medical child support order in ERISA to clarify that any judgment, decree, or order that is issued by a court of competent jurisdiction or by an administrative adjudication has the force and effect of law.

2. Section 476.—Enforcement of orders for health care coverage

Establishes procedures so that when a noncustodial parent provides health care coverage for a child, and the parent changes employment, the State agency shall transfer coverage to the new employer, unless the noncustodial parent contests the notice.

SUBTITLE I—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NONRESIDENTIAL PARENTS

1. Section 481.—Grants to States for access and visitation programs

The Committee bill authorizes grants to States for access and visitation programs including mediation, counseling, education, development of parenting plans, and visitation enforcement. Visitation enforcement can include monitoring, supervision, neutral drop-off and pick-up, and development of guidelines for visitation and alternative custody agreements.

The Administration for Children and Families at HHS will administer the program. States are required to monitor and evaluate their programs and are given the authority to subcontract the program to courts, local public agencies, or private non-profit agencies. Programs operating under the grant will not have to be Statewide. Funding is authorized as capped spending under section IV–D of

the Social Security Act. Projects are required to supplement rather than supplant State funds.

The amount of the grant to a State is equal to 90 percent of the State expenditures during the year for access and visitation programs or the allotment for the State for the fiscal year. The allotment to the State bears the same ratio to the amount appropriated for the fiscal year as the number of children living in the State with one biological parent divided by the national number of children living with one biological parent. The Administration for Children and Families will adjust allotments to ensure that no State is allotted less than $50,000 for fiscal year 1996 or 1997 or less than $100,000 for any year after 1997.

SUBTITLE J—EFFECT OF ENACTMENT

1. Section 491.—Effective dates

Except as noted in the text of the bill for specific provisions, the general effective date for provisions in the bill is October 1, 1996. However, given that many of the changes required by this bill must be approved by State Legislatures, the bill contains a grace period tied to the meeting schedule of State Legislatures. More specifically, in any given State, the bill becomes effective either on October 1, 1996 or on the first day of the first calendar quarter after the close of the first regular session of the State Legislature that begins after the date of enactment of this bill. In the case of States that require a constitutional amendment to comply with the requirements of the bill, the grace period is extended either 1 year after the effective date of the necessary State constitutional amendment or 5 years after the date of enactment of this bill.

III. REGULATORY IMPACT OF THE BILL

In Compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the following evaluation is made concerning the regulatory impact of carrying out the changes proposed in the bill:

Individuals and businesses affected.—Because States will have the flexibility to determine the assistance to be provided and who will receive assistance under a State program for needy families with minor children funded under the Temporary Family Assistance grant, the Committee is unable to estimate the numbers of individuals affected by this legislation. The Committee expects that the restrictions on eligibility for the SSI program will disqualify certain individuals from receiving SSI cash benefits. The Committee expects the child support provisions of the bill to have some impact on businesses as a result of the requirement to report new hires. Because businesses already report such information to other agencies, the impact will be minimal.

Economic impact of regulations on individuals, consumers, and businesses.—The Committee understands that there would be an economic impact on individuals who fail to move off welfare within the 5-year time limit. However, as shown in the unemployment compensation program, it is expected that many of these individuals will find work shortly after being dropped from the roles. Because the Committee expects increased collections due to reforms

in child support enforcement, there will be an economic impact for individuals who are owed or owe child support.

Impact on personal privacy.—The Committee bill will have a minimal impact on personal privacy due to the child support provisions which authorize increased access to credit reports and require Social Security numbers on applications for a variety of licenses.

Amount of additional paperwork.—The Committee bill will greatly reduce the amount of Federal restrictions placed on State programs that assist needy families with minor children. States will receive a fixed sum of money to provide assistance to needy families with minor children in the manner that the State feels is most likely to help the family avoid long-term welfare dependence. States are required to provide data to show how the money is spent and who it is spent on. The Committee expects a temporary increase in processing SSI determinations for one year after the date of enactment.

IV. VOTES OF THE COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following statements are made concerning the votes of the Committee in its consideration of the Committee bill.

A. MOTION TO REPORT THE BILL

The Committee bill was ordered favorably reported by recorded vote (12 yeas and 8 nays) on May 26, 1995, with a quorum present. The following rollcall vote was as follows:

YEAS	NAYS
Mr. Packwood	Mr. Moynihan
Mr. Dole	Mr. Bradley
Mr. Roth	Mr. Pryor
Mr. Chafee	Mr. Rockefeller
Mr. Grassley	Mr. Breaux
Mr. Hatch	Mr. Conrad
Mr. Simpson	Mr. Graham
Mr. Pressler	Ms. Moseley-Braun
Mr. D'Amato	
Mr. Murkowski	
Mr. Nickles	
Mr. Baucus	

B. VOTES ON AMENDMENTS

The Committee defeated an amendment in the nature of a substitute (8 yeas and 12 nays) offered by Mr. Moynihan to enhance the JOBS program, reform SSI for children, and improve child support. The rollcall vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Bradley	Mr. Dole
Mr. Pryor	Mr. Roth
Mr. Rockefeller	Mr. Chafee
Mr. Breaux	Mr. Grassley
Mr. Conrad	Mr. Hatch
Mr. Graham	Mr. Simpson
Ms. Moseley-Braun	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles
	Mr. Baucus

The Committee defeated an amendment in the nature of a substitute (8 yeas and 12 nays) offered by Mr. Conrad to block grant JOBS, JOBS child care, AFDC administration, and emergency assistance, and require teen mothers to live at home. The rollcall vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Bradley	Mr. Dole
Mr. Pryor	Mr. Roth
Mr. Rockefeller	Mr. Chafee
Mr. Breaux	Mr. Grassley
Mr. Conrad	Mr. Hatch
Mr. Graham	Mr. Simpson
Ms. Moseley-Braun	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles
	Mr. Baucus

The Committee defeated an amendment in the nature of a substitute (8 yeas and 12 nays) offered by Ms. Moseley-Braun to emphasize job creation, provide State flexibility, and improve child support. The rollcall vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Bradley	Mr. Dole
Mr. Pryor	Mr. Roth
Mr. Rockefeller	Mr. Chafee
Mr. Breaux	Mr. Grassley
Mr. Conrad	Mr. Hatch
Mr. Graham	Mr. Simpson
Ms. Moseley-Braun	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles
	Mr. Baucus

The Committee accepted a modification offered by the Chairman, Mr. Packwood, to make various adjustments to the Committee bill.

The Committee defeated an amendment (9 yeas and 11 nays) offered by Mr. Breaux to require a State maintenance of effort. The rollcall vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Chafee
Mr. Rockefeller	Mr. Grassley
Mr. Breaux	Mr. Hatch
Mr. Conrad	Mr. Simpson
Mr. Graham	Mr. Pressler
Ms. Moseley-Braun	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles

The Committee defeated an amendment (8 yeas and 12 nays) offered by Mr. Graham to change the way block grant funds are distributed to States from FY 1994 expenditures for AFDC and related programs to a poverty based formula. The rollcall vote was as follows:

YEAS	NAYS
Mr. Baucus	Mr. Packwood
Mr. Pryor	Mr. Dole
Mr. Rockefeller	Mr. Roth
Mr. Breaux	Mr. Chafee
Mr. Conrad	Mr. Grassley
Mr. Graham	Mr. Hatch
Ms. Moseley-Braun	Mr. Simpson
Mr. Nickles	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Moynihan
	Mr. Bradley

The Committee accepted an amendment (by voice vote) offered by Mr. D'Amato to clarify that funds from the supplemental assistance loan fund could be used for welfare anti-fraud activities.

The Committee defeated an amendment (10 yeas and 10 nays) offered by Mr. Conrad to tighten the eligibility for the children's SSI program. The rollcall vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Grassley
Mr. Rockefeller	Mr. Hatch
Mr. Breaux	Mr. Simpson
Mr. Conrad	Mr. Pressler
Mr. Graham	Mr. D'Amato
Ms. Moseley-Braun	Mr. Murkowski
Mr. Chafee	Mr. Nickles

The Committee accepted a provision (without objection) offered by Mr. Moynihan to require that a representative payee of an individuals under age 18 ensure that a treatment plan prepared by a physician is followed and that the treatment plan is filed with the State agency that makes disability determinations.

The Committee defeated an amendment (8 yeas and 11 nays) offered by Mr. Nickles to require States to take action to reduce the incidence of out-of-wedlock pregnancies without increasing the number of pregnancy terminations. The rollcall vote was as follows:

YEAS	NAYS
Mr. Dole	Mr. Packwood
Mr. Roth	Mr. Chafee
Mr. Grassley	Mr. Simpson
Mr. Hatch	Mr. Moynihan
Mr. Pressler	Mr. Bradley
Mr. D'Amato	Mr. Pryor
Mr. Murkowski	Mr. Rockefeller
Mr. Nickles	Ms. Breaux
	Mr. Conrad
	Mr. Graham
	Ms. Moseley-Braun

The Committee defeated an amendment (9 yeas and 11 nays) offered by Mr. Rockefeller to provide a hardship waiver based on good cause. The roll call vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Chafee
Mr. Rockefeller	Mr. Grassley
Mr. Breaux	Mr. Hatch
Mr. Conrad	Mr. Simpson
Mr. Graham	Mr. Pressler
Ms. Moseley-Braun	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles

The Committee accepted an amendment (without objection) offered by. Mr. Baucus to increase the hardship waiver from 10 percent to 15 percent.

The Committee defeated an amendment (6 yeas and 13 nays) offered by Mr. Graham to remove the option for States to prohibit assistance to certain noncitizens. The roll call vote [1] was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Bradley	Mr. Dole
Mr. Breaux	Mr. Roth
Mr. Conrad	Mr. Chafee
Mr. Graham	Mr. Grassley
Ms. Moseley-Braun	Mr. Hatch
	Mr. Simpson
	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles
	Mr. Baucus
	Mr. Rockefeller

[1] Mr. Pryor did not vote.

The Committee defeated an amendment (10 yeas and 10 nays) offered by Mr. Conrad to require teenage mothers to live with their parents or in a foster home and to establish a new capped entitlement program to provide funding for supervised living arrangements. The roll call vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Chafee
Mr. Rockefeller	Mr. Grassley
Mr. Breaux	Mr. Hatch
Mr. Conrad	Mr. Simpson
Mr. Graham	Mr. Pressler
Ms. Moseley-Braun	Mr. D'Amato
Mr. Nickles	Mr. Murkowski

The Committee defeated an amendment (9 yeas and 11 nays) offered by Mr. Rockefeller to exempt individuals in high unemployment areas from the time limits under the Committee bill. The roll call vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Chafee
Mr. Rockefeller	Mr. Grassley
Mr. Breaux	Mr. Hatch
Mr. Conrad	Mr. Simpson
Mr. Graham	Mr. Pressler
Ms. Moseley-Braun	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles

The Committee defeated an amendment (9 yeas and 11 nays) offered by Ms. Moseley-Braun to provide that no child is denied assistance. The roll call vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Mr. Pryor	Mr. Chafee
Mr. Rockefeller	Mr. Grassley
Mr. Breaux	Mr. Hatch
Mr. Conrad	Mr. Simpson
Mr. Graham	Mr. Pressler
Ms. Moseley-Braun	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles

The Committee defeated an amendment (4 yeas and 16 nays) offered by Ms. Moseley-Braun to provide any child who is denied assistance the right to bring an action in court. The roll call vote was as follows:

YEAS	NAYS
Mr. Moynihan	Mr. Packwood
Mr. Baucus	Mr. Dole
Mr. Bradley	Mr. Roth
Ms. Moseley-Braun	Mr. Chafee
	Mr. Grassley
	Mr. Hatch
	Mr. Simpson
	Mr. Pressler
	Mr. D'Amato
	Mr. Murkowski
	Mr. Nickles
	Mr. Pryor
	Mr. Rockefeller
	Mr. Breaux
	Mr. Conrad
	Mr. Graham

C. AMENDMENTS OFFERED AND WITHDRAWN

Mr. Conrad offered an amendment to limit educational activities to not more than 50 percent of a State's work participation rates in 1996 and 1997.

Mr. Grassley offered an amendment to provide that a State operate a jobs program in accordance with Part F of the Social Security Act or another work program to be defined by the State.

V. BUDGETARY IMPACT OF THE BILL

In compliance with sections 308 and 403 of the Congressional Budget Act of 1974, and paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the following letter has been received from the Congressional Budget Office regarding the budgetary impact of the bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 9, 1995.

Hon. BOB PACKWOOD,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed estimate of H.R. 4, the Family Self-Sufficiency Act of 1995, as ordered reported by the Senate Committee on Finance on May 26, 1995.

Enactment of H.R. 4 would effect direct spending and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 4.
2. Bill title: Family Self-Sufficiency Act of 1995.
3. Bill status: As ordered reported by the Committee on Finance on May 26, 1995.
4. Bill purpose: To enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.
5. Estimated cost to the Federal Government:

Direct spending

The bill would effect federal outlays in the following mandatory programs: Family Support Payments, Food Stamps, Supplemental Security Income, Medicaid, and Foster Care. The following table shows projected outlays for these programs under current law, the changes that would stem from the bill, and the projected outlays for each program if the bill were enacted.

[Outlays by fiscal years, in millions of dollars]

	1995	1996	1997	1998	1999	2000	2001	1002
Projected spending under current law:								
Family Support Payments	18,223	18.544	19,048	19,534	20.132	20.793	21.477	22.184
Food Stamp Program	25.120	25.930	27,400	28.900	30.390	32.030	33.600	35,100
Supplemental Security Income	24,322	24.497	29.894	32,967	36,109	42.749	39.481	46,807
Medicaid	89,216	99,292	110,021	122,060	134,830	148,116	162.600	177,800
Foster Care	3,540	4,146	4,508	4,930	5.356	5.809	6,290	6.798
Total	160,421	172.409	190,871	208.391	226.817	249.497	263.448	288.689
Proposed changes:								
Family Support Payments [1]	0	−729	−1.192	−1,603	−2.207	−2.559	−3.234	−3,842
Food Stamps	0	238	745	993	1,274	1,511	1.818	2.155
Supplemental Security Income	0	−441	−3,554	−4,482	−4,674	−5.218	−4.646	−5,441
Medicaid	0	−22	−375	−545	−606	−662	−771	−777
Foster Care	0	0	0	0	10	25	35	45
Total	0	−954	−4,376	−5,637	−6.203	−6,903	−6,738	−7,750
Projected spending under H.R. 4:								
Family Support Payments	18,223	17.815	17,856	17,931	17.925	18,234	18,243	18.342
Food Stamps	25,120	26.168	28,145	29,893	31,664	33.541	35,418	37,255
Supplemental Security Income	24.322	24,056	26,340	28,485	31,435	37.531	34,835	41.476
Medicaid	89.216	99.270	109.646	121,515	134,224	147,454	161.889	177,023
Foster Care	3,540	4,146	4,508	4,930	5.366	5.834	6.325	6.843
Total	160,421	171,455	186,495	202,754	220.614	242,594	256.710	280.939

[1] Under current law, Family Support Payments includes spending on Aid to Families with Dependent Children (AFDC), AFDC-related child care, administrative costs for child support enforcement, net federal savings from child support collections, and the Job Opportunities and Basic Skills Training program (JOBS). Under proposed law, Family Support Payments would include spending on the Temporary Assistance for Needy Families Block Grant, administrative costs for child support enforcement, and net federal savings from child support collections.

H.R. 4 would create a new Temporary Assistance for Needy Families block grant and specifies funding levels through fiscal year 2000. CBO's estimates for 2001 and 2002 assume that the level of the block grant will remain the same as in 2000.

Note.—Details may not add to totals because of rounding.

The direct spending costs of this bill fall within budget functions 500, 550, and 600.

Authorizations of appropriations

The bill would increase the administrative costs of the Supplemental Security Income (SSI) program, which are funded by an annual appropriation. Those extra costs stem from provisions of Title III that would require program administrators to verify the citizenship of all SSI recipients and conduct reviews of some disabled recipients.

6. Basis of estimate: CBO estimates the enactment of H.R. 4, as amended by the Committee on Finance, would reduce outlays for direct spending programs by $1.0 billion in 1996 and $7.8 billion in 2002. The bill would also increase the administrative costs of the Supplemental Security Income (SSI) program, which are funded by an annual appropriation. These estimates incorporate the economic and technical assumptions from CBO's March 1995 baseline and assume an enactment date of October 1, 1995. The remainder of this section outlines the methodology used for the estimates. The attached tables detail the estimates for each title of the bill.

Titles I and II: Temporary assistance for needy families block grant and JOBS modification

Title I of H.R. 4 would alter the method by which the federal government shares in the cost of providing cash and training assistance to low-income families with children. It would combine current entitlement programs—Aid to Families with Dependent Children (AFDC), the Job Opportunities and Basic Skills Training program (JOBS), and related child care programs—into a single block grant with a fixed funding level. In addition, Title I would require that a sponsor's income be counted in determining an alien's eligibility for the Temporary Assistance for Needy Families Block Grant, Supplemental Security Income, and Medicaid for five years after arrival in the U.S. Title II would modify the definitions of activities authorized under the JOBS program. By itself, Title II would have no budgetary effects. The effects of Titles I and II are detailed in Table 1.

Effect of the block grant on cash and training assistance.—The new Temporary Assistance for Needy Families Block Grant would replace federal participation for AFDC benefit payments, AFDC administrative costs, AFDC emergency assistance benefits, the JOBS program, and three related child care programs. The bill would fix the base level of the block grant at $16.8 billion annually through 2000. CBO assumes the block grant would continue at the same level in 2001 and 2002, although the levels are not specified in the bill. Each state would be entitled to a portion of the grant based on its recent spending in the AFDC, JOBS, and related child care programs. In addition, the bill would authorize a loan fund (called the Supplemental Assistance for Needy Families Federal Fund) with an initial balance of $1.7 billion from which states could borrow during economic downturns. States would repay borrowed amounts, with interest, within three years.[1]

CBO estimates federal savings in Title I by comparing current law projections of AFDC, JOBS, and child care spending with the block grant levels. In 1996, CBO projects that under current law the federal government would spend $17.2 billion on AFDC benefits, AFDC administration, AFDC emergency assistance, the JOBS program, and related child care, or $0.6 billion more than the federal government would spend under the block grant. By 2000, the gap between spending projected under current law ($19.4 billion) and spending permitted under the block grant ($16.8 billion) would grow to $2.6 billion.

Criteria for state participation in the block grant.—To participate in the block grant program, states would present an assistance plan to the Department of Health and Human Services and would ensure that block grant funds would be spent only on needy families with minor children. States would not be required to spend any of their own resources to receive the block grant amounts. However, states would have to satisfy certain conditions. Notably, states would be prohibited from providing federal dollars to most

[1] CBO estimates the creation of the Supplemental Assistance for Needy Families Federal Fund would not generate additional outlays. Although up to $1.7 billion would be made available to states for loans, CBO assumes that every state borrowing funds would repay its loans with interest. Therefore, the program would involve no long-run loss to the federal government, and under the credit reform provisions of the Congressional Budget Act, it would have no cost.

families who have received cash assistance for more than 5 years since September 30, 1995. At their option, states could choose a shorter time limit and could grant hardship exemptions for up to 15 percent of all families. Although no family would encounter a 5-year time limit until October 1, 2000, the limit's effect on welfare participation could be noticed sooner if recipients shortened their stays on welfare or delayed childbearing in order to preserve access to the system in future years. CBO estimates that the full, potential effect of such a limit would not be realized until 2003 or later. Eventually, under current demographic assumptions, this provision could reduce cash assistance rolls by 30 percent to 40 percent. The actual effect of the time limit on families is uncertain however, because H.R. 4 would permit states and localities to provide cash assistance to such groups with their own resources. The inclusion of the time limit in the legislation does not affect the CBO estimate of federal costs because it would not directly change the amount of block grant funds disbursed to the states.

Work and training requirements under the block grant.—Other provisions in Title I would require states to provide work and training activities for an increasing percentage of block grant recipients or face penalties of up to 5 percent of the state's share of the block grant. States would face three separate requirements, with each becoming increasingly difficult to satisfy over time. CBO estimates that by 2000 most states would have difficulty satisfying the requirements. The following discussion outlines the challenge states would encounter in 2000.

First, states would have to show on a monthly basis that individuals in 45 percent of all families are engaged in an education, work, or training activity. (This requirement would rise to 50 percent in 2001 and thereafter.[2]) By contrast, program data for 1994 indicate that, in an average month, only about 11 percent of all families were engaged in a JOBS activity or an unsubsidized job at 20 hours per work. Most states would be unlikely to satisfy this requirement for several reasons. The costs of administering such a large scale work and training program would be high and federal funding is frozen at 1994 levels. Because the pay-off for such programs has been shown to be low in terms of reductions in the welfare caseload, states may be reluctant to commit their own funds. Morever, although states may succeed in reducing their caseloads through other measures, which would in turn free up federal funds for training, the requirements would still be difficult to meet because the remaining caseload would likely consist of the most needy individuals (incapacitated adults and parents with very young children) who would be very difficult and expensive to train.

Second, while tracking the work requirement for all families, states simultaneously would track a separate guideline for the smaller number of families with two parents participating in the AFDC–Unemployed Parent (AFDC–UP) program. By 2000, H.R. 4 would require that 90 percent of such families participate in a nar-

[2] The CBO estimate assumes the work participation requirements would apply to all families assisted under the state plan for needy families and would not be limited to those who receive federal dollars. Given the lack of a maintenance of effort requirement in this bill, however, it is unclear whether the federal government would have the authority to impose work requirements on individuals who receive benefits funded with state or local resources.

row set of work-related activities. States attempted to implement a similar requirement in 1994 for only 40 percent of AFDC-UP families; although final participation figures have not been released by the Department of Health and Human Services, preliminary analyses indicate that roughly 40 states failed the requirement. Given the states' records to date, CBO is not optimistic about their abilities to meet a 90 percent participation requirement.

Finally, states would also have to ensure that all parents who have received cash assistance for more than two years would engage in work activities. CBO estimates that approximately 70 percent of all parents on the cash assistance rolls in 2000 would have received such assistance for two years or more since the bill's effective date. The experience of the JOBS program to date suggests that such a requirement is well outside the states' abilities to implement.

In short, each of three work requirement would represent a significant challenge to states. Given the costs and administrative complexities involved, CBO assumes that most states would simply accept penalties of up to 5 percent of their block grant amounts rather than implement the requirements. CBO further assumes—consistent with current practice—that the Secretary of Health and Human Services would impose small penalties (less than one-half of one percent of the block grant) on non-complying states.

Effect of the block grant on the Food Stamp program.—The federal savings estimated from the block grant conversion was reduced to account for higher estimated spending in the Food Stamp program. CBO estimates that enactment of Title I would result in families receiving lower average cash payments relative to current law and consequently, higher food stamp benefits. Under current rules, each dollar lost in cash would increase a participating family's food stamp benefits by an estimated 33 cents. CBO estimates the incomes of AFDC families would decline relative to current projections by $2.2 billion in 2000, generating a food stamp cost in that year of $0.6 billion. This estimate assumes that states—on average—would follow the federal example and freeze their spending on cash benefits at their 1994 levels. Should states decide to spend more or less than 1994 levels, the costs of the food stamp program would be smaller or greater than the estimate.

Effect of the block grant on the Food Stamp Employment and Training program.—The fixed federal contribution under the block grant may inspire states to seek alternative means of financing their training and child care programs. One possibility for states would involve channeling AFDC families through the Food Stamp Employment and Training program, which is not altered by this bill and would remain an uncapped entitlement with the federal government matching 50 percent of state expenditures. With no maintenance-of-effort requirement to receive block grant funds, states could use their shares of JOBS and JOBS child care expenditures (approximately $1.0 billion in 1994) to draw an equal amount of federal funding. CBO assumes it would take a number of years before states would turn to this alternative and estimates federal costs would rise from $100 million in 1999 to $400 million in 2002.

Effect of Title I on the Medicaid Program.—CBO estimates no change in Medicaid spending associated with the conversion to a

block grant, which reflects the bill's stated intention to preserve current standards for Medicaid. How states implement these new programs would determine the ultimate impact on the Medicaid program. The requirement that states continue to provide Medicaid benefits to all individuals who meet current eligibility criteria for AFDC may increase the administrative burden in state agencies.

The creation of the block grant could affect Medicaid spending in a second way. Granting funds for cash assistance (with no requirement for state spending) while leaving Medicaid as a shared federal-state responsibility would provide states seeking to maximize federal assistance with an incentive to spend more money on Medicaid. Under the bill, a state dollar spent on cash assistance would no longer generate a federal matching payment while a state dollar spent on Medicaid would. Consequently, states could decide to expand Medicaid eligibility, financing the expansion with state dollars that otherwise would have been devoted to cash assistance. CBO has little basis upon which to predict such behavior and therefore has not estimated any change in Medicaid spending.

Title I also includes a provision requiring counting a sponsor's income (termed deeming) for a period of five years after an alien's arrival in the U.S. to determine the alien's eligibility for any need-based program authorized under the Social Security Act. Programs potentially affected by such a provision include Aid to Families with Dependent Children, Medicaid, and Supplemental Security Income. Since other provisions of the bill would replace AFDC with a program of block grants to the states and would make most aliens ineligible for SSI, however, the new deeming rule would affect only the Medicaid program. CBO estimates that savings in Medicaid would be about $0.1 billion in 1997 and $0.2 billion a year thereafter. The population targeted by the provision comprises primarily those and aged aliens who, under current law, would seek SSI benefits within five years of arrival. Non-aged aliens are less likely to have financial sponsors. CBO assumes that, in the absence of more specific instructions, deeming regulations like those currently used in SSI would apply to Medicaid. CBO also assumes that about 25 percent of the individuals that have financial sponsors would still be able to obtain Medicaid benefits because their medical expenditures are high enough that they could still apply for benefits as a medically needy recipient if their state has such a program.

Effect of the block grant on the Foster Care program.—Although H.R. 4 does not directly amend the foster care program, which would remain an open-ended entitlement with state expenditures matched by the federal government, the bill could affect foster care spending in two ways. First, eligibility for foster care is currently based on eligibility for AFDC payments in the home from which the child is removed. Because this bill would repeal the sections of the Social Security Act upon which AFDC eligibility is based, the effect of the bill on foster care payments is unclear. Should states adopt AFDC eligibility requirements that are more restrictive than current law, fewer children would be deemed eligible for foster care, and foster care payments could decline. Second, by retaining the foster care program as a matched entitlement, the bill would create an incentive for states to shift AFDC children who also are

eligible for foster care benefit into the foster care program. AFDC administrative data for 1993 suggest that roughly 500,000 children (5 percent of all children on AFDC) fall into this category because they live in a household without a parent. CBO assumes a number of legal and financial barriers would prevent states from transferring a large share of such children and estimates states would collect an additional $10 million in foster care payments in 1996, rising to $45 million in 2002.

Title III: Supplemental security income

Title III of H.R. 4 would reduce spending in the Supplemental Security Income program for three distinct groups of participants: legal aliens, drug addicts and alcoholics, and disable children. Net savings are estimated to equal $5.1 billion in 2002 (see Table 2).

Legal aliens.—In general, legal aliens are now eligible for SSI and other benefits administered by the federal government. Most aliens, other than refugees, do not collect benefits during the first few years in the U.S., because administrators must deem a portion of a sponsor's income to the alien during the period when determining the alien's eligibility. H.R. 4 would eliminate SSI benefits altogether for most legal aliens. Exceptions would be made for groups that make up about one-fifth of aliens on the SSI rolls: refugees who have been in the country for less than five years, aliens who receive a Social Security benefit based on their own earnings, and veterans of the U.S. military. All other legal aliens now on SSI would be removed from the rolls on January 1, 1997.

CBO bases its estimate of savings on administrative records for the SSI program. Those data suggested that there were about 700,000 non-citizen beneficiaries in 1994, or 12 percent of all recipients of federal SSI payments in that year, and that their numbers might be expected to continue to grow in the absence of a change in policy. The administrative records, though, are of uncertain quality. They are not likely to reflect changes in citizenship status (such as naturalization) that may have occurred since the recipient first began collecting benefits. It has not been important for agencies to keep citizenship status up-to-date so long as they have verified that the recipient is, in fact, legally eligible. That problem is thought to be particularly acute for SSI, where some beneficiaries identified as aliens have been on the program for many years. Recognizing this problem, CBO assumes that about one-fifth of SSI beneficiaries coded as aliens are in fact naturalized citizens.

CBO estimates the number of noncitizen recipients who would be removed from the SSI rolls by projecting the future caseload in the absence of policy change and subtracting the three groups (certain refugees, Social Security recipients, and veterans) exempted under the bill. CBO also assumes that some of the remainder will be spurred to become naturalized. The rest, estimated by CBO at approximately one-half million legal aliens, would be cut from the SSI rolls. Multiplying by the average benefits paid to such aliens—assumed to equal 1994 levels plus subsequent cost-of-living adjustments, or about $4,700 per alien in 1997—yields annual federal budgetary savings of between $2 billion and $3 billion a year.

Removing these aliens from the SSI rolls has indirect effects on two other programs: Medicaid and food stamps. In most states,

Medicaid is automatically available to anyone on SSI. Although H.R. 4 does not explicitly bar legal aliens from Medicaid, some aliens who lose SSI would thereby lose their only route onto the Medicaid program. CBO assumes that most aliens who lose SSI disability benefits could keep Medicaid eligibility under other terms of the program, only about half of those aliens who lose SSI old-age benefits, however, would be able to requalify as medically needy. Savings in Medicaid of $0.2 billion to $0.3 billion a year would result. H.R. 4 is silent about legal aliens' eligibility for food stamps, a program that is outside the jurisdiction of the Finance Committee. Under current law, legal aliens who lose cash income and who also get food stamps would automatically receive larger benefits under that program. CBO assumes that only a fraction of the SSI loss would be made up at the state and local level through general assistance programs. For aliens participating in food stamps, food stamp benefits are estimated to increase by about 33 cents for each dollar of cash income lost. Extra food stamp costs would be approximately $300 million a year.

These estimates, and other CBO estimates concerning legal aliens, are rife with uncertainties. First, administrative data in all programs are of uncertain quality. Citizenship status is not recorded at all for about 8 percent of SSI recipients, and—as previously noted—some persons coded as aliens are certainly naturalized citizens by now. Second, it is hard to judge how many noncitizens would react to the legislation by becoming citizens. At least 80 percent of legal aliens now on the SSI rolls are eligible to become citizens; the fact that they have not been naturalized may be attributable, in part, to the lack of a strong financial incentive. Heretofore, all legal immigrants have not been barred from most jobs, from eligibility for benefits, or from most other privileges except voting. Because the naturalization process takes time and effort, CBO assumes that only about one-third of those whose benefits would otherwise be eliminated will become citizens by the year 2000.

Drug addicts and alcoholics.—For many years, the Social Security Administration (SSA) has been required to identify certain drug addicts and alcoholics (DA&As) in the SSI program, when the substance abuse is a material contributing factor to the finding of disability. Special provisions apply to those recipients: they must comply with treatment if available, they must have representative payees, as (as a result of legislation enacted last year) they can receive a maximum of 36 months' benefits. About 100,000 recipients classified as drug addicts and alcoholics received benefits in December 1994.

CBO assumes that, under current law, the DA&A caseload would grow to about 190,000 by 1997, fall in 1998 (as the first wave of terminations under last year's legislation occurs), then resume climbing gradually. Under H.R. 4, awards to DA&As would stop immediately, and those already receiving benefits would be removed from the rolls on January 1, 1997, unless they had another seriously disabling condition.

Estimating the number of DA&As who already have or will soon develop another disabling condition is a thorny issue. A sample of 1994 awards with a primary diagnosis of substance abuse found

that two-thirds identified a secondary disabling condition (predominantly mental rather than physical). That fact must be interpreted with caution. In order to be worth noting, the secondary condition must be quite severe—but not necessary disabling in its own right. On the other hand, there is no requirement to record secondary conditions; some of the one-third for whom none was recorded undoubtedly had them. And the health of many DA&A recipients certainly deteriorates over time, with or without continued substance abuse. Thus, CBO assumes that only about one-quarter of DA&A recipients would be permanently terminated from the program; the rest could requalify by documenting that they have another sufficiently disabling condition. Multiplying the number of recipients terminated times an average benefit yields savings of $200 million to $300 million a year in SSI benefits.

Besides saving on benefits, the Social Security Administration would also be freed from the requirement to maintain contracts with referral and monitoring agencies (RMAs) for its SSI recipients. Those agencies monitor addicts' and alcoholics' treatment status and often serve as representative payees. Savings are estimated at about $150 million to $200 million a year in 1997 through 2002. Savings in 1996, however, are uncertain, as SSA will likely have to pay cancellation penalties on the contracts to be terminated.

The legislation would also eliminate Medicaid coverage for DA&As terminated from the SSI program, resulting in another $100 million a year or so in savings. And because former SSI recipients would experience a reduction in their cash income, food stamp costs under correct law would increase slightly—by approximately $30 million a year.

Disabled children.—H.R. 4 would restructure the SSI program for disabled children. Under current law, low-income children can qualify for the SSI program and its federal cash benefits of up to $458 a month in two ways. They may match one of the medical listings (a catalogue of specific impairments, with accompanying clinical findings), or they may be evaluated under an individualized functional assessment (IFA) that determines whether an unlisted impairment seriously limits a child from performing activities normal for his or her age. Both methods are spelled out in regulation. Until the Supreme Court's decision in the *Zebley* case in 1990, the medical listings were the sole path to eligibility for children. Adults, in contrast, could receive an assessment of their functional and vocational capacities even if they did not meet their own set of listings. The court ruled that sole reliance on the listings did not comport with the law's requirement to gauge whether children's disorders were of "comparable severity" to impairments that would disable adults.

H.R. 4 would eliminate childhood IFAs and their statutory underpinning, the "comparable severity" rule, as a basis for receipt. Many children on the rolls as a result of an IFA (roughly a quarter of children now on SSI) would be terminated, and future awards based on an IFA would be barred. Thus, the program would be restricted to those who met or equaled the listings. The bill would also remove the reference to maladaptive behavior—behavior that is destructive to oneself, others, property, or animals—from the

personal/behavioral domain of the medical listings, the only place where it appears as a basis for award.

Even as it repealed the "comparable severity" language, the bill would create a new statutory definition of childhood disability. It states that a child would be considered disabled if he or she has "a medically determinable physical or mental impairment which results in marked, pervasive and severe functional limitations [and can be expected to last 12 months or lead to death]." That language appears to be intended to preserve SSI eligibility for some of the most severely impaired children who now qualify by way of an IFA. The exact implications of this language would remain to be clarified through regulation (and perhaps court interpretation) and are difficult for CBO to estimate definitively.

CBO estimated the savings from these changes by judging how many present and future children would likely qualify under the new criteria. CBO relied extensively on SSA program data and on analyses conducted by the General Accounting Office and the Inspector General of the Department of Health and Human Services. Approximately 900,000 children now collect SSI benefits, and CBO projects that the number would reach 1.35 million in 2002 if policies were unchanged. CBO assumed that more than half of children who qualify through an IFA would be rendered ineligible under the proposed criteria-specifically, those who fail to rate a "marked" or "extreme" impairment in at least two areas of functioning. CBO chose that assumption because the bill's key phrase—marked, pervasive and severe functional impairments—might reasonably be interpreted to mean limitations in several different areas of functioning, a tighter standard than the one that now allows some children with "moderate" limitations onto the program. CBO also assumes that the provisions on maladaptive behavior would bar a small percentage of children from eligibility for benefits. Overall, approximately 21 percent of children who would be eligible under current law would be rendered ineligible. Because of the room for regulatory interpretation, however, that figure is uncertain. A tight interpretation might bar up to 28 percent of children; a loose one might trim the rolls by about 10 percent or even less.

CBO estimates the savings in cash benefits relative to current law by multiplying the number of children assumed to lose benefits by the average benefit. That average benefit was about $430 a month in December 1994 and would grow with inflation thereafter. Children already on the rolls would be reviewed under the new criteria but could keep their benefits through December 1996 even if found ineligible. CBO assumes that children who do not meet the new criteria could be removed from the rolls even if their medical condition has not improved since award—as is clearly intended by the bill—even though current law generally requires that SSA document such progress before it terminates a beneficiary. New awards would be affected immediately. Total savings in cash benefits would equal $0.2 billion in 1996 and $2.1 billion in 2002.

H.R. 4 would make several other changes to the SSI program for disabled children, notably by stepping up requirements for continuing disability reviews (CDRs). Savings from that requirement are embedded in CBO's estimate. The bill also requires that representative payees (usually parents) develop a treatment plan for the

TABLE 3.—FEDERAL BUDGET EFFECTS OF THE FAMILY SELF-SUFFICIENCY ACT, TITLE IV CHILD SUPPORT ENFORCEMENT—AS REPORTED BY THE SENATE COMMITTEE ON FINANCE [1]—Continued

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Medicaid	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0
Grants to State for visitation:							
Family support payments	5	5	10	10	10	10	10
Food Stamp Program	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0
Subtotal	5	5	10	10	10	10	10
Subtotal, Other Provisions	44	95	178	208	220	143	152
Total Title IV, by account							
Family support payments	(206)	(189)	(134)	(194)	96	13	8
Food Stamp Program	130	135	138	139	81	63	60
Medicaid	0	(4)	(16)	(38)	(65)	(96)	(121)
Total title IV	(76)	(58)	(12)	(93)	112	(20)	(53)

[1] Based on discussions with Committee staff, this estimate assumes a technical correction will be made to section 461 (Federal tax offset).

Note: Number in parentheses are negative numbers.

VI. ADDITIONAL VIEWS

ADDITIONAL VIEWS OF SENATORS MOYNIHAN, BRADLEY, AND MOSELEY-BRAUN

It is just seven years since the Committee on Finance reported out the Family Support Act of 1988. It seems almost unimaginable today, but there was then a vast bipartisan consensus on this great issue. The final vote in the Senate was 96 to 1.

At the Rose Garden ceremony were Senators Dole, Bentsen, and Brown, Speaker Foley, Mr. Michel, and Governors Clinton and Castle, representing the National Governors' Association. President Reagan, on signing the bill, told the assembled company that "They and the members of the administration who worked so diligently on this bill will be remembered for accomplishing what many have attempted, but no one has achieved in several decades: a meaningful redirection of our welfare system."

In large measure, he was right. The Family Support Act has performed well where it was implemented seriously. Every day a State official reports on some new success, or there is an announcement of some new initiative funded under the Act. A week ago, George Allen, Republican governor of Virginia, announced such an effort. "Virginia is again making history," he said. "It is the most sweeping, and, I think, the most compassionate welfare reform plan anywhere in the nation." And it is taking place, he might have added, under the Family Support Act of 1988.

Yet the bipartisan consensus on welfare matters is gone, and there is a newly coined view that there is simple solution to the problem of mothers and children on welfare. Cut them off.

We have long called attention to the fact that a steadily growing percentage of children are being born into single parent homes. We know that these are the children who are most likely to become dependent on welfare. The problem of a high and growing percentage of births to single parents is one we share with other industrialized nations.[1]

In the United States the proportion of births of children in single parent families has reached 33 percent. When the Social Security Act was enacted in 1935, it was around 4 percent. The ratio has gone up every year since 1970. Year in, year out, it has risen at an annual rate of about .86 percent. Some have concluded that the answer is simply to repeal title IV–A of the Social Security Act, and eliminate welfare benefits. That will somehow induce women to stop having babies. The problem is, there is no evidence whatever to support that view.

[1] In 1992 the rate was 33 percent in France, and 31 percent in the United Kingdom.

On March 9, Lawrence Mead, a professor at the Woodrow Wilson School at Princeton University, who would describe himself as a conservative, testified before the Finance Committee on this point:

> Can the forces behind growing welfare be stemmed? Conservative analysts say that unwed pregnancy is the greatest evil in welfare, the cause not only of dependency but other social ills. On all sides, people call for a family policy that would solve this problem.

But it is not that easy, says Dr. Mead:

> The great fact is that neither policymakers nor researchers have found any incentive, benefit or other intervention that can do much to cut the unwed pregnancy rate.

"We are told that ending AFDC will reduce illegitimacy," says James Q. Wilson, of the University of California at Los Angeles, "but we don't know that. It is, at best an informed guess."

It seems inconceivable that anyone would propose ending the basic protection afforded poor children in the Social Security Act based on "an informed guess", yet apparently that is what we have come to. In the midst of the Depression of the 1930s, when our economic output was at one-eighth its present level, we could provide for dependent children as a Federal responsibility. In the 1990's, with a $7 trillion economy, we are about to eliminate the Federal guarantee.

The bills passed by the House of Representatives and ordered reported by this Committee pose an enormous fiscal risk for State and local governments. The Federal law enacted in 1935 provided the several States with a Federal guarantee that whatever amount they provide by way of support for dependent children will be matched, according to formula, by the Federal government. *This* is what we mean when we speak of welfare as an entitlement. It is an entitlement of the several States to support from the Federal government. (In the 1960s children who meets the qualifications became entitled to receive whatever benefits a State prescribes. This is the result of a series of Supreme Court decisions under the Equal Protection and Supremacy clauses of the Constitution.) The decision by the Finance Committee majority to deprive States of this entitlement is a formula for tumult, recrimination, regression in which no doubt any number of political reputations will be won, and only children lose.

There is an elemental fact here. Under the Social Security Act arrangement, some States chose "low" benefits for children, with a high Federal "match". Others chose "high" benefits with a low "match". This pattern was compounded by the advent of food stamps as a uniform national benefit paid for entirely by the Federal government. The lower the AFDC benefit, the higher the food stamp benefit. Freezing this arrangement as a block grant invites Federal factionalism to a degree unknown to this century. Example. According to the Department of Health and Human Services, under the AFDC block grant as reported by the Senate Finance Committee, Mississippi will receive $87 million per year; California $3,706 million. Even before the Finance Committee acted on this legislation a group of "30 mostly conservative senators from the

South and Southwest" as one editorial put it, complained to our distinguished chairman that the present welfare bill would short-change their States because they are so fast growing. (Not all are; most are simply low benefit States. But it comes to the same thing.) The group was led by the distinguished junior Senator from Texas. Their demand can surely be met, and very likely will be. But at the expense of the "high" benefit States. (Which are typically States with relatively high costs of living, which eat up much of the nominal margin.) Thus Texas might benefit; but at the cost of California, which surely will lose. As the electoral votes of both States are thought crucial to victory in the next Presidential election, one can only await the high comedy of the various candidates explaining their various positions to the respective constituencies.

It is indeed a constitutional moment. Of self-inflicted wounds, which may not heal as readily as the mindless might, well, "think".

It would do no harm to give some thought also to the demographic facts which clearly indicate a rise in the number of child births, and correspondingly of births of children out of wedlock.

Between 1980 and 1991, 15 to 19 year olds represented a decreasing share of women in childbearing ages, falling from about 20 percent to 14 percent. The downward trend ended in 1991, and their share is projected to rise to 17 percent by 2005. Women in this age group accounted for about 30 percent of all out-of-wedlock births but only 13 percent of all births in 1992.

There is a similar trend for the larger population of women aged 15–24. This population as a share of all women in childbearing ages is projected to rise from 29 percent in 1996 to 33 percent in 2005. Women aged 15–24 accounted for 65 percent of all births out-of-wedlock and 40 percent of all births in 1992.

These are not the only problems with the bill approved on May 26 by the Finance Committee. Consider the work and training requirement. Everyone is for putting welfare parents to work, but paying for it is another matter. The Finance Committee bill says that 45 percent of the adult AFDC caseload must participate in the Job Opportunities and Basic Skills (JOBS) program by the year 2000, but it freezes welfare funding at the 1994 level. To meet the target, says the Congressional Budget Office, States would have to devote 60 percent of their block grant dollars to work activities and child care. Rather than do that, the CBO speculates, nearly all the States will simply accept the 5 percent reduction in block grant funding for failing to meet the standard. The work and training requirement will be a fiction.

The Family Support Act of 1995 (S. 828), has none of these fundamental flaws. It continues the entitlement and protects States and localities against unforeseen and unforeseeable financial hazards. It provides sufficient Federal matching funds to enable States to make participation in the JOBS program mandatory for welfare parents. The work requirement is real—a critical point if we are talking about making genuine change in the welfare system. It allows States to enroll absent parents who are unemployed and unable to pay child support in the JOBS program. S. 828 requires teen mothers to live at home and to go to school. It gives States new tools to enforce child support. It provides flexibility so that

States can test new ways to administer their AFDC and JOBS programs. It is fully paid for. And it is all we know.

The point is, welfare can be greatly changed without repealing essential guarantees. And no one should pretend that we know how to end welfare without at this point causing enormous hardships for children, as well as for State and local governments.

The group that has spoken out most eloquently on the subject of welfare is the U.S. Catholic Conference. Almost alone, they have raised the moral issue confronting us:

> We cannot support "reform" that will make it more difficult for poor children to grow into productive individuals. We cannot support reform that destroys the structures, ends entitlements, and eliminates resources that have provided an essential safety net for vulnerable children or permits states to reduce their commitment in this area.

If the bishops do not persuade, consider Hippocrates. *Primum non nocere.* First do no harm.

DANIEL PATRICK MOYNIHAN.
BILL BRADLEY.
CAROL MOSELEY-BRAUN.

ADDITIONAL VIEWS OF SENATOR BRADLEY

This legislation comes before the Committee at a time of real opportunity to do something about the very serious problems with the welfare system. We can have no illusions that the status quo is acceptable. We have an opportunity to transform Aid to Families with Dependent Children into a short path to economic self-sufficiency. We can build on innovations such as microenterprise, job-placement vouchers, maternity homes, and the Riverside County, California, approach to employment. We can bring down the barriers to success in the current system, from the long waits for federal waivers faced by states that want to innovate, to the penalties on assets, income and marriage that make it almost impossible for poor people to escape dependency through their own initiative.

In the weeks and months leading up to the Committee's brief deliberation on this bill, we held a series of hearings and heard scores of suggestions about how to improve work participation, discourage childbearing outside of marriage, reinforce parental responsibility, give states flexibility, and make welfare transitional. What did *not* emerge from these hearings, however, was any testimony in favor of doing what this bill proposes to do.

Instead, at a moment of opportunity to do something about welfare, this committee has chosen to do nothing. Instead of any substantive reform, we have an open-ended, non-specific, grant of money from the federal government to state politicians, for the loosest of abstract purposes. It is neither compassionate nor tough. It does nothing to ensure that people move quickly from welfare to work, just as it does nothing to ensure that children in the neediest families are protected from hunger, illness, homelessness, and death. It doesn't send a clear message to individuals about their responsibilities or the limits of society's willingness to help. It neither encourages innovation nor preserves the safety net. It doesn't strengthen the partnership between the federal government and the states but neither does it clearly hand responsibility to one level of government or the other.

There are two strongly positive features of this bill. The first is Title IV, the child support enforcement section. This section draws heavily on provisions of S. 456, which I introduced with a broad bipartisan coalition including members of this committee in February 1995. While I am disappointed by the substitution of some sections of H.R. 4 for sections of S. 456, on balance it will be a positive step forward for parents, whether receiving welfare or not, who are owed child support. I am disappointed by the committee's decision to eliminate the $50 pass-through of child support payments to families receiving welfare. While states will be permitted to pass through any amount of child support to families on assistance, they will have to reimburse the federal government for its share of the amount passed through, making it unlikely that most states will

pass through any amount. Thus, for a non-custodial parent of a child on welfare, there will be no tangible benefit to the children for paying child support. I appreciate that there is no consensus among researchers as to whether the $50 passthrough has had the desired effect of encouraging payment of support, but I would prefer to continue it until we can find an alternative means of achieving the same goal.

Further, with the elimination of the pass-through, the change in child support distribution rules in this bill becomes all the more important. Under this provision, included in every major child support bill introduced by members of either party in the House or Senate, when the state collects overdue child support arrearages for a family that had been on welfare, the family will first receive its share of arrearages accumulated *before* the family went on AFDC, as well as any overdue support from *after* the family left AFDC, before the state can take its share of child support to offset costs *during* the family's time on AFDC. Families leaving welfare will thus have some opportunity to become self-sufficient, and non-custodial parents will have some incentive to pay. I would urge the committee to resist any effort to reverse this change or to view it as merely technical or even accidental. It is a very deliberate policy choice and one that should remain inviolate.

The second positive aspect of the bill is simply that it does not indulge in the gratuitous meanness—towards legal immigrants, children born to welfare recipients or teenagers, and disabled children—that characterizes the version of H.R. 4 that passed the House of Representatives.

While this bill avoids the vicious symbolic politics of the House bill, it offers nothing in their place. There is only one substantive requirement upon states for receipt of the funds under this block grant: they must meet a series of work requirements, ramping up to a requirement that 50% of recipients be engaged in work activity by the year 2000. Yet the Congressional Budget Office predicts that only six states will have the funds to meet these work requirements. The rest will simply absorb the five percent penalty and continue doing business as usual, or even doing much less than they are required to do under the current JOBS program. I appreciate the Chairman's willingness to consider the implications of this unbiased opinion from the CBO, yet I would warn that it is not a peripheral issue or an oversight, but a fatal flaw at the very heart of this bill.

The driving idea behind this bill is state flexibility. Yet this is not enough of a foundation on which to build substantive welfare reform. The idea of state flexibility is compelling to anyone who has watched the contortions a state like New Jersey has had to go through to obtain waivers to try something new, usually something that involves spending a little more money now, or loosening restrictions on recipients, in expectation of savings in the future. But state flexibility is not an issue of controversy in this year's debate. All three alternatives offered by Democrats on this committee flatly eliminated or, in one case, scaled back this waiver process, and all three alternatives would have given states all the freedom that every governor ever asked for. This bill goes so much further be-

yond flexibility that it would gut the very basics of the system of assistance it seeks to reform.

Under this bill, states could conceivably do as little as merely referring needy families to a facility where some surplus cheese might be available. This may sound absurd or extreme, and it is, but it would be in full compliance with the bill's requirement that the state have "a plan to assist needy families"—any kind of plan. Under this bill states could do *almost nothing* without losing a penny of federal funds.

While I think most states will make an effort to do something, it is quite easy to see what will happen when states are hard-pressed for funds. They may provide minimal assistance in one region of the state. The will probably put very needy applicants on a waiting list after the federal funds run out. They might let state bureaucrats choose who to assist in a completely arbitrary manner. There will be no clear rules, and without clear rules, there will be none of the positive impact on behavior that proponents of the bill expect.

Further, without basic standards, work requirements would become even more meaningless that CBO says they are, because states would have no basic definition of who is eligible and therefore who should be in a work program. If a state has trouble meeting the work participation requirements under the bill, they can simply stop serving those who are having the most trouble funding work. States could thus artificially increase the percentage of those receiving assistance who are working, without increasing the number who are working.

At the very least, states should be required to set for themselves basic eligibility standards, basic benefits, rules governing assets and outside income, just as they do under current law. States must also clearly define the groups they would make categorically ineligible for help, whether teen parents, additional children born to welfare recipients, legal immigrants, or other categories. Washington would not tell the states what those rules should be, but states must set those rules for themselves, and families must know what the rules are. Then, states must be required to serve everyone who qualifies under those rules, supplementing federal funds with state funds if necessary.

Without such a minimal improvement, this bill will become a dangerous web of unintended consequences. Instead of states experimenting with time limits for those who have been on welfare for a long time, there will be waiting lists for those in need for the first time. Instead of work requirements, states may do less then they do under current law. Instead of clear rules that, over time, change individuals' attitudes about work and childbearing, we will have a muddle of ambiguity that will abandon some families that are doing their best to become self-sufficient, while allowing others who are more aggressive to continue exploiting the system. And instead of a clear funding mechanism that gives state full control of the program, we will have a structure that rewards states that choose to do the least, while leaving states that make a serious effort to reform welfare desperately strapped for funds.

A much better solution to all these problems, however, is to base the funding in each state on the state's current level of need, as

measured by the states' own eligibility and benefit levels, and to provide states with separate, flexible funding streams for jobs and training, and for child care. A number of alternatives offered in Committee, including Senator Conrad's and Senator Moynihan's, offer this funding structure along with all the flexibility states need to really change the culture of welfare. Although they were hastily rejected in Committee, they deserve full consideration on the Senate floor.

BILL BRADLEY.

ADDITIONAL VIEWS OF SENATOR JOHN D. ROCKEFELLER IV

I concur with the view expressed by the distinguished ranking member, Senator Daniel Patrick Moynihan.

Also, I would like to briefly summarize my own guiding principles regarding the current effort to achieve welfare reform.

As the vote on the Chairman's mark demonstrated, the members of the Committee disagreed on how to change the welfare system. I regret that the opportunity was not used to achieve consensus as a better route to making such important decisions affecting millions of children and families across America.

My view is that welfare reform should be a strong effort to expect work and personal responsibility from parents. Welfare should not be a hiding-place or a resting-place, and taxpayers have every reason to expect real change. The current system fails on both fronts of work and responsibility, although success requires enormous commitment, focus, and honesty about the reasons so many families are so poor.

But I do not believe welfare reform should be the route to abandoning this country's protection of children. The Chairman's legislation abdicates the federal responsibility for vulnerable children, which will punish and harm the innocent.

The legislation's shift to a block grant approach will place an arbitrary limit on funds to each state, regardless of its future changes in population, regional economic downturns, or the unpredictable changes affecting poor children and families.

State flexibility is important, but welfare reform legislation should ensure that federal tax dollars will truly be used to get AFDC parents into jobs with the necessary support of effective job placement and child care.

These are my fundamental concerns and reflect issues that are especially important to my state of West Virginia.

I do appreciate the Chairman's recognition and support of some basic provisions from the current JOBS programs designed to assure that existing workers are not displaced by community work programs established by states under new programs. The point is to move AFDC parents into work without displacing current workers and possibly pushing them into welfare. Such safeguards for hard working men and women are crucial and most be preserved. These provisions had bipartisan support over the years in a variety of federal programs, including the 1988 Family Support Act.

Also, I want to commend the Chairman's mark for supporting current law on child protective services, which includes a commitment to maintaining the entitlement status of foster care and adoption assistance. Services for abused and neglected children are basic protection for the most vulnerable members of our society, children who are unsafe in their own homes. Maintaining federal

standards and support for child protective services is a fundamental and moral obligation.

Welfare reform is an extremely challenging and essential endeavor. The goal should be to promote independence and discourage dependence, but the price should not be paid by children born into poverty through no fault of their own. For decades, this country has worked on promising opportunity and hope to every child, regardless of where they live. My hope is that the Senate will find a way to enact bipartisan legislation that keeps faith with both the principal of responsibility and a commitment to children.

JOHN D. ROCKEFELLER IV.

ADDITIONAL VIEWS OF SENATOR JOHN B. BREAUX

This bill does not reform welfare. It simply puts the welfare problems in a box and ships it to the states. When the states open that box, they're going to find a whole lot of problems and less money to help solve them.

The fact is, our nation's welfare problems are big enough for the federal and state governments, Democrats and Republicans, to solve together. That's why I think welfare reform should continue to be a state-federal partnership. Right now, the federal and state governments share the costs of supporting children and putting their parents to work. The Republican block grant plan would simply give states a check and require nothing in return. States could spend the money they now spend on poor families on roads or bridges. That is not fair. We all know that states are more careful spending money they have to raise themselves. I think both the federal and state governments should commit resources to reform welfare. That's why I offered an amendment in committee to encourage states to match federal welfare funds as they now do in most all federal state programs.

We need to move beyond the argument over whether the federal or state governments should handle the welfare problems. The real debate should be over how to best move people from welfare to work. Today, we expect too little from those on welfare. Anyone who can work, should. Everyone should do something as a condition of receiving assistance. Today, we also expect too little from the welfare bureaucracy. Its mission should be to get people off of welfare and into jobs—as soon as possible. Those who need help finding jobs should get it. But work, not welfare, should be the goal.

While we transform welfare into a work-based system, we should continue to protect kids. Welfare is a safety net for millions of American children living in poor or near-poor families. Most never need it. But it's there just in case—in case their mother loses her job or their father abandons the family. We should keep it that way.

I had hoped that the Committee would report a bill that is not just a budget cut disguised as welfare reform. A bill that doesn't just ship the welfare problem off to the states, but instead requires both levels of government to commit to solving the welfare problem. One that promotes work but protects kids. Since this bill does not, I had to oppose the measure. However, I remain hopeful that when this measure comes up for full Senate debate we will be able to produce a bipartisan product that will justify Presidential approval and be true reform for all Americans.

JOHN B. BREAUX.

ADDITIONAL VIEWS OF SENATOR CAROL MOSELEY-BRAUN

A week and half ago the Finance Committee reported out sweeping welfare reform legislation in the form of the Chairman's substitute to H.R. 4. It is likely that the full Senate will take up this bill later this month. The Chairman's substitute has serious and far reaching implications regarding this nation's commitment and obligation to poor children.

The House moved through welfare reform hastily, and produced an unworkable and ill conceived piece of legislation. Unfortunately, the Senate bill is equally problematic. While the bills do "reform welfare as we know it", neither of them deal with the underlying problems that cause expanding welfare rolls nor provide viable solutions. What the House and Senate Finance Committee bills really offer is a wholesale capitulation to those who would abandon the war on poverty. These bills end the federal guarantee to income assistance to poor children and shift the problem of responding to poverty to the states.

Welfare is a response to poverty. In 1993, 39.9 million Americans were poor. 22% or 14.9 million children live in poverty in this country—nearly one out of every four American children. This is a 40% increase since 1970. The U.S. rate is double that of Canada and Australia, and more than four times that of France, the Netherlands, Germany, and Sweden. Female headed households account for 23% of all families, and more than half of all female-headed households (53%) are poor.

Since 1935 the federal government has sought to reduce poverty and its consequences partly through income support to poor families. Poverty has been considered a national problem that required federal involvement. Under the guise of state flexibility, the Senate Finance bill, in effect, eschews any federal programmatic responsibility. The bill translates the universal frustration with the current system into an abdication of federal responsibility.

Welfare reform is clearly needed. Welfare policies should not encourage a lifetime of dependency. All recipients who can work should work. Reform will not work, however, if it does not attempt to resolve issues of poverty and offer poor families opportunity.

The Finance Committee bill fails to address poverty or offer a realistic prescription for reform. The worst consequence is that it will rob 4 million of children of opportunity to reach their full potential because it eliminates any state or federal obligation to poor children.

Several aspects of the bill are of particular concern to me:

Block grants are proposed as a solution.—The bill turns the welfare problem over to the states using a block grant mechanism. The block grant mechanism in effect, eliminates the current federal and state obligation to care for poor children. The federal government

thus transfers its current obligation to serve people and replaces it with a guarantee to provide funding to states.

This route was taken even though past history has shown that many of the block grants established in the early 1980's failed to achieve their intended goals. The lack of federal reporting requirements created a situation where targeted populations were not well served, comparable data across states was unavailable, and the federal government could not account for how funds were spent. Over time, funding for many of the block grants was reduced while the number of targeted categorical programs increased.

Funding is inadequate and inflexible.—The bill provides $16.8 billion dollars to states for each of the next five years to care for needy children. The funding is capped and cannot respond to changes in caseload or population. Fast-growing states would be penalized as would states experiencing a recession or economic downturn. Federal funds would quickly disappear but the responsibility for caring for needy children would not.

The funding level is also inadequate. According to the Congressional Budget Office (CBO), in the year 2000 two-thirds of the funding will be necessary to meet the work and child care requirements alone. Only one-third of the funds would be available for cash assistance. CBO estimates that only 6 States could meet the work requirements of the bill. Therefore the majority of the states would be forced to incur penalties or reduce the amount of cash assistance available to families with dependent children.

The bill does not require maintenance of effort.—The bill would set in stone the current funding allocations which are based on what states spend. Grant levels vary widely among states. Children would be treated differently due to the geography of their birth.

It is one thing to allow such discrepancies when it is based on state decisions of how much to spend on poor families, as is the case of the current allotment. But, under the Senate bill, states would not have to spend state revenue to receive federal funds. Benefits to poor families could be comprised solely of federal funds If this is the case, federal dollars should be allocated more equitably based on need.

Welfare reform should be done fairly. During the mark-up the decision to lock in the current funding distribution was defended as the only workable solution; rewriting the formula, it was said, would be too complicated. The current allocation system is faulty. If it does not work we should not be swayed from change because of the prospect of a formula fight.

The bill will create a "race to the bottom".—There is a widely held belief that states which set high benefit levels will become a magnet for poor families living in low benefit states. If poor people move to states with generous benefits, state spending will have to increase due to the inflexibility of the federal grant. This creates either a hidden unfunded mandate or a powerful incentive to reduce benefits levels.

States are already competing to reduce benefit levels, even through current benefits are lower than the poverty level in all 50 states. (In real dollar terms benefits levels have fallen 47% since 1970.)

The bill assumes that states will "do the right thing."—While there is merit in the notion that states are closer to the problems of their constituents and some states have demonstrated the capacity to innovate, the absolute absence of a national commitment to income assistance puts the poor at the mercy of geography and chance. State flexibility is important, but so fiscal and programmatic accountability. We must not disregard the lessons learned from the past.

States have the principal responsibility for caring for abused and neglected children. 20 states, however, are under court orders to improve their systems. It was the imposition of federal mandates that are most often cited as the cause for many of the reforms of the past 20 years. If states can not adequately care for our abused and neglected children, we should not assume that states will do a better job with other poor children.

The bill also ignores past welfare experience. We have learned from successful state experiments, such as those in Michigan and Wisconsin, that moving recipients into jobs can be done but it requires investment.

Investing in people is more expensive in the short run, but will provide a greater return over time.

The bill does not include provisions for job creation.—Finally, the bill assumes that recipients will be able to find jobs after the five year time limit (which could be less at a state's opinion) but does not provide funding for job creation or provide adequate funding for support services that will aid recipients to obtain and keep private sector jobs. In many poor communities jobs simply do not exist and those that are available are not easily accessible. Transportation may be insufficient, unavailable and or expensive. This bill buys into the "Field of Dreams" theory: If you kick them off welfare they will work. It will be nearly impossible to move recipients into permanent private sector jobs if there are no jobs.

For those who do find work, salaries are low and benefits are nonexistent. Many current recipients who work combine work and welfare benefits wages are not sufficient to support a family. This bill fails altogether to address the needs of the marginal poor.

This nation has a 7 trillion dollar economy. It is unfathomable that the federal government is poised to turn its back on this nation's children. Less than 2% of the $1.5 trillion federal budget is spent on AFDC, yet it is a target for billions in budget cuts.

This bill will exacerbate poverty and all of its attendant problems. Thirty years ago Senator Moynihan accurately predicted a bleak future for poor communities with increasing numbers of one-parent families. I believe the future for poor communities will be even more dire if this legislation passes. This bill does not provide states with the tools to move recipients into permanent employment nor does it provide economic investment or opportunities for impoverished communities.

The Senate should not rush through deliberations of welfare reform with inadequate concern for the consequences. I hope my colleagues will take the time to sort out the real issues that are involved here and consider meaningful, realistic reforms.

I therefore will not support passage of the Senate Finance Committee mark.

CAROL MOSELEY-BRAUN.

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