

EXTENSIONS OF REMARKS

COMMUNITY DEVELOPMENT
BLOCK GRANT DIRECT HOME
OWNERSHIP ASSISTANCE EXTEN-
SION ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. MINK of Hawaii. Mr. Speaker, the Community Development Block Grant [CDBG] Direct Home Ownership Assistance Program will expire at the end of the current fiscal year, leaving numerous communities nationwide at a great loss. For this reason, I have introduced the CDBG Direct Home Ownership Assistance Extension Act which would prolong the duration of this program another year, to end in fiscal year 1996.

The National Affordable Housing Act [NAHA] in 1990 amended CDBG legislation to remove direct home ownership assistance from the public service category and establish it as a separate entity. A sunset clause in the NAHA legislation would have terminated the program on October 1, 1993; however, due to apparent need for the program, the 1992 Housing and Community Development Act further extended the provision through October 1, 1994. The 1992 legislation also authorized the Secretary of Housing and Urban Development [HUD] to extend the program 1 additional year through fiscal year 1995, which he did on September 30, 1994.

Program extension is even more crucial at this point, months after HUD released its national home ownership strategy in partnership with groups including the American Bankers Association and Federal National Mortgage Corp. The strategy aims to increase the national home ownership rate to 67.5 from 64 percent in 5 years—adding up to 8 million new families to home ownership rolls in the United States by end of the year 2000—without adding new Government spending. Direct home ownership assistance is an ideal component of this strategy.

Direct home ownership assistance is crucial for my State of Hawaii as a whole, considering that its rate of home ownership is a mere 53.5 percent. The median price of an existing home in the United States in 1994 registered at \$109,000, while the median price for an Oahu home was \$360,000.

Unique circumstances surround the County of Kauai in my district, which continues to recover from devastating effects of Hurricane Iniki, 1992. The Kauai County Housing Agency has been planning to put all \$140,000 of its fiscal year 1995 CDBG funds into direct home ownership assistance and desperately needs this program to continue. The single-family house price for Kauai County in September 1994 was \$311,632. In addition, as defined by HUD, 44 percent of Kauai's resident households are considered to fall below 80 percent of the median income level. These factors present a significant proportion of Kauai's families with only bleak possibilities at home ownership.

Despite Kauai's high-housing prices and low-income levels, the desire for home ownership still remains notable. According to the county, 66 percent of the households who will eventually move from their current place of residence wish to become homeowners. However, 17 percent of these households have less than \$5,000 for down payment purposes. Many families in Kauai County are presented with little or no opportunity to achieve the American dream. Direct home ownership assistance would help at least some of these families.

On the national level, according to HUD's latest CDBG performance reports—compiled for the 1992 program year—143 communities used approximately \$18.2 million for 247 activities under direct home ownership assistance—which is available for all States. Municipalities which have benefited substantially from the program in fiscal year 1995 include Boston, \$1.6 million; Cambridge, \$237,811; and Springfield, MA, \$920,400; Kansas City, MO, \$2.4 million; Johnson City, TN, \$240,225; and Lakeland, FL, \$135,000.

Direct home ownership assistance is a valuable program that increases user flexibility without contributing more to CDBG costs. It provides needy communities with an alternative to housing assistance under HOME investment partnership grants. Many communities, such as Kauai, have incorporated this program into 1995 CDBG plans and would be forced to extensively reprogram funds should this program expire.

I strongly urge my colleagues to support the CDBG Direct Homeownership Assistance Extension Act.

THE REPUBLICANS' CUTS IN STUDENT LOANS AND EDUCATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, this week, all across the 7th Congressional District in Illinois, children, teenagers and young people are beginning their new school year and buckling down for a year of hard work and study.

Unfortunately, the GOP budget proposals will be randomly expelling young people from education programs across the Chicago metropolitan area. Frankly, I'd like to make the Republicans supporting these proposals sit in the corner with a dunce cap on their heads or give them an F for unfairness.

It is evidently to the majority of Americans across the country that spending Federal funds on education is a smart investment. Despite widespread support for funding for education, the Republicans are slashing education funding to dangerously low levels. In Illinois' 7th Congressional District, these cuts will hit especially hard and will cause thousands of students to lose access to critical educational opportunities and services.

From pre-school through graduate school, all students are targets of the Gingrich-Republican's budget cuts. The Republicans are proposing cutting a whopping \$45 billion from education programs over the next 7 years, plus eliminating the U.S. Department of Education, to pay for tax breaks for the wealthiest 1 percent of Americans.

For young children, these cuts will eliminate nearly 50,000 Head Start children from the successful and popular Head Start Program. Ms. Sherry West, a former Head Start parent and mother of four children from the 7th Congressional District, visited Washington, DC last month to describe exactly how devastating these cuts will be.

The Republicans in the House of Representatives have already voted to eliminate the Federal school lunch program that has guaranteed needy children a decent meal since they were established by Harry Truman in 1946. Instead, the Gingrich-Republicans want to establish a block grant with no guarantee that hungry children will be fed during a recession or other economic downturn and no requirements that nutritional standards be met. When I visited the Henry Suder Elementary School in my District earlier this year, I saw how directly these cuts will impact 488 of the school's 501 students who participate in the Federal nutrition program.

The Summer Youth Employment program that provided more than 10,000 young people in Chicago summer jobs and an opportunity to learn useful job skills last year is also eliminated completely. Funding for children with disabilities is cut by 64 percent leaving many of these children without the resources that are needed to help them face their extraordinary obstacles and challenges.

In Chicago alone, education services will be eliminated for more than 25,000 students and cause as many as 1,000 teachers to be laid off. The city of Chicago will lose more than \$41 million for special and vocational education, dropout prevention, job training, school building repairs, drug free school programs and numerous other educational programs.

Cuts for higher education will also be devastating. Currently, the vast majority of students in my congressional district can only afford to attend college or graduate school by taking out enormous loans that they must pay back for a decade after finishing school.

Now, with a decrease of \$520 million in the Pell Grant Program, \$156 million in the Federal Perkins Loans Program and more than \$700 million in total student financial assistance, even fewer of my constituents will be able to afford to attend college. The cost of student loans is expected to increase by \$2,000 for undergraduate students and between \$6,000 and \$38,000 for graduate students under the Republicans' plan. This is not just pocket change to most young people and will prevent many of them from getting a college degree.

The students in my District have some advice for the Republicans—stop acting like a

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