Mr. Speaker, the choice comes down to this: We either punish poor people who play by the rules, as the Republican bill would do, or we invest in them so that they can get off welfare permanently.

CURRENT WELFARE SYSTEM HAS NEVER WORKED

(Mr. CHRISTENSEN asked and was given permission to address the House for 1 minute.)

Mr. CHRISTENSEN. Mr. Speaker, in the last few days I have seen an uproar from the friends on the left regarding the restructuring of the welfare system. I hear phrases like ''lacking compassion,'' ''mean spirited,'' ''cruelty to children.'' I am here to tell you that changing a system that does not work has nothing to do with lacking compassion.

What is lacking is maintaining a welfare system that has never worked and has only increased dependence to ensure the survival of a political party, lacking in responsibility, and, yes, lacking in compassion.

□ 1045

Yes, you know, in the last 30 years the Democratically controlled Congress has spent over $5 trillion on welfare. In that same 30 years AFDC recipients have more than doubled, the number of single parents has tripled, food stamp recipients have quintupled, while these same Democrats stand up and yell about compassion.

Today I join my fellow Americans and say we have seen the kind of work compassion you have offered these last 30 years. Give people back their dignity, give them hope, not a handout.

Pass the Republican welfare bill.

THE SAFETY NET

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute.)

Mrs. SEASTRAND. Mr. Speaker, the 104th Congress is not debating the fundamental restructuring of the failed welfare system. We have started one of the most important debates for the next generation. As a former elementary school teacher, I know and realize how important it is for the Congress to end the cycle of dependency and replace it with the dignity of work.

Mr. Speaker, we are ending a welfare system that is not compassionate and replacing it with hope and opportunity. We are ending a failed system and encouraging personal responsibility. These are ambitious goals yet they are achievable goals.

While we are making these changes to the welfare system, we also have to recognize that we will hit some rough spots. That is why our bill retains a Federal safety net called food stamps. This safety net insures that no American will go hungry while we change the system to bring opportunity and dignity. While we retain a safety net we also require personal responsibility in the form of work.

I urge all to call President Clinton, 202–456–1414, and ask him why he is not joining us to change it.

GOODBYE MILK, HELLO KOOL-AID

(Mr. POMEROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMEROY. Mr. Chairman, while both parties support welfare reform, there is something terribly unseemly about the debate under way in the House. Well-fed speaker after well-fed speaker has gotten up and argued passionately for the Republican proposal which makes deep cuts in the nutritional program helping infants at home, toddlers in day care and kids in school.

My abundantly nourished Republican friends maintain they are not cutting anything. But the numbers tell quite a different story. The Congressional Budget Office, which they control, says more than $22 billion will be removed from the nutritional spending. The only way you get this much money from nutrition programs is by sharply reducing the quality and nutritional value of these programs which help these kids who need them so badly. For kids all across the country, it is goodbye milk, hello Kool-Aid. I wonder how my comfortable, well-fed colleagues would like a diet like that for themselves?

A DISAPPOINTING PERFORMANCE

(Mr. COLLINS of Georgia asked and was given permission to address the House for 1 minute.)

Mr. COLLINS of Georgia. Mr. Speaker, I too want to address the debate that is going on on the issue of welfare change. Only my position on this debate is that I am very disappointed in it. I am very disappointed in this Congress. This is the most important issue that we are going to debate in this whole entire 104th Congress. It is going to affect the lives of millions of people, even probably—or hopefully—will change the course of lives of millions of people.

But the debate has turned away from that aspect. The debate has turned to one of name-calling, finger-pointing, and distortion of the truth, all in an attempt to divide people of this country, to divide people by class, divide people by race, and divide people by nationality.

Mr. Speaker, that is wrong. And I can assure you that there is not one Member of this body who wants to do harm to any one child in this Nation. I hope the debate turns better.

H.R. 4 CUTS CHILD NUTRITION PROGRAMS

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I hold in my hand H.R. 4, the Republican so-called welfare reform package. I urge everyone to read this, to read this and weep. Because in the attempt to improve the welfare system, which we all agree needs to be reformed, our Republican colleagues have cut—yes, cut—the children's nutrition programs that have been an entitlement for America's poor and hungry children for over 50 years.

Our colleagues on the Republican side will wave a CRS report that says they do not cut the School Lunch Program, but they are avoiding the issue. Because what we are talking about is the children's nutrition program, which includes school lunch, which includes the afternoon program and summer programs for children whose parents work and who need child care, something we are trying to encourage: work.

And if you just want to talk about school lunch, let's talk about that. The funds that this bill, H.R. 4, puts in here gives the Governors the authority to spend only 80 percent of the money. They do not have to spend 100 percent. They remove the entitlement; they remove the nutritional standards. Poor children lose a lot in this bill, which rewards the rich, cheats the children, and is weak on work.

I urge my colleagues to vote against it.

PERSONAL EXPLANATION

Mr. DOYLE. Mr. Speaker, last night, during rollcall vote Nos. 257 and 258 on H.R. 4, I was unavoidably detained. Had I been present I would have voted ''no'' on H.R. 257 and ''no'' on H.R. 258.

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.

□ 1400

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.

□ 1415

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
Armey
Bachus
Baker (LA)
Barr
Bartlett
Barton
Bono
Bryant (TN)
Bunning
Burton
Chabot
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Cox
Crane
Crapo
DeLay
Doolittle
Dornan
Duncan
Dunn
English
Ensign
Fawell
Fields (TX)
Flanagan
Forbes
Fox
Funderburk
Gallegly
Gekas
Geren
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gutknecht
Hall (TX)
Hancock
Hansen
Hefley
Herger
Hilleary
Hoekstra
Hoke
Hostettler
Hunter
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
King
Klug
Largent
Livingston
Manzullo
McCollum
McCrery
McInnis
McIntosh
Mica
Miller (FL)
Moorhead
Myers
Myrick
Neumann
Ney
Norwood
Paxon
Petri
Porter
Portman
Quillen
Radanovich
Ramstad
Riggs
Rohrabacher
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shays
Smith (MI)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (MS)
Taylor (NC)
Thornberry
Torkildsen
Walker
Wamp
Weldon (FL)
Zimmer

NOES—316

Abercrombie
Ackerman
Allard
Andrews
Baesler
Baker (CA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Bunn
Burr
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chambliss
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hamilton
Harman
Hastert
Hastings (FL)
Hayes
Hayworth
Hefner
Heineman
Hilliard
Hinchey
Hobson
Holden
Horn
Houghton
Hoyer
Hutchinson
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDade
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Nethercutt
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Poshard
Pryce
Quinn
Rahall
Rangel
Reed
Regula
Reynolds
Richardson
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Tejeda
Thomas
Thompson
Thornton
Thurman
Tiahrt
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff

NOT VOTING—4

Chapman
Hastings (WA)
Moakley
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 second-hand 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 arise 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 the 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 dead-beat 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 second-hand clothes, where have you heard of such a mess before? Wearing second-hand 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 alternative 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
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)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
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
Cubin
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
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
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. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of the Social Security Act.

TITLE I—TIME-LIMITED TRANSITIONAL ASSISTANCE
Sec. 101. Limitation on duration of AFDC benefits.
Sec. 102. Establishment of Federal data base.
TITLE II—MAKE WORK PAY
Subtitle A—Health Care
Sec. 201. Transitional medicaid benefits.
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.
Sec. 212. Notice of availability of earned income tax credit and dependent care tax credit to be included on W–4 form.
Sec. 213. Advance payment of earned income tax credit through State demonstration programs.
Subtitle C—Child Care
Sec. 221. Dependent care credit to be refundable; high-income taxpayers ineligible for credit.
Sec. 222. Funding of child care services.
Subtitle D—AFDC Work Disregards
Sec. 231. Option to increase disregard of earned income.
Sec. 232. State option to establish voluntary diversion program.
Sec. 233. Elimination of quarters of coverage requirement for married teens under AFDC–UP program.
Subtitle E—AFDC Asset Limitations
Sec. 241. Increase in resource thresholds; separate threshold for vehicles.
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.
TITLE III—THE WORK FIRST PROGRAM
Sec. 301. Work first program.
Sec. 302. Regulations.
Sec. 303. Applicability to States.
Sec. 304. Sense of the Congress relating to availability of work first program in rural areas.
Sec. 305. Grants to community-based organizations.
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.
Sec. 402. Distribution of payments.
Sec. 403. Due process rights.
Sec. 404. Privacy safeguards.
Subtitle B—Program Administration and Funding
Sec. 411. Federal matching payments.
Sec. 412. Performance-based incentives and penalties.
Sec. 413. Federal and State reviews and audits.
Sec. 414. Required reporting procedures.
Sec. 415. Automated data processing requirements.
Sec. 416. Director of CSE program; staffing study.
Sec. 417. Funding for secretarial assistance to State programs.
Sec. 418. Reports and data collection by the Secretary.
Subtitle C—Locate and Case Tracking
Sec. 421. Central State and case registry.
Sec. 422. Centralized collection and disbursement of support payments.
Sec. 423. Amendments concerning income withholding.
Sec. 424. Locator information from interstate networks.
Sec. 425. Expanded Federal Parent Locator Service.
Sec. 426. Use of social security numbers.
Subtitle D—Streamlining and Uniformity of Procedures
Sec. 431. Adoption of uniform State laws.
Sec. 432. Improvements to full faith and credit for child support orders.
Sec. 433. State laws providing expedited procedures.
Subtitle E—Paternity Establishment
Sec. 441. Sense of the Congress.
Sec. 442. Availability of parenting social services for new fathers.
Sec. 443. Cooperation requirement and good cause exception.
Sec. 444. Federal matching payments.
Sec. 445. Performance-based incentives and penalties.
Sec. 446. State laws concerning paternity establishment.
Sec. 447. Outreach for voluntary paternity establishment.
Subtitle F—Establishment and Modification of Support Orders
Sec. 451. National Child Support Guidelines Commission.
Sec. 452. Simplified process for review and adjustment of child support orders.
Subtitle G—Enforcement of Support Orders
Sec. 461. Federal income tax refund offset.
Sec. 462. Internal Revenue Service collection of arrears.
Sec. 463. Authority to collect support from Federal employees.
Sec. 464. Enforcement of child support obligations of members of the Armed Forces.
Sec. 465. Motor vehicle liens.
Sec. 466. Voiding of fraudulent transfers.
Sec. 467. State law authorizing suspension of licenses.
Sec. 468. Reporting arrearages to credit bureaus.
Sec. 469. Extended statute of limitation for collection of arrearages.
Sec. 470. Charges for arrearages.
Sec. 471. Denial of passports for nonpayment of child support.
Sec. 472. International child support enforcement.
Sec. 473. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.
Sec. 474. Liability of grandparents for financial support of children of their minor children.
Sec. 475. Sense of the Congress regarding programs for noncustodial parents unable to meet child support obligations.
Subtitle H—Medical Support
Sec. 481. Technical correction to ERISA definition of medical child support order.
Sec. 482. Extension of medicaid eligibility for families losing AFDC due to increased child support collections.
Subtitle I—Effect of Enactment
Sec. 491. Effective dates.
Sec. 492. Severability.
TITLE V—TEEN PREGNANCY AND FAMILY STABILITY
Subtitle A—Federal Role
Sec. 501. State option to deny AFDC for additional children.
Sec. 502. Minors receiving AFDC required to live under responsible adult supervision.
Sec. 503. National clearinghouse on adolescent pregnancy.
Sec. 504. Incentive for teen parents to attend school.
Sec. 505. State option to disregard 100–hour rule under AFDC–UP program.
Sec. 506. State option to disregard 6–month limitation on AFDC–UP benefits.
Sec. 507. Elimination of quarters of coverage requirement under AFDC–UP program for families in which both parents are teens.
Sec. 508. Denial of Federal housing benefits to minors who bear children out-of-wedlock.
Sec. 509. State option to deny AFDC to minor parents.
Subtitle B—State Role
Sec. 511. Teenage pregnancy prevention and family stability.
Sec. 512. Availability of family planning services.
TITLE VI—PROGRAM SIMPLIFICATION
Subtitle A—Increased State Flexibility
Sec. 601. State option to provide AFDC through 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.
Subtitle B—Coordination of AFDC and Food Stamp Programs
Sec. 611. Amendments to part A of title IV of the Social Security Act.
Sec. 612. Amendments to the Food Stamp Act of 1977.
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.
Sec. 632. Study on feasibility of single tamper-proof identification card to serve programs under both the Social Security Act and health reform legislation.
Subtitle D—Additional Provisions
Sec. 641. State options regarding unemployed parent program.
Sec. 642. Definition of essential person.
Sec. 643. ''Fill-the-gap'' budgeting.
Sec. 644. Repeal of requirement to make certain supplemental payments in States paying less than their needs standards.
Sec. 645. Collection of AFDC overpayments from Federal tax refunds.
Sec. 646. Territories.
Sec. 647. Disregard of student income.
Sec. 648. Lump-sum income.
TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAM
Sec. 701. Establishment of programs.
Sec. 702. Repeals and conforming amendments.
Sec. 703. Effective date.
TITLE VIII—SSI REFORM
Subtitle A—Eligibility of Children for Benefits
Sec. 801. Restrictions on eligibility.
Sec. 802. Continuing disability reviews for certain children.
Sec. 803. Disability review required for SSI recipients who are 18 years of age.
Sec. 804. Applicability.

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.
TITLE IX—FINANCING
Subtitle A—Treatment of Aliens
Sec. 901. Extension of deeming of income and resources under AFDC, SSI, and food stamp programs.
Sec. 902. Requirements for sponsor's affidavits of support.
Sec. 903. Extending requirement for affidavits of support to family-related and diversity immigrants.
Subtitle B—Limitation on Emergency Assistance Expenditures
Sec. 911. Limitation on expenditures for emergency assistance.
Subtitle C—Tax Provisions
Sec. 921. Certain Federal assistance includible in gross income.
Sec. 922. Earned income tax credit denied to individuals not authorized to be employed in the United States.
Sec. 923. Phaseout of earned income credit for individuals having more than $2,500 of taxable interest and dividends.
Sec. 924. AFDC and food stamp benefits not taken into account for purposes of the earned income tax credit.
TITLE X—FOOD ASSISTANCE REFORM
Subtitle A—Food Stamp Program Integrity and Reform
Sec. 1001. Authority to establish authorization periods.
Sec. 1002. Specific period for prohibiting participation of stores based on lack of business integrity.
Sec. 1003. Information for verifying eligibility for authorization.
Sec. 1004. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 1005. Bases for suspensions and disqualifications.
Sec. 1006. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 1007. Disqualification of retailers who are disqualified from the WIC program.
Sec. 1008. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 1009. Expanded civil and criminal forfeiture for violations of the Food Stamp Act.
Sec. 1010. Expanded authority for sharing information provided by retailers.
Sec. 1011. Expanded definition of ''coupon''.
Sec. 1012. Doubled penalties for violating food stamp program requirements.
Sec. 1013. Mandatory claims collection methods.
Sec. 1014. Reduction of basic benefit level.
Sec. 1015. Pro-rating benefits after interruptions in participation.
Sec. 1016. Work requirement for able-bodied recipients.
Sec. 1017. Extending current claims retention rates.
Sec. 1018. Coordination of employment and training programs.
Sec. 1019. Promoting expansion of electronic benefits transfer.
Sec. 1020. One-year freeze of standard deduction.
Sec. 1021. Nutrition assistance for Puerto Rico.
Sec. 1022. Other amendments to the Food Stamp Act of 1977.
Subtitle B—Commodity Distribution
Sec. 1051. Short title.
Sec. 1052. Availability of commodities.
Sec. 1053. State, local and private supplementation of commodities.
Sec. 1054. State plan.
Sec. 1055. Allocation of commodities to States.
Sec. 1056. Priority system for State distribution of commodities.
Sec. 1057. Initial processing costs.
Sec. 1058. Assurances; anticipated use.
Sec. 1059. Authorization of appropriations.
Sec. 1060. Commodity supplemental food program.
Sec. 1061. Commodities not income.
Sec. 1062. Prohibition against certain State charges.
Sec. 1063. Definitions.
Sec. 1064. Regulations.
Sec. 1065. Finality of determinations.
Sec. 1066. Relationship to other programs.
Sec. 1067. Settlement and adjustment of claims.
Sec. 1068. Repealers; amendments.
TITLE XI—DEFICIT REDUCTION
Sec. 1101. Dedication of savings to deficit reduction.
TITLE XII—EFFECTIVE DATE
Sec. 1201. Effective date.

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 co-locating 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.''.

(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(1)(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(1)(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. 1715l(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(1) of the Internal Revenue Code (26 U.S.C. 6103(1)) 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, 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. 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.

□ 1845

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
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
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
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
Mollohan
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
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
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—228

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
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
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
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
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
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—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 paternity.

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 Governors—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.