''(I) provide a greater financial bonus for individuals in families described in clause (i) who remain employed for greater periods of time or are at greater risk of long-term welfare dependency; and

''(I) take into account the unemployment conditions of each State or geographic area.

''(B) JOB PLACEMENT PERFORMANCE BONUS FUND.—

''(i) IN GENERAL.—The amount in the job placement performance bonus fund for a fiscal year shall be an amount equal to—

''(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

''(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

	The applicable percentage is:
''For fiscal year:	
1998	3
1999	4
2000 and each fiscal year thereafter	5.

On page 29, line 16, strike ''(f)'' and insert ''(g)''.

On page 66, line 13, insert ''and a preliminary assessment of the job placement performance bonus established under section 403(f)'' before the end period.

AMENDMENT NO. 2515 TO AMENDMENT NO. 2280

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk in behalf of Senator LIEBERMAN and I ask for its consideration.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes an amendment numbered 2515 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the ''National Clearinghouse on Teenage Pregnancy Prevention Programs''.

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 5 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

''(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

''(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

''(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).''.

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments numbered 2514 and 2515 be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, we are waiting for a few minutes for Senator CRAIG to get here to offer the next amendment that will be considered this afternoon. So, until he arrives, I would like to have permission to speak as if in morning business to introduce a bill that Senator LEVIN and I are introducing.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1224 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1996

The PRESIDING OFFICER. Under a previous order, the Chair lays before the Senate H.R. 2126. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The PRESIDING OFFICER. Under the order, all after the enacting clause is stricken and the language of S. 1087 is inserted.

The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill is passed and the motion to reconsider is laid upon the table.

So the bill (H.R. 2126), as amended, was passed.

The PRESIDING OFFICER. Under the order, the Senate insists on its amendments, requests a conference with the House on the disagreeing votes of the two Houses, and the Chair is authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. GRAMM, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the order, S. 1087 is indefinitely postponed.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the Boxer amendment No. 2482.

AMENDMENT NO. 2508

Mr. BROWN. Mr. President, I ask unanimous-consent that the pending amendment be set aside and that the portion of the unanimous-consent agreement which laid aside consideration of the Brown amendment until next Monday be waived and that I be allowed to bring up the Brown amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BROWN. Mr. President, I therefore call up amendment No. 2508, the Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, this is a very straightforward amendment. When it was initially offered, it was read.

Let me simply reiterate for the benefit of Members who may not have been here at the time, what it does is place a limit of 15 percent on the Federal funds that may be used for administrative expenditures under the temporary assistance block grant. This is under title I.

Mr. President, what this suggests is that at least 85 percent of the money that is given in a block grant go to actual assistance and only 15 percent, or a maximum of 15 percent go for bureaucracy or administrative costs.

History shows that the vast majority of our States can and do live within this limitation already. Frankly, my purpose in offering it is to make it clear that this money is not simply to be consumed in administrative costs but to go to programs and to go to the people where it will do some good.

One may reasonably ask, is 15 percent reasonable?

I might say that three-fourths of the States already operate within that for comparable programs. But I also might mention that the other parts of the welfare bill have limitations on administrative costs and that this is perhaps more generous than most of those.

Let me be specific. In the child care block grant the cap is 5 percent whereas this is 15 percent. Job training coordination for statewide work force education is a 1-percent cap—that is 5 percent of the 20 percent. The statewide work force employment program versus the education program is a 5-percent cap. The food stamp block grant option is a 6-percent cap. So by suggesting a 15-percent cap for administrative costs we are not trying to be overly tight with the States but we do think some upper limit with regard to administrative costs is appropriate, that is, essential.

How many times have we heard from our States and counties where we have said most of the money that was sent to them, or a large portion of the money that was sent to them, to deal with a problem is consumed at the State level for administrative costs, money that does not go to help people, money that may not go to directly dealing with the people at hand.

The 50-percent maximum limit is reasonable. It is one that States can live with. And, frankly, Mr. President, what it says is this money is meant to help people and goes to effect a program, not to simply be consumed by new bureaucracies at a State level.

With the broad new discretion given the States, this sort of reasonable upper limit for bureaucracy, I think, is appropriate and needed. The saddest commentary of all would be if delineating the money to the States, doing away with the Federal bureaucracy, ended up producing a whole new huge bureaucracy on the State level. So a reasonable limit is needed, appropriate.

I urge its adoption, Mr. President.

Mr. President, on this amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I yield back the balance of my time.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I would rise in support of the amendment by the Senator from Colorado. I think in this whole process of moving from categorical programs administered from Washington to more flexible programs, you can also call block grants to the States. I think we have an appropriate responsibility to the Federal taxpayers to make sure that money is not eaten up in excess administrative costs.

I think the Brown amendment is a step in the right direction. I do not think very many States would exceed that anyway, and probably very few States exceed that presently. But we are moving into a program of what we think is of considerable length. And I have always said that to meet the Federal responsibilities on block grants it is legitimate to put limits on administrative expenses, to have some national goals that ought to be met, and to have a targeted population described by the Federal taxpayers.

It seems to me that this solves one of those major, legitimate issues that we ought to deal with here, albeit at the same time we are going to give the maximum discretion to the States on the administering of the welfare program. So I compliment the Senator from Colorado for his amendment.

I yield the floor.

Mr. BIDEN. Mr. President, the Brown amendment to the welfare bill sounds good on the surface, and I suspect it will pass by a large margin. But, I will vote against it, and I want to explain why.

The fact is, this amendment would be prejudicial to my State of Delaware. It would require all States to treat their Federal welfare block grant funds as if they were State revenues, thus requiring the moneys to be appropriated by the State legislature.

However, Delaware is one of only six States where the General Assembly has decided that Federal moneys can bypass the State legislature and be directly appropriated to a State agency by the governor. In other words, State legislators in Delaware have decided themselves to forego the right to appropriate Federal funds.

I simply do not believe that this bill is the time or the place to change my State's budget law and longstanding appropriations process. If the Delaware General Assembly wants to appropriate the Federal funds that Delaware receives, the General Assembly is fully within its rights to change Delaware's law. But, I cannot support imposing that on my State—especially in a bill that is intended, according to its sponsors, to give States more rights and flexibility.

Mr. President, I thank the Chair, and I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this appears to me to be another amendment that will make the block grant unworkable. And I entirely support that.

I believe the yeas and nays have been requested?

Mr. GRASSLEY. Yes.

Mr. MOYNIHAN. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2508 offered by the Senator from Colorado.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr.

COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Alabama [Mr. SHELBY] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] is necessarily absent.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 5, as follows:

[Rollcall Vote No. 404 Leg.]

YEAS—87

Abraham	Feingold	Levin
Akaka	Feinstein	Lieberman
Baucus	Ford	Lott
Bennett	Frist	McConnell
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Gramm	Moynihan
Bradley	Grams	Murray
Breaux	Grassley	Nickles
Brown	Gregg	Nunn
Bryan	Harkin	Packwood
Bumpers	Hatfield	Pell
Burns	Heflin	Pressler
Byrd	Helms	Reid
Chafee	Hollings	Robb
Coats	Hutchison	Rockefeller
Cohen	Inhofe	Roth
Conrad	Inouye	Santorum
Coverdell	Jeffords	Sarbanes
Craig	Johnston	Simon
D'Amato	Kassebaum	Simpson
Daschle	Kempthorne	Smith
DeWine	Kennedy	Snowe
Dodd	Kerrey	Specter
Dole	Kerry	Stevens
Domenici	Kohl	Thomas
Dorgan	Kyl	Thurmond
Exon	Lautenberg	Warner
Faircloth	Leahy	Wellstone

NAYS—5

Ashcroft	Gorton	Lugar
Bond	Hatch	

NOT VOTING—8

Campbell	McCain	Shelby
Cochran	Murkowski	Thompson
Mack	Pryor	

So, the amendment (No. 2508) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside so that I and Senator HELMS, in that order, may send amendments to the desk and ask for their immediate consideration in accordance with the unanimous consent agreement already agreed to.

Mrs. BOXER. Reserving the right to object, I assume after those two are laid down we will go to my amendment. I need only 1 minute to explain it.

Mr. HATCH. As soon as we do this procedural matter and we conclude this, we will move right to the Senator from California. I include that in the unanimous consent agreement.

Mr. EXON. Reserving the right to object, may I please have an understanding of what the procedure is?

The Senator from Nebraska also has an amendment to offer that I have been waiting to offer for some time. I am not in any particular rush. Are we setting up an order?

If the unanimous consent request is granted, as I understand it, there would be some motion taken up offered by the Senators from North Carolina and Utah, and following that we will go to the Senator from California; is that correct?

Mr. HATCH. That is correct. We would be happy to have the Senator put his in, but we are not making arguments at this time.

Mr. MOYNIHAN. Mr. President, it is my understanding that the Senator from Nebraska would like to speak, and we had anticipated after the vote on the Boxer amendment other Senators would speak. I see the Senator from Idaho may wish to speak.

Mr. HATCH. My understanding is that the Boxer amendment will require a vote so we want to move forward as fast as we can.

Mr. EXON. With that understanding, I have no objection, and after the vote on the Boxer amendment I will proceed at that time.

Mr. HATCH. I have been informed immediately following the Boxer vote that Senator CRAIG has reserved some time; will the Senator from Nebraska wait until after Senator CRAIG?

Mr. EXON. Sure. With the understanding I be recognized sometime prior to 5 p.m.

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2516 TO AMENDMENT NO. 2280

(Purpose: To establish a block grant program for the provision of child care services)

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself and Mr. KOHL, proposes an amendment numbered 2516 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. HATCH. Mr. President, I am pleased to be joined in this amendment by the Senator from Wisconsin, Senator KOHL. I invite all my colleagues to review this amendment and join us as cosponsors.

This is not a partisan proposal. It is intended to assist States in making child care services a key component of their title I temporary assistance programs.

We will be discussing this amendment in more detail later, but let me simply say today that I believe this amendment addresses a broadly recognized need for child care by families who are on welfare and struggling to get off.

Obviously, for a single parent, child care is necessary in order for that parent to work. A mother or father cannot leave a young child at home alone.

Mr. President, I believe in the work requirements incorporated in the Dole substitute. I happen to believe that work—and the sense of personal accomplishment that comes from it—is one of the single most important things we can provide to welfare recipients. But, we cannot do it without child care.

My amendment simply provides a child care block grant into the title I temporary assistance block grant. It is not complicated. It carries no new administrative requirements.

Mr. President, I will have more to say about this next week. I invite my colleagues to join Senator KOHL and me in sponsoring this important amendment.

Mr. President, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2517, 2518, AND 2519, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. I send three amendments to the desk on behalf of Senator DEWINE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. DEWINE, proposes amendments, en bloc, numbered 2517 through 2519 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2517

(Purpose: To provide for quarterly reporting by banks with respect to common trust funds)

On page 712, between lines 9 and 10, insert the following:

SEC. . QUARTERLY REPORTS WITH RESPECT TO COMMON TRUST FUNDS.

(a) IN GENERAL.—Section 6032 of the Internal Revenue Code of 1986 (relating to returns of banks with respect to common trust funds) is amended by striking ''each taxable year'' and inserting ''each quarter of the taxable year''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 2518

(Purpose: To modify the method for calculating participation rates to more accurately reflect the total case load of families receiving assistance in the State, and for other purposes)

On page 31, line 15, insert ''and'' after the semicolon.

On page 31, line 23, strike ''and'' and insert ''divided by''.

Beginning on page 31, line 24, strike all through page 32, line 10.

Beginning on page 33, line 10, strike all through page 34, line 5, and insert the following:

''(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

''(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

''(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

''(ii) the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

''(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

AMENDMENT NO. 2519

(Purpose: To provide for a rainy day contingency fund)

On page 29, between lines 17 and 18, insert the following:

''(g) RAINY DAY CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Rainy Day Contingency Fund' (hereafter in this section referred to as the 'Rainy Day Fund').

''(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are hereby appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the Rainy Day Fund in a total amount not to exceed $525,000,000.

''(3) COMPUTATION OF GRANT.—

''(A) IN GENERAL.—The Secretary of the Treasury shall pay to each State for each quarter in a fiscal year following the quarter in which such State becomes an eligible State under this subsection, an amount equal to the Federal medical assistance percentage for such State for such fiscal year (as defined in section 1905(b)) of so much of the expenditures by the State in such year under the State program funded under this part as exceed the historic State expenditures for such State.

''(B) METHOD OF COMPUTATION, PAYMENT, AND RECONCILIATION.—

''(i) METHOD OF COMPUTATION.—The method of computing and paying such amounts shall be as follows:

''(I) The Secretary of Health and Human Services shall estimate the amount to be paid to the State for such quarter under the provisions of subparagraph (A), such estimate to be based on a report filed by the State containing its estimate of the total sum to be expended in such quarter and such other information as the Secretary may find necessary.

''(II) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services.

''(ii) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

''(iii) METHOD OF RECONCILIATION.—If at the end of each fiscal year, the Secretary of Health and Human Services finds that a State which received amounts from the Rainy Day Fund in such fiscal year did not meet the maintenance of effort requirement under paragraph (5)(B) for such fiscal year, the Secretary shall reduce the State family assistance grant for such State for the succeeding fiscal year by such amounts.

''(4) USE OF GRANT.—

''(A) IN GENERAL.—An eligible State may use the grant—

''(i) in any manner that is reasonably calculated to accomplish the purpose of this part; or

''(ii) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

''(B) REFUND OF UNUSED PORTION.—Any amount of a grant under this subsection not used during the fiscal year shall be returned to the Rainy Day Fund.

''(5) ELIGIBLE STATE.—

''(A) IN GENERAL.—For purposes of this subsection, a State is an eligible State with respect to any quarter in a fiscal year, if such State—

''(i) has an average total unemployment rate for such quarter which exceeds by at least 2 percentage points such average total rate for the same quarter of either the preceding or second preceding fiscal year; and

''(ii) has met the maintenance of effort requirement under subparagraph (B) for the State program funded under this part for the preceding fiscal year.

''(B) MAINTENANCE OF EFFORT.—

''(i) IN GENERAL.—The maintenance of effort requirement for any State under this subparagraph for any fiscal year is the expenditure of an amount at least equal to 100 percent of the level of historic State expenditures for such State.

''(ii) HISTORIC STATE EXPENDITURES.—For purposes of this subparagraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

''(iii) DETERMINING STATE EXPENDITURES.—For purposes of this subparagraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. HATCH. Mr. President, pursuant to the previous agreement, I ask unanimous consent that the pending amendment be briefly set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2520 TO AMENDMENT NO. 2280

Mr. HATCH. I send an amendment to the desk and ask for its immediate consideration for and on behalf of Senator BURNS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] for Mr. BURNS, proposes an amendment numbered 2520 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend section 105 (a) to read:

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 50 percent of the personnel in positions that relate to a covered activity are separated from service. Where possible, reductions should come from headquarters before reductions are made in the field. In the case of a program that is repealed, 100% of the positions shall be eliminated.

Elimination of positions may begin upon passage of this Act but shall be completed no later than six (6) months following the date of implementation.

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2521 TO AMENDMENT NO. 2280

(Purpose: To ensure state eligibility and benefit restrictions for immigrants are no more restrictive than those of the Federal Government)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senator SIMPSON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. SIMPSON, proposes an amendment numbered 2521 to amendment No. 2280.

Mr. HATCH. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 287, strike lines 13–17 and insert the following:

''(a) IN GENERAL.—(1) Subject to paragraph (2) and subsection (b), a State may, at its option, limit or restrict the eligibility of noncitizens of the United States for any means-tested public assistance program, whether funded by the Federal Government or by the State.

''(2)(A) The authority under subsection (a) may be exercised only to the extent that any prohibitions, limitations, or restrictions are not more restrictive or of a longer duration than comparable Federal programs.

''(B) For the purposes of this subsection, attribution to a noncitizen of the income or resources of any person who (as a sponsor of such noncitizen's entry into the United States) executed an affidavit of support or similar agreement with respect to such noncitizen, for purposes of determining the eligibility for or amount of benefits of such noncitizen, shall not be considered more restrictive than a prohibition of eligibility.''

Mr. HATCH. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2522 TO AMENDMENT NO. 2280

(Purpose: To modify provisions relating to funds for other child care programs)

Mr. HATCH. Mr. President, I send another amendment to the desk for and

on behalf of Senator KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mrs. KASSEBAUM, proposes an amendment numbered 2522 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 313, strike line 13 and all that follows through line 5 on page 314, and insert the following new subsection:

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

''Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter, except for the quality set-aside provisions of section 685G, and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.''.

Mr. HELMS. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2523 TO AMENDMENT NO. 2280

(Purpose: To require single, able-bodied individuals receiving food stamps to work at least 40 hours every 4 weeks)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] for himself, Mr. FAIRCLOTH, Mr. SHELBY, and Mr. GRAMS, proposes an amendment numbered 2523 to amendment No. 2280.

Mr. HELMS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 195, strike line 22 and all that follows through page 198, line 14, and insert the following:

SEC. 319. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

''(n) WORK REQUIREMENT.—

''(1) IN GENERAL.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not work at least 40 hours during the preceding 4-week period.

''(2) WORK PROGRAM.—For purposes of paragraph (1), an individual may perform community service or work for a State or political subdivision of a State through a program established by the State or political subdivision.

''(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

''(A) a parent residing with a dependent child under 18 years of age;

''(B) a member of a household with responsibility for the care of an incapacitated person;

''(C) mentally or physically unfit;

''(D) under 18 years of age; or

''(E) 55 years of age or older.''.

Mrs. BOXER. I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

AMENDMENT NO. 2482

The PRESIDING OFFICER. The question is on agreeing to the amendment of Senator BOXER, amendment No. 2482.

Mrs. BOXER. Mr. President, I understand I have 60 seconds. I will use 30 seconds to explain my amendment.

What we are saying here is if you are a deadbeat dad or a deadbeat mom and have fallen behind on your child support more than 2 months, you must not be eligible for means-tested Federal benefits.

I have modified that amendment with the help of Senator SANTORUM. We exclude emergency medical care and nutrition assistance for teenage parents, but basically if you do not sign a repayment schedule committing yourself to make up for those delinquent payments, you will not get benefits such as housing assistance or SSI or food stamps.

We feel it is very important to send a message to deadbeat parents. I ask Senators to give us an aye vote.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2482), as modified, is as follows:

On page 712, between lines 9 and 10, insert the following:

SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS TO NONCUSTODIAL PARENTS WHO ARE DELINQUENT IN PAYING CHILD SUPPORT.

(a) IN GENERAL.—Notwithstanding any other provision of law, a non-custodial parent who is more than 2 months delinquent in paying child support shall not be eligible to receive any means-tested Federal benefits.

(b) EXCEPTION.—

(1) IN GENERAL.—Subsection (a) shall not apply to an unemployed non-custodial parent who is more than 2 months delinquent in paying child support if such parent—

(A) enters into a schedule of repayment for past due child support with the entity that issued the underlying child support order; and

(B) meets all of the terms of repayment specified in the schedule of repayment as forced by the appropriate disbursing entity.

(2) 2-YEAR EXCLUSION.—(A) A non-custodial parent who becomes delinquent in child support a second time or any subsequent time shall not be eligible to receive any means-tested Federal benefits for a 2-year period beginning on the date that such parent failed to meet such terms.

(B) At the end of that two-year period, paragraph (A) shall once again apply to that individual.

(c) MEANS-TESTED FEDERAL BENEFITS.—For purposes of this section, the term ''means-tested Federal benefits'' means benefits under any program of assistance, funded in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

Mrs. BOXER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from Mississippi [Mr. COCHRAN], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Arkansas [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. THOMPSON] is absent due to illness.

Mr. FORD. I announce that the Senator from Louisana [Mr. BREAUX] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 405 Leg.]

YEAS—91

Abraham	Feinstein	Lieberman
Akaka	Ford	Lott
Ashcroft	Frist	Lugar
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murray
Bond	Grams	Nickles
Boxer	Grassley	Nunn
Bradley	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatch	Pressler
Bumpers	Hatfield	Reid
Burns	Heflin	Robb
Byrd	Helms	Rockefeller
Chafee	Hollings	Roth
Coats	Hutchison	Santorum
Cohen	Inhofe	Sarbanes
Conrad	Inouye	Shelby
Coverdell	Jeffords	Simon
Craig	Johnston	Simpson
D'Amato	Kassebaum	Smith
Daschle	Kempthorne	Snowe
DeWine	Kennedy	Specter
Dodd	Kerrey	Stevens
Dole	Kerry	Thomas
Domenici	Kohl	Thurmond
Dorgan	Kyl	Warner
Exon	Lautenberg	Wellstone
Faircloth	Leahy	
Feingold	Levin	

NOT VOTING—9

Breaux	Mack	Murkowski
Campbell	McCain	Pryor
Cochran	McConnell	Thompson

So the amendment (No. 2482) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2524 TO AMENDMENT NO. 2280

(Purpose: To provide for a good cause exception for hospital-based programs providing for voluntary acknowledgment of paternity)

Mr. CRAIG. Mr. President, I send an amendment to the desk for myself and Senator SHELBY.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows.

The Senator from Idaho [Mr. CRAIG], for himself and Mr. SHELBY, proposes an amendment numbered 2524 to amendment No. 2280.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 643, line 16, insert '', subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child'' before the end period.

Mr. CRAIG. Mr. President, it is my understanding that this amendment has received recognition from both sides and is acceptable.

The amendment would simply allow the States to establish good cause and other exceptions and thus will not override State laws defining paternity. Moreover, it requires all hospital bed programs providing for voluntary acknowledgment of paternity to take into account the best interests of the child. It provides consistency between Federal AFDC law and the laws regarding in-hospital paternity establishment.

Mr. HATCH. Mr. President, we think the amendment is an excellent amendment, and we are prepared to accept it on this side. I understand the other side is prepared to accept it. I turn to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, we surely agree this a commendable amendment. We thank the Senator from Idaho for offering it. It would be agreed to on this side if the question is asked.

Mr. HATCH. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to amendment No. 2524.

So the amendment (No. 2524) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, first, an inquiry of the Chair.

As I understand it, the present measure before the Senate is the amendment numbered 2280 by Senator DOLE. Is that correct?

The PRESIDING OFFICER. That is the first-degree amendment pending. There have been second-degree amendments offered that have been set aside.

Mr. EXON. That is what I wished to clarify. The Senator from Nebraska is ready to offer an amendment to that amendment.

AMENDMENT NO. 2525 TO AMENDMENT NO. 2280

(Purpose: To prohibit the payment of certain Federal benefits to any person not lawfully present within the United States, and for other purposes)

Mr. EXON. I send the amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows.

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2525 to amendment No. 2280.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 302, between lines 5 and 6, insert the following:

SEC. 506. PROHIBITION ON PAYMENT OF FEDERAL BENEFITS TO CERTAIN PERSONS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), Federal benefits shall not be paid or provided to any person who is not a person lawfully present within the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations and, if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of a serious communicable disease, for testing and treatment of such disease.

(c) DEFINITIONS.—For purposes of this section:

(1) FEDERAL BENEFIT.—The term ''Federal benefit'' means—

(A) the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, education, food stamps, unemployment benefit, or any other similar benefit for which payments or assistance are provided by an agency of the United States or by appropriated funds of the United States.

(2) VETERANS BENEFIT.—The term ''veterans benefit'' means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(3) PERSON LAWFULLY PRESENT WITHIN THE UNITED STATES.—The term ''person lawfully present within the United States'' means a person who, at the time the person applies for, receives, or attempts to receive a Federal benefit, is a United States citizen, a permanent resident alien, an alien whose deportation has been withheld under section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)), and asylee, a refugee, a parolee who has been paroled for a period of at least 1 year, a national, or a national of the United States for purposes of the immigration laws of the United States (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17)).

(d) STATE OBLIGATION.—Notwithstanding any other provision of law, a State that administers a program that provides a Federal benefit (described in section 506(c)(1)) or provides State bene fits pursuant to such a program shall not be required to provide such benefit to a person who is not a person lawfully present within the United States (as defined in section 506(c)(3)) through a State agency or with appropriated funds of such State.

(e) VERIFICATION OF ELIGIBILITY.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal benefit, including a benefit described in section 506(b), is a person lawfully present within the United States and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(2) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (1) are adopted, a State that administers a program that provides a Federal benefit described in such subsection shall have in effect a verification system that complies with the regulations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

(f) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Mr. EXON. Mr. President, I rise today to offer an amendment to the pending welfare reform bill to address the issue of payment of Federal benefits to illegal aliens. I have talked with the managers of the bill, and I have agreed to offer it now, to briefly debate the matter, and we will schedule a vote and possibly limited debate sometime next week as we move through the whole series of amendments we have pending.

Mr. President, I introduced a similar measure, S. 918, earlier in this Congress. As many Senators know, I have long supported blocking Federal benefits to illegal aliens as a matter of both sound immigration policy and as a matter of sound fiscal policy. I have introduced this measure as either a stand-alone bill or as an amendment in every Congress since 1989.

In 1993, when we debated the comprehensive crime bill, the Senate accepted my amendment to restrict benefits to illegal aliens by a vote of 85 to 2. Unfortunately, Mr. President, the provision was dropped in conference with the House of Representatives. Simply stated, my amendment says that Federal benefits shall not be paid or provided to those not lawfully present within the United States. My

amendment is well crafted to only deny illegals the benefit of Federal support and specifically defines who is a person lawfully present within the United States.

My amendment also provides for a number of exemptions. Federal funds could be provided to illegal aliens for emergency medical services, disaster relief, school lunches, child nutrition and immunization. Sick people would not be turned away at the hospital emergency rooms, nor would the public health be threatened by a communicable disease.

We must draw the line and say that illegal aliens should not be receiving scarce resources except for true emergencies and public health concerns.

Also, States would not be obligated to provide benefits to those not lawfully present in our country. Following the publishing of the rules by the Attorney General, the States would have 2 years to comply with the verification requirements, and necessary funds would be authorized.

It should be noted that the long-awaited report of the U.S. Commission on Immigration Reform, headed by former Representative Barbara Jordan, has generally recommended that illegal aliens not receive publicly funded services or assistance.

Mr. President, it is true that many Federal programs specifically exclude by statute illegal aliens in their criteria for eligibility, but in many cases the benefits continue to flow to these illegal aliens due to the expansive and misguided agency regulations and court interpretation.

Many Federal programs allow benefits to go to aliens permanently residing in the United States under color of law. However, this category is not defined by statute, and the categories of aliens it covers vary from program to program because various court decisions have defined it differently. I am sure that my fellow colleagues are well aware of the published growing concern with our country's haphazard immigration policy and porous border. I believe this debate over welfare reform provides us with a golden opportunity to create a new and more coherent policy regarding immigrants and to stop, once and for all, the payment of benefits to illegal aliens.

The Senate appears ready to give the States more flexibility and responsibility to oversee Federal programs. I think it is only fair that in exchange for the increased flexibility and discretion, the Federal Government should ask the States to stand with us in verifying immigrant status and help identify illegal aliens.

With the assistance of the States in the verification process, few illegals will receive benefits. And both Federal and State budgets will reflect those savings. It is the simple fact that a deported alien will not be available to collect welfare benefits that are desperately needed by many of our citizens.

Mr. President, in my opinion, the Federal Government and the States have been working at cross-purposes in enforcing our immigration laws. The States have decried the inability of the Federal Government to police our borders. Yet when Congress proposes dropping the payment of benefits to illegal aliens, the States complain that they will be saddled with the full cost of providing these services.

It is only reasonable to require States to verify the status of applicants provided we help give them the resources to do the job. By allowing States to deny benefits to these not lawfully present and providing funds for States to set up verification systems, my amendment is actually a fully funded mandate.

I believe we must do more regarding immigration reform itself. I feel strongly that deportation proceedings should be expedited, and there needs to be greater enforcement when holders of temporary visas intentionally overstay their visit. I also believe that there needs to be a stricter enforcement of sponsor affidavits and the deeming provision to ensure that immigrants will not be a burden to taxpayers. Efforts to provide better border patrols and to attack asylum abuse are also needed. The widespread abuse of identification cards by illegal aliens is a major problem. The production of false resident alien cards, drivers' licenses, and Social Security cards is a multimillion dollar national crime which only aids illegal aliens receiving Government benefits. It must be stopped.

The word is out, if you want to receive welfare benefits more generous than any, come to America. Do not even bother to enter legally. By allowing the payment of benefits to illegal aliens, we have become a magnet. In the past, immigrants came to America to work hard and prosper under freedom, but today too many are coming to receive the free ride.

Finally, and in closing, Mr. President, I must address briefly the overall context in which this issue is being discussed. Right now we are debating the welfare bill which will have great impact on those in our country who are in need. While I believe that our welfare system needs a major overhaul, I am concerned that those who are truly in need will bear an undue share of the burden. In these times of massive budget reductions, I must remind all that our Government is still there. It still has the responsibility to help its needy citizens. By providing Federal funds to those that are in our country illegally, we are misusing scarce resources. We simply cannot justify nor can we afford giving Federal benefits to people who are in our country illegally.

Mr. President, I thank the Chair. And I will make an understanding with the managers of the bill when we will take up this matter again at the beginning of next week.

I thank the Chair. I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Alabama.

AMENDMENTS NOS. 2526 AND 2527 TO AMENDMENT NO. 2280

Mr. SHELBY. I ask unanimous consent that the pending amendment be set aside so that I may send two amendments to the desk.

I ask for their immediate consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY] proposes amendments, en bloc, numbered 2526 and 2527 to amendment No. 2280.

Mr. SHELBY. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The amendments are as follows:

AMENDMENT NO. 2526

At the appropriate place, insert:

SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) 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''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.
''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

''SEC. 137. ADOPTION ASSISTANCE.

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1502 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(i) which are directly related to, and the principal purpose of which is for, the legal and finalized adoption of an eligible child by the taxpayer, and

''(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

''(i) who has not attained age 18 as of the time of the adoption, or

''(ii) who is physically or mentally incapable of caring for himself.

''(c) COORDINATION WITH OTHER PROVISION.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

''Sec. 137. Adoption assistance.
''Sec. 138. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(8) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

''(i) such amount exceeds the sum of—

''(I) the amount excludable under section 137, and

''(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

''(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

''(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137, except that such term shall not include any expense in connection with the adoption by an individual of a child who is the child of such individual's spouse.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

AMENDMENT NO. 2527

On page 216, strike lines 4 thorough 6 and insert the following:

''(3) at the option of a State, funds to—

''(A) operate an employment and training program for needy individuals under the program; or

''(B) operate a work program under section 404 of the Social Security Act:

''(4) at the option of a State, funds to provide benefits to individuals with incomes below 185 percent of the poverty line under subsection (d)(3)(B)(v); and

On line 216, line 7, strike ''(4)'' and insert ''(5)''.

On page 216, strike lines 13 through 17 and insert the following:

''(2) FOUR-YEAR ELECTION.—

''(A) PERIOD.—A State may elect to participate in the program established under subsection (a) for a period of not less than 4 years.

''(B) ELECTION.—At the end of each 4-year period, a State may elect to participate in the program established under subsection (a) or in the food stamp program in accordance with the other sections of this Act.

On page 219, strike lines 11 through 13 and insert the following:

''(iii) at the option of a State—

''(I) to operate an employment and training program for needy individuals under the program; or

''(II) to operate a work program under section 404 of the Social Security Act;;

On page 219, line 15, strike the period at the end and insert ''; and''.

On page 219, between lines 15 and 16, insert the following:

''(v) to provide other forms of benefits to individuals with incomes below 185 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), except that not more than 20 percent of the amount allotted to a State under subsection (l)(2) may be used under this clause.

On page 220, strike line 14 and insert the following:

''(E) NOTICE AND HEARINGS.—

''(i) IN GENERAL.—The State

On page 220, between lines 20 and 21, insert the following:

''(ii) LIMITATION.—Clause (i) shall not impeded the ability of the State to promptly and efficiently alter or reduce benefits in response to a failure by a recipient to perform work or other required activities.

On page 223, strike lines 7 and 8 and insert the following:

''(g) EMPLOYMENT AND TRAINING.—No individual or

On page 223, strike lines 14 through 17.

On page 227, strike line 8 and insert the following:

''(5) PROVISION OF FOOD ASSISTANCE.—

''(A) IN GENERAL.—A

On page 227, strike lines 14 and 15 and insert the following:

''to food purchases, direct provision of commodities or cash aid in lieu of coupons under subparagraph (B).

''(B) CASH AID IN LIEU OF COUPONS.—

''(i) ELIGIBLE INDIVIDUALS.—An individual shall be eligible under this subparagraph if the individual is—

''(I) receiving benefits under this Act;

''(II) receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(III) participating in unsubsidized employment, subsidized employment, on-the-job training, or a community services program under section 404 of the Social Security Act.

''(ii) STATE OPTION.—In the case of an individual described in clause (i), a State may—

''(I) convert the food stamp benefits of the household in which the individual is a member to cash, and provide the cash in a single integrated payment with cash aid under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(II) sanction an individual, or a household that contains an individual, or reduce the benefits of the individual or household under the same rules and procedures as the State uses under part A of title IV of the Act (42 U.S.C. 601 et seq.).

On page 229, strike line 24 and all that follows through page 231, line 2, and insert the following: ''97 percent of the federal funds the Director of the Office of Management and Budget estimates would have been expended under the food stamp program in the State for the fiscal year if the State had not elected to participate in the program under this section.''.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendments be set aside until next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I have a number of amendments which I am going to send forward and then ask to be laid aside. I am doing this at the request of colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2528 THROUGH 2532, EN BLOC, TO AMENDMENT NO. 2280

Mr. MOYNIHAN. First, Mr. President, on behalf of Senators CONRAD and LIEBERMAN, an amendment designed to combat teen pregnancy; second, an amendment from Mr. CONRAD and Mr. BRADLEY to provide State flexibility; third, an amendment by Mr. CONRAD

alone to create second-chance homes; and, further, an amendment by Mr. CONRAD to encourage States to move people to payrolls; and, finally, a complete substitute by Mr. CONRAD that provides employees with work, protects children and promotes family and State flexibility.

I send them to the desk.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments by number only.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for others, proposes amendments, en bloc, numbered 2528 through 2532 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments, en bloc, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2528

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program.)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

''(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

''(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

''(i) under the age of 18; and

''(ii) not married and has a minor child in his or her care.

''(2) EXCEPTION.—

''(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

''(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

''(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

''(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

''(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

''(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

''(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

''(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

''(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

''(B) AMOUNT DETERMINED.—

''(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

''(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

''(I) for fiscal year 1998, $20,000,000;

''(II) for fiscal year 1999, $40,000,000; and

''(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

''(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of the paragraph.

''(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

''(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

''(2) an alternative educational or training program that has been approved by the State.

On page 51, strike ''(e)'' and insert ''(f)''.

At the appropriate place, insert the following:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the ''National Clearninghouse on Teenage Pregnancy Prevention Programs''.

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 of the Social Security Act (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

''(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

''(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

''(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from

the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).''.

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

AMENDMENT NO. 2529

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

AMENDMENT NO. 2530

(Purpose: To provide that a State that provides assistance to unmarried teenage parents under the State program require such parents as a condition of receiving such assistance to live in an adult-supervised setting and attend high school or other equivalent training program)

On page 50, strike line 6 and all that follows through page 51, line 11, and insert the following:

''(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN ADULT-SUPERVISED SETTINGS.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—Except as provided in paragraph (2), if a State provides assistance under the State program funded under this part to an individual described in subparagraph (B), such individual may only receive assistance under the program if such individual and the child of the individual reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home.

''(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual who is—

''(i) under the age of 18; and

''(ii) not married and has a minor child in his or her care.

''(2) EXCEPTION.—

''(A) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in subparagraph (B), the State agency shall provide, or assist such individual in locating, an appropriate adult-supervised supportive living arrangement, including a second chance home, another responsible adult, or a foster home, taking into consideration the needs and concerns of the such individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that such parent and the child of such parent reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

''(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual is described in this subparagraph if the individual is described in paragraph (1)(B) and—

''(ii) such individual has no parent or legal guardian of his or her own who is living or whose whereabouts are known;

''(iii) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

''(iv) the State agency determines that the physical or emotional health of such individual or any minor child of the individual would be jeopardized if such individual and such minor child lived in the same residence with such individual's own parent or legal guardian; or

''(v) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of paragraph (1) with respect to such individual.

''(C) SECOND-CHANCE HOME.—For purposes of this paragraph, the term 'second-chance home' means an entity that provides individuals described in subparagraph (B) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

''(3) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—

''(A) IN GENERAL.—For each of fiscal years 1998 through 2002, each State that provides assistance under the State program to individuals described in paragraph (1)(B) shall be entitled to receive a grant in an amount determined under subparagraph (B) for the purpose of providing or locating adult-supervised supportive living arrangements for individuals described in paragraph (1)(B) in accordance with this subsection.

''(B) AMOUNT DETERMINED.—

''(i) IN GENERAL.—The amount determined under this subparagraph is an amount that bears the same ratio to the amount specified under clause (ii) as the amount of the State family assistance grant for the State for such fiscal year (described in section 403(a)(2)) bears to the amount appropriated for such fiscal year in accordance with section 403(a)(4)(A).

''(ii) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

''(I) for fiscal year 1998, $20,000,000;

''(II) for fiscal year 1999, $40,000,000; and

''(III) for each of fiscal years 2000, 2001, and 2002, $80,000,000.

''(C) ASSISTANCE TO STATES IN PROVIDING OR LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING ARRANGEMENTS FOR UNMARRIED TEENAGE PARENTS.—There are authorized to be appropriated and there are appropriated for fiscal years 1998, 1999, and 2000 such sums as may be necessary for the purpose of paying grants to States in accordance with the provisions of this paragraph.

''(e) REQUIREMENT THAT TEENAGE PARENTS ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—If a State provides assistance under the State program funded under this part to an individual described in subsection (d)(1)(B) who has not successfully completed a high-school education (or its equivalent) and whose minor child is at least 12 weeks of age, the State shall not provide such individual with assistance under the program (or, at the option of the State, shall provide a reduced level of such assistance) if the individual does not participate in—

''(1) educational activities directed toward the attainment of a high school diploma or its equivalent; or

''(2) an alternative educational or training program that has been approved by the State.''

On page 51, strike ''(e)'' and insert ''(f)''.

AMENDMENT NO. 2531

On page 31, line 23, strike ''and''.

On page 32, line 10, strike ''divided by'' and insert ''and''.

On page 32, between lines 10 and 11, insert the following:

''(V) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that include an adult who is engaged in work (in accordance with subsection (c)) for the month; divided by''.

On page 32, strike lines 11 through 15, and insert the following:

''(ii) the sum of—

''(I) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult; and

''(II) the number of all families that became ineligible to receive assistance under the State program during the previous 6-month period as a result of section 405(b) that do not include an adult who is engaged in work (in accordance with subsection (c)) for the month.

AMENDMENT NO. 2532

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

AMENDMENT NO. 2533 TO AMENDMENT NO. 2280

(Purpose: To improve the provisions relating to incentive grants)

Mr. MOYNIHAN. Mr. President, I offer an amendment for Mr. LEVIN to the underlying amendment 2280.

The PRESIDING OFFICER. Without objection, it is so ordered.

The pending amendments are set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LEVIN, proposes an amendment numbered 2533 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2533

On page 417, line 15, strike ''or'' and insert ''and''.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2491 AND 2492, AS MODIFIED

Mr. MOYNIHAN. Mr. President, on behalf of Senator ROCKEFELLER, I send to the desk the following modifications to amendments Nos. 2491 and 2492.

The PRESIDING OFFICER. Without objection, the amendments will be so modified.

The amendments (No. 2491 and No. 2492), as modified, are as follows:

AMENDMENT NO. 2491

On page 40, between lines 16 and 17, insert the following:

''(4) AREAS OF HIGH UNEMPLOYMENT.—

''(A) IN GENERAL.—At the State's option, the State may, on a uniform basis, exempt a family from the application of paragraph (1) if—

''(i) such family resides in an area of high unemployment designated by the State under subparagraph (B); and

''(ii) the State makes available, and requires an individual in the family to participate in, work activities described in subparagraphs (B), (D), or (F) of section 404(c)(3).

''(B) AREAS OF HIGH UNEMPLOYMENT.—The State may designate a sub-State area as an area of high unemployment if such area—

''(i) is a major political subdivision (or is comprised of 2 or more geographically contiguous political subdivisions);

''(ii) has an average annual unemployment rate (as determined by the Bureau of Labor Statistics) of at least 10 percent; and

''(iii) has at least 25,000 residents. The State may waive the requirement of clause (iii) in the case of a sub-State area that is an Indian reservation.

AMENDMENT NO. 2492

On page 35, between lines 2 and 3, insert the following:

''(6) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may opt to not require an individual described in subclause (I) or (II) of section 405(a)(3)(B)(ii) to engage in work activities and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

On page 40, strike lines 10 through 16, and insert the following:

''(B) LIMITATION.—

''(i) 15 Percent.—In addition to any families provided with exemptions by the State under clause (ii), the number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

''(ii) CERTAIN FAMILIES.—At the State's option, the State may provide an exemption under subparagraph (A) to a family—

''(I) of an individual who is ill, incapacitated, or of advanced age; and

''(II) of an individual who is providing full-time care for a disabled dependent of the individual.

AMENDMENT NO. 2475 TO AMENDMENT NO. 2280

(Purpose: To clarify that each State must carry out activities through at least one Job Corps center)

Mr. MOYNIHAN. Mr. President, on behalf of Senator PELL, I call up amendment No. 2475.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. PELL, proposes an amendment numbered 2475 to amendment No. 2280.

Mr. MOYNIHAN. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 439, strike lines 10 through 15.

On page 439, line 16, strike ''(C)'' and insert ''(B)''.

On page 440, between lines 14 and 15, insert the following new subsection:

(d) COVERAGE OF STATES.—Notwithstanding any other provision of this subtitle, prior to July 1, 1998, the Secretary shall ensure that all States have at least 1 Job Corps center in the State.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2534 AND 2535 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, on behalf of Senator DODD and Senator PELL, I send forth an amendment, and an amendment by Senator DORGAN to the underlying Dole amendment. I will just send those up at this time.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], proposes amendments numbered 2534 and 2535 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2534

(Purpose: To award national rapid response grants to address major economic dislocations, and for other purposes)

On page 397, strike lines 5 and 6 and insert the following:

''(1) 90 percent shall be reserved for making allotments under section 712;''.

On page 397, line 15, strike ''and'' at the end thereof.

On page 397, line 17, strike the period and insert ''; and''.

On page 397, between lines 17 and 18, insert the following:

''(7) 2 percent shall be reserved for carrying out sections 775 and 776.''.

On page 461, between lines 18 and 19, insert the following new sections, and redesignate the remaining sections and cross references thereto, accordingly:

SEC. 775. NATIONAL RAPID RESPONSE GRANTS FOR DISLOCATED WORKERS.

(a) IN GENERAL.—From amounts reserved under section 734(b), the Secretary of Labor may award national rapid response grants to eligible entities to enable the entities to provide adjustment assistance to workers affected by major economic dislocations that result from plant closures, base closures, or mass layoffs.

(b) PROJECTS AND SERVICES.—

(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used to provide employment, training and related services through projects that relate to—

(A) industry-wide dislocations:

(B) multistate dislocations;

(C) dislocations resulting from reductions in defense expenditures;

(D) dislocations resulting from international trade actions;

(E) dislocations resulting from environmental laws and regulations, including the Clean Air Act (42 U.S.C. 7401 et seq.), and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(F) dislocations affecting Indian Tribes and tribal organizations; and

(G) other dislocations that result from special circumstances or that State and local resources are insufficient to address.

(2) COMMUNITY PROJECTS.—The Secretary of Labor may award grants under this section for projects that provide comprehensive planning services to assist communities in addressing and reducing the impact of an economic dislocation.

(c) ADMINISTRATION.—

(1) APPLICATION.—To be eligible to receive a grant under this section, an eligible entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information as the Secretary of Labor determines to be appropriate.

(2) ELIGIBLE ENTITIES.—The Secretary of Labor may award a grant under this section to—

(A) a State;

(B) a local entity administering assistance provided under title I;

(C) an employer or employer association;

(D) a worker-management transition assistance committee or other employer-employee entities;

(E) a representative of employees;

(F) a community development corporation or community-based organization; or

(G) an industry consortium.

(d) USE OF FUNDS IN EMERGENCIES.—

(1) IN GENERAL.—Where the Secretary of Labor and the chief executive officer of a State determine that an emergency exists with respect to any particular distressed industry or any particularly distressed area within a State, the Secretary may use amounts made available under this section to provide emergency financial assistance to dislocated workers in the form of employment, training, and related services.

(2) ARRANGEMENTS.—The Secretary of Labor may enter into arrangements with eligible entities in a State described in paragraph (1) for the immediate provision of emergency financial assistance under paragraph (1) for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the chief executive officer and the Secretary.

SEC. 776. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) QUALIFICATION FOR FUNDS.—From amounts reserved under section 734(b), the Secretary of Labor may provide assistance to the chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (hereafter referred to in this section as the ''disaster area'').

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds provided to a State under subsection (a)—

(A) shall be used solely to provide eligible individuals with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations administering such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible for employment in a project under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a result of an emergency or disaster referred to in subsection (a).

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual may be employed using assistance provided under this section for a period of more than 6 months if such employment is related to recovery from a single emergency or disaster.

Mr. DODD. Mr. President, I am pleased to offer this amendment to the Workforce Development Act, which is contained in this larger welfare reform measure, for myself and Mr. PELL.

This amendment is very similar to one I offered in the Labor Committee when we considered the Workforce Development bill. While I certainly believe there is much that can be improved upon in the Workforce Development bill, this amendment is quite modest and accepts the basic premise of the bill of moving Federal job training programs to the States.

However, even in a block grant environment, I believe that we should preserve a small amount of money for the

Federal Government to respond quickly to concentrated economic dislocations—the kind no one State can predict or pay for.

Highly concentrated economic dislocations can be caused by plant closings, base realignments, or natural disasters. These major economic dislocations often cross State lines and effect thousands of workers. Moreover, many mass dislocations, such as base closures, are in fact precipitated by Federal actions and therefore clearly merit a Federal response.

The House Workforce Development bill includes a provision on mass layoffs and natural disasters, and my amendment draws heavily from that language. I actually cut down on the scope of national activities found in the House bill.

NEED WILL NOT GO AWAY

Mr. President, we need to understand that the need for such assistance will not diminish in the coming years. Indeed, in some areas of the country it could increase.

Defense-related layoffs in the private sector alone are continuing, with up to an additional 25 to 30 percent reduction expected within the next 2 to 3 years.

Mr. President, this amendment is not about the ups and downs of the normal business cycle. This amendment is about the out-of-the-ordinary event involving hundreds or thousands of workers in a dramatic and sudden way.

It is vitally important that we be prepared for such hopefully rare occurrences. Natural disasters, like the recent flooding in the Midwest, cannot be predicted, and yet have grown more and more devastating over the years. When these catastrophes occur, we cannot just turn our backs on Americans in need. We need to have the resources available to provide emergency funds in order to get these people back on their feet.

EXAMPLES

So that my colleagues know what I am talking about, here are a few examples of the kinds of activities that have been funded through such a program in the past:

Recently, the State of Connecticut was awarded a $4.3 million grant to provide work force development services for more than 1,400 workers laid off by Allied Signal as a result of Defense downsizing.

The State of Washington received $14.6 million to assist workers laid off by Boeing.

More than $4 million in retraining dollars have been made available for 9,500 GTE employees expected to be dislocated from their jobs in 22 States, including Missouri, Washington, and Illinois.

More than $100 million have been spent over the last 4 years in response to natural disasters. For example, for the 1993 Mid-west floods, funding was provided to Missouri, Illinois, Iowa, Minnesota, and Kansas.

MODEST AMENDMENT

My amendment would create a modest, 2 percent set-aside for these activities: rapid response grants for mass dislocations and employment services for those affected by natural disasters. This 2 percent set-aside of the Workforce Development Program's $6.1 billion total authorization would come to roughly $120 million. That would represent a sizeable cut to what is currently spent on these activities. And even after my set-aside, over 90 percent of this bill's funds would still go directly to the States.

AMENDMENT NO. 2535

(Purpose: To express the sense of the Senate on legislative accountability for the unfunded mandates imposed by welfare reform legislation)

At the appropriate place, add the following new section:

SEC. . SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION.

(a) FINDINGS.—The Senate finds that the purposes of the Unfunded Mandates Reform Act of 1995 are:

(1) ''to strengthen the partnership between the Federal Government and State, local and tribal governments'';

(2) ''to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local and tribal governments without adequate Federal funding, in a manner that may displace other essential State, local and tribal governmental priorities'';

(3) ''to assist Congress in its consideration of proposed legislation establishing or revising Federal programs containing Federal mandates affecting State, local and tribal governments, and the private sector by—

(A) providing for the development of information about the nature and size of mandates in proposed legislation; and

(B) establishing a mechanism to bring such information to the attention of the Senate and the House of Representatives before the Senate and the House of Representatives vote on proposed legislation'';

(4) ''to promote informed and deliberate decisions by Congress on the appropriateness of Federal mandates in any particular instance''; and

(5) ''to require that Congress consider whether to provide funding to assist State, local and tribal governments in complying with Federal mandates''.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that prior to the Senate acting on the conference report on either H.R. 4 or any other legislation including welfare reform provisions, the Congressional Budget Office shall prepare an analysis of the conference report to include:

(1) estimates, over each of the next seven fiscal years, by state and in total, of—

(A) the costs to states of meeting all work requirements in the conference report, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years;

(B) the resources available to the states to meet these work requirements, defined as federal appropriations authorized in the conference report for this purpose in addition to what states are projected to spend under current welfare law;

(C) the amount of any additional revenue needed by the states to meet the work requirements in the conference report, beyond resources available as defined under subparagraph (b)(1)(B);

(2) an estimate, based on the analysis in paragraph (b)(1), of how many states would opt to pay any penalty provided for by the conference report rather than raise the additional revenue needed to meet the work requirements in the conference report; and

(3) estimates, over each of the next 7 fiscal years, of the costs to States of any other requirements imposed on them by such legislation.

AMENDMENTS NOS. 2536 AND 2537 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, a final sequence. On behalf of Mr. LIEBERMAN, I send to the desk an amendment concerning the reduction of illegitimacy and control of welfare spending and an amendment to create a national clearing house on teenage pregnancy.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. LIEBERMAN, proposes amendments numbered 2536 and 2537 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2536

(Purpose: To establish bonus payments for States that achieve reductions in out-of-wedlock pregnancies, establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

On page 17, line 8, insert ''and for each of fiscal years 1998, 1999, and 2000, the amount of the State's share of the out-of-wedlock pregnancy reduction bonus determined under subsection (f) for the fiscal year'' after ''year''.

On page 17, line 22, insert ''and the applicable percent specified under subsection (f)(3)(B)(ii) for such fiscal year'' after ''(B)''.

On page 29, between lines 15 and 16, insert:

''(f) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS.—

''(1) IN GENERAL.—Any State that meets the applicable percentage reduction with respect to the out-of-wedlock pregnancies in the State for a fiscal year shall be entitled to receive a share of the out-of-wedlock pregnancy reduction bonus for the fiscal year in accordance with the formula developed under paragraph (3).

''(2) APPLICABLE PERCENTAGE REDUCTION; PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—

''(A) APPLICABLE PERCENTAGE REDUCTION.—The term 'applicable percentage reduction' means with respect to any fiscal year, a reduction of 2 or more whole percentage points of the percentage of out-of-wedlock pregnancies in the State for the preceding fiscal year over the percentage of out-of-wedlock pregnancies in the State for fiscal year 1995.

''(B) PERCENTAGE OF OUT-OF-WEDLOCK PREGNANCIES.—For purposes of this subsection, the term 'percentage of out-of-wedlock pregnancies' means—

''(i) the total number of abortions, live births, and spontaneous abortions among single teenagers in a State in a fiscal year, divided by—

''(ii) the total number of single teenagers in the State in the fiscal year.

''(3) ALLOCATION FORMULA; BONUS FUND.—

''(A) ALLOCATION FORMULA.—Not later than September 30, 1996, the Secretary of Health and Human Services shall develop and publish in the Federal Register a formula for allocating amounts in the out-of-wedlock pregnancy reduction bonus fund to States that achieve the applicable percentage reduction described in paragraph (2)(A)

''(B) OUT-OF-WEDLOCK PREGNANCY REDUCTION BONUS FUND.—

''(i) IN GENERAL.—The amount in the out-of-wedlock pregnancy reduction bonus fund for a fiscal year shall be an amount equal to—

''(I) the applicable percentage of the amount appropriated under section 403(a)(2)(A) for such fiscal year; and

''(II) the amount of the reduction in grants made under this section for the preceding fiscal year resulting from the application of section 407.

''(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i)(I), the applicable percentage shall be determined in accordance with the following table:

''For fiscal year:	*The applicable percentage is:*
1998	3
1999	4
2000 and each fiscal year thereafter	5

On page 29, line 16, strike ''(f)'' and insert ''(g)''.

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the ''National Clearinghouse on Teenage Pregnancy Prevention Programs''.

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than Jan 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(b) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

''(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

''(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

''(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).''.

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdiction should aggressively enforce statutory rape laws.

AMENDMENT NO. 2537

(Purpose: To establish a national clearinghouse on teenage pregnancy, set national goals for the reduction of out-of-wedlock and teenage pregnancies, require States to establish a set-aside for teenage pregnancy prevention activities, and for other purposes)

At the appropriate place, insert:

SEC. . NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education and the Secretary of Health and Human Services shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the ''National Clearinghouse on Teenage Pregnancy Prevention Programs''.

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) APPOINTMENT OF FEDERAL COORDINATOR AND SPOKESPERSON.—The Secretary of Health and Human Services, after consultation with the President, shall appoint an employee of the Department of Health and Human Services to coordinate all the activities of the Federal Government relating to the reduction of teenage pregnancies and to serve as the spokesperson for the Federal Government on issues related to teenage pregnancies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. . ESTABLISHING NATIONAL GOALS TO REDUCE OUT-OF-WEDLOCK PREGNANCIES AND TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) reducing out-of-wedlock teenage pregnancies by at least 2 percent a year, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

(c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY PREVENTION PROGRAMS.—Section 2002 (42 U.S.C. 1397a) is amended by adding at the end the following new subsection:

''(f)(1) Beginning in fiscal year 1996 and each fiscal year thereafter, each State shall use at least 5 percent of its allotment under section 2003 for the fiscal year to develop and implement a State program to reduce the incidence of out-of-wedlock and teenage pregnancies in the State.

''(2) The Secretary shall conduct a study with respect to the State programs implemented under paragraph (1) to determine the relative effectiveness of the different approaches for reducing out-of-wedlock pregnancies and preventing teenage pregnancy utilized in the programs conducted under this subsection and the approaches that can be best replicated by other States.

''(3) Each State conducting a program under this subsection shall provide to the Secretary, in such form and with such frequency as the Secretary requires, data from the programs conducted under this subsection. The Secretary shall report to the Congress annually on the progress of the programs and shall, not later than June 30, 1998, submit to the Congress a report on the study required under paragraph (2).''.

SEC. . SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2538 TO AMENDMENT NO. 2280

(Purpose: To strike the provisions repealing trade adjustment assistance, and for other purposes)

Mr. MOYNIHAN. Mr. President, finally, in this seemingly endless sequence, I send an amendment of my own to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 2538 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 781(b), strike paragraph (1) (relating to the Trade Act of 1974).

In section 781(b)(2), strike ''(2)'' and insert ''(1)''.

In section 781(b)(3), strike ''(3)'' and insert ''(2)''.

In section 781(b)(4), strike ''(4)'' and insert ''(3)''.

In section 781(b)(5), strike ''(5)'' and insert ''(4)''.

In section 781(b)(6), strike ''(6)'' and insert ''(5)''.

In section 781(b)(7), strike ''(7)'' and insert ''(6)''.

In section 781(b)(8), strike ''(8)'' and insert ''(7)''.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2539 TO AMENDMENT NO. 2280

(Purpose: To provide a tax credit for charitable contributions to organizations providing poverty assistance, and for other purposes)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Senators COATS and ASHCROFT.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. COATS, for himself and Mr. ASHCROFT, proposes an amendment numbered 2539 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following new title:

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CERTAIN PRIVATE CHARITIES PROVIDING ASSISTANCE TO THE POOR.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

''SEC. 23. CREDIT FOR CERTAIN CHARITABLE CONTRIBUTIONS.

''(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions which are paid by the taxpayer during the taxable year.

''(b) LIMITATION.—The credit allowed by subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

''(c) ELIGIBLE INDIVIDUAL; QUALIFIED CHARITABLE CONTRIBUTION.—for purposes of this section—

''(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means, with respect to any charitable contribution, an individual who is certified by the qualified charity to whom the contribution was made by the individual as having performed at least 50 hours of volunteer service for the charity during the calendar year in which the taxable year begins.

''(2) QUALIFIED CHARITABLE CONTRIBUTION.—The term 'qualified charitable contribution' means any charitable contribution (as defined in section 170(c)) made in cash to a qualified charity but only if the amount of each such contribution, and the recipient thereof, are identified on the return for the taxable year during which such contribution is made.

''(d) QUALIFIED CHARITY.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified charity' means, with respect to the taxpayer, any organization—

''(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

''(B) which, upon request by the organization, is certified by the Secretary as meeting the requirements of paragraphs (2) and (3).

''(2) CHARITY MUST PRIMARILY ASSIST THE POOR.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the predominant activity of such organization will be the provision of services to individuals and families which are designed to prevent or alleviate poverty among individuals and families whose incomes fall below 150 percent of the official poverty line (as defined by the Office of Management and Budget).

''(3) MINIMUM EXPENSE REQUIREMENT.—

''(A) IN GENERAL.—An organization meets the requirements of this paragraph only if the Secretary reasonably expects that the annual poverty program expenses of such organization will not be less than 70 percent of the annual aggregate expenses of such organization.

''(B) POVERTY PROGRAM EXPENSE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'poverty program expense' means any expense in providing program services referred to in paragraph (2).

''(ii) EXCEPTIONS.—Such term shall not include—

''(I) any management or general expense,

''(II) any expense for the purpose of influencing legislation (as defined in section 4911(d)),

''(III) any expense primarily for the purpose of fundraising, and

''(IV) any expense for a legal service provided on behalf of any individual referred to in paragraph (2).

''(4) ELECTION TO TREAT POVERTY PROGRAMS AS SEPARATE ORGANIZATION.—

''(A) IN GENERAL.—An organization may elect to treat one or more programs operated by it as a separate organization for purposes of this section.

''(B) EFFECT OF ELECTION.—If an organization elects the application of this paragraph, the organization, in accordance with regulations, shall—

''(i) maintain separate accounting for revenues and expenses of programs with respect to which the election was made,

''(ii) ensure that contributions to which this section applies be used only for such programs, and

''(iii) provide for the proportional allocation of management, general, and fund-raising expenses to such programs to the extent not allocable to a specific program.

''(C) REPORTING REQUIREMENTS.—

''(i) ORGANIZATION NOT OTHERWISE REQUIRED TO FILE.—An organization not otherwise required to file any return under section 6033 shall be required to file such a return with respect to any poverty program treated as a separate organization under this paragraph.

''(ii) ORGANIZATIONS REQUIRED TO FILE.—An organization otherwise required to file a return under section 6033—

''(I) shall file a separate return with respect to any poverty program treated as a separate organization under this section, and

''(II) shall include on its own return the percentages equivalent to those required of qualified charities under the last sentence of section 6033(b) and determined with respect to such organization (without regard to the expenses of any poverty program under subclause (I)).

''(e) COORDINATION WITH DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

''(1) CREDIT IN LIEU OF DEDUCTION.—The credit provided by subsection (a) for any qualified charitable contribution shall be in lieu of any deduction otherwise allowable under this chapter for such contribution.

''(2) ELECTION TO HAVE SECTION NOT APPLY.—A taxpayer may elect for any taxable year to have this section not apply.''

(b) RETURNS.—

(1) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—Subsection (e) of section 6104 of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended by adding at the end the following new paragraph:

''(3) QUALIFIED CHARITIES REQUIRED TO PROVIDE COPIES OF ANNUAL RETURN.—

''(A) IN GENERAL.—Every qualified charity (as defined in section 23(d)) shall, upon request of an individual made at an office where such organization's annual return filed under section 6033 is required under paragraph (1) to be available for inspection, provide a copy of such return to such individual without charge other than a reasonable fee for any reproduction and mailing costs. If the request is made in person, such copies shall be provided immediately and, if made other than in person, shall be provided within 30 days.

''(B) PERIOD OF AVAILABILITY.—Subparagraph (A) shall apply only during the 3-year period beginning on the filing date (as defined in paragraph (1)(D) of the return requested).''

(2) ADDITIONAL INFORMATION.—Section 6033(b) of such Code is amended by adding at the end the following new flush sentence:

''Each qualified charity (as defined in section 23(d)) to which this subsection otherwise applies shall also furnish each of the percentage determined by dividing each of the following categories of the organization's expenses for the year by its total expenses for the year: program services; management and general; fundraising; and payments to affiliates.''

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is

amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Credit for certain charitable contributions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the 90th day after the date of the enactment of this Act in taxable years ending after such date.

Mr. COATS. Mr. President, I rise to offer on behalf of myself and Senator ASHCROFT, the charity tax credit amendment. This amendment is designed to expand the ability of private and faith based charities to serve the poor by making it easier for taxpayers to make donations to these organizations. It is an important, urgently needed reform, but it also symbolizes a broader point.

The Congress is currently focused on the essential task of clearing away the ruins of the Great Society. Centralized, bureaucratic anti-poverty programs have failed—and that failure has had a human cost. It is measured in broken homes and violent streets. Our current system has undermined families and fostered dependence.

This is undeniable. But while our Great Society illusions have ended, the suffering of many of our people has not. Indifference to that fact is not an option. We cannot retreat into the cocoon of our affluence. We cannot accept the survival of the fittest. No society can live without hope—hope that its suffering and anguish are not endless.

I think we have seen the shape of that hope it is not found in the ivory towers of academia. It is not found in the marble temples of official Washington. I found it five blocks from here, in a place so distant from Congress it is almost another world.

The Reverend John Woods came to a desolate Washington neighborhood in 1990 to take over the Gospel Mission, a shelter and drug treatment center for homeless men. The day he arrived, he found crack cocaine being processed in the back yard. A few days later, the local gang fired shots into his office to scare him away. Instead of leaving, he hung a sign on the door extending this invitation: ''If you haven't got a friend in the world you can find one here. Come in.''

The Gospel Mission is a place that offers unconditional love, but accepts no excuses. Men in rehabilitation are given random drug tests. If they violate the rules, they are told to leave the program. But the success of the mission comes down to something simple: It does more than provide a meal and treat an addiction, it offers spiritual challenge and renewal.

Listen to one addict who came to Reverend Woods after failing in several governmental rehabilitation programs:

> Those programs generally take addictions from you, but don't place anything within you. I needed a spiritual lifting. People like Reverend Woods are like God walking into your life. Not only am I drug-free, but more than that, I can be a person again.

Reverend Woods's success is particularly clear compared to government approaches. The Gospel Mission has a 12-month rehabilitation rate of 66 percent, while a once heralded government program just 3 blocks away rehabilitates less than 10 percent of those it serves—while spending 20 times as much as Reverend Woods.

This is just one example. It is important, not because it is rare, but because it is common. It takes place in every community, in places distant from the center of government. But it is the only compassion that consistently works—a war on poverty that marches from victory to victory. It makes every new deal, new frontier and new covenant look small in comparison.

Several months ago, I asked a question: How can we get resources into the hands of these private and religious institutions where individuals are actually being helped? And, How can we do this without either undermining their work with restrictions, or offending the first amendment? I introduced S. 1120, the Comprehensive Charity Reform Act, a major portion of which we have incorporated in today's amendment. Our amendment has two central features.

First, it provides a $500 charity tax credit ($1,000 for married taxpayers filing jointly) which will provide more generous tax benefits to taxpayers who decide to donate a portion of their tax liability to charities that focus on fighting or preventing poverty.

Second, it requires that individuals volunteer their time, as well as donate their money, to qualify for the credit.

The purpose of this legislation is twofold: First, we want to take a small portion of welfare spending in America and give it through the Tax Code to private and religious institutions that effectively provide individuals with hope, dignity, help and independence. Without eliminating a public safety net, we want to focus some attention and resources where it can make all the difference.

Second, we want to promote an ethic of giving in America. When individuals make these contributions to effective charities, it is a form of involvement beyond writing a check to the Federal Government. It encourages a new definition of citizenship, one in which men and women examine and support the programs in their own communities that serve the poor. This amendment adopts Senator ASHCROFT's proposal that requires individuals to volunteer their time, as well as donate their money, to local poverty relief programs.

I hope that my colleagues take a careful look at this new approach to compassion. It is important for us not only to spread authority and resources within the levels of Government, but to spread them beyond Government altogether—to institutions that can not only feed the body but touch the soul. It is an issue I look forward to debating more fully next week.

Mr. HATCH. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2540 THROUGH 2544, EN BLOC, TO AMENDMENT NO. 2280

Mr. HATCH. Mr. President, I send five amendments to the desk for and on behalf of the honorable JOHN MCCAIN of Arizona, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. MCCAIN, proposes amendments numbered 2540 through 2544, en bloc, to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2540

(Purpose: To remove barriers to interracial and interethnic adoptions, and for other purposes)

At the appropriate place, insert the following:

SEC. . REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted, and minority children often wait twice as long as other children to be adopted; and

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures.

(b) PURPOSE.—The purpose of this section is to promote the best interests of children by—

(1) decreasing the length of time that children wait to be adopted; and

(2) preventing discrimination in the placement of children on the basis of race, color, or national origin.

(c) REMOVAL OF BARRIERS TO INTERRACIAL AND INTERETHNIC ADOPTIONS.—

(1) PROHIBITION.—A State or other entity that receives funds from the Federal Government and is involved in adoption or foster care placements may not—

(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PENALTIES.—

(A) STATE VIOLATORS.—A State that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the State under part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) (relating to foster care and adoption assistance) during the period of the violation.

(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) shall remit to the Secretary of Health and Human Services all funds that were paid to the entity during the

period under part E of title IV of the Social Security Act.

(3) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—Any individual or class of individuals aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court or State court of appropriate jurisdiction.

(B) STATUTE OF LIMITATIONS.—An action under this subsection may not be brought more than 2 years after the date the alleged violation occurred.

(4) ATTORNEY'S FEES.—In any action or proceeding under this Act, the court, in the discretion of the court, may allow the prevailing party, other than the United States, a reasonable attorney's fee, including litigation expenses and costs, and the States and the United States shall be liable for the fee to the same extent as a private individual.

(5) STATE IMMUNITY.—A State not be immune under the 11th amendment to the Constitution from an action in Federal or State court of appropriate jurisdiction for a violation of this section.

(6) NO EFFECT ON INDIAN CHILD WELFARE ACT OF 1978.—Nothing in this Act shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

(d) REPEAL.—Subpart 1 of part E of title V of the Improving America's Schools Act of 1994 (42 U.S.C. 5115a) is amended—

(1) by repealing sections 551 through 553; and

(2) by redesignating section 554 and section 551.

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect 90 days after the date of enactment of this Act.

AMENDMENT NO. 2541

(Purpose: To provide that States are not required to comply with excessive data collection and reporting requirements unless the Federal Government provides sufficient funding to allow States to meet such excessive requirements)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. FEDERAL FUNDING FOR EXCESSIVE DATA REPORTING REQUIREMENTS.

Notwithstanding any other provision of law, a State shall not be required to comply with any data collection or data reporting requirement added by this Act that the General Accounting Office determines is in excess of normal Federal management needs (including systems development costs) unless the Federal Government provides the State with funding sufficient to allow States to comply with such requirements.

AMENDMENT NO. 2542

(Purpose: To remove the maximum length of participation in the work supplementation or support program)

On page 215, line 24, add closing quotation marks and a period at the end.

On page 216, strike lines 1 through 5.

AMENDMENT NO. 2543

(Purpose: To make job readiness workshops as work activity)

On page 36, line 10, strike ''and''.

On page 36, line 13, strike the end period.

On page 36, between lines 13 and 14, insert the following:

''(G) job readiness workshops in which an individual attends pre-employment classes to obtain business or industry specific training required to meet employer-specific needs (not to exceed 4 weeks with respect to any individual).''

AMENDMENT NO. 2544

(Purpose: To permit States to enter into a corrective action plan prior to the deduction of penalties from the block grant)

On page 122, between lines 11 and 12, insert the following:

SEC. 110A. CORRECTIVE ACTION PLAN.

(a) IN GENERAL.—

(1) NOTIFICATION OF VIOLATION.—Notwithstanding any other provision of law, the Federal Government shall, prior to assessing a penalty against a State under any program established or modified under this Act, notify the State of the violation of law for which such penalty would be assessed and allow the State the opportunity to enter into a corrective action plan in accordance with this section.

(2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE ACTION PLAN.—Any State notified under paragraph (1) shall have 60 days in which to submit to the Federal Government a corrective action plan to correct any violations described in such paragraph.

(3) ACCEPTANCE OF PLAN.—The Federal Government shall have 60 days to accept or reject the State's corrective action plan and may consult with the State during this period to modify the plan. If the Federal Government does not accept or reject the corrective action plan during the period, the corrective action plan shall be deemed to be accepted.

(b) 90-DAY GRACE PERIOD.—If a corrective action plan is accepted by the Federal Government, no penalty shall be imposed with respect to a violation described in subsection (a) if the State corrects the violation pursuant to the plan within 90 days after the date on which the plan is accepted (or within such other period specified in the plan).

Mr. HATCH. Mr. President, I yield the floor.

AMENDMENT NO. 2545 TO AMENDMENT NO. 2280

(Purpose: To require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility contract or a limited benefit plan)

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2545 to amendment No. 2280.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, strike lines 4 through 10, and insert the following:

''(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—

''(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into—

''(A) a personal responsibility contract (as developed by the State) with the State; or

''(B) a limited benefit plan.

''(2) PERSONAL RESPONSIBILITY CONTRACT.—For purposes of this subsection, the term 'personal responsibility contract' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

''(A) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient;

''(B) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

''(C) provides that the family will automatically enter into a limited benefit plan if the family is out of compliance with the personal responsibility contract; and

''(D) provides that the contract shall be invalid if the State agency fails to comply with the contract.

''(3) LIMITED BENEFIT PLAN.—For purposes of this subsection, the term 'limited benefit plan' means a plan which provides for a reduced level of assistance and later termination of assistance to a family that has entered into the plan in accordance with a schedule to be determined by the State.

''(4) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

''(5) DISPUTE RESOLUTION.—The State agency described in section 402(a)(6) shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.''

Mr. HARKIN. Mr. President, when an individual is hired for a job, they are handed a job description. A job description outlines their responsibilities. On day one, they know what is expected of them in order to earn a paycheck.

However, when an individual goes into the welfare office to sign up for benefits, they fill out an application and then the Government sends them a check. There is no job description. Nothing is expected on day one. The individual simply goes home and collects a paycheck.

I believe that is wrong, and I believe it saps an individual's self-esteem and makes the family dependent.

Mr. President, we must fundamentally change the way we think about welfare, not just to reform welfare, but we have to change the way we think about it. We should be guided by common sense and build a system based on a foundation of responsibility. If you want a check, you must work for it. You must follow a job description. We must stop looking at welfare as a Government giveaway program. Instead, it should be a contract demanding mutual responsibility between the Government and the individual receiving benefits. The contract should outline the steps a recipient will take to become self-sufficient and also a date certain by which they will be off welfare.

Responsibility should start on day one with benefits conditioned on compliance with the terms of the contract. Essentially, the contract should outline the responsibilities for an individual in the same manner that a job description describes a worker's duties. It would build greater accountability in the welfare system and it would send the clear message that welfare, as

usual, is history. Mr. President, a binding contract of this nature not only makes common sense, it works.

As I have noted previously, the State of Iowa has a relatively new welfare reform program. The centerpiece of the Iowa Family Investment Program is just such a contract which charts an individual's course off welfare and a date when welfare benefits will end. Failure to follow the contract means the elimination of welfare benefits.

Over the past 18 months, I have held numerous meetings with welfare recipients, case managers and others to discuss welfare. I often hear that the Iowa contract really does make a difference. Dennette Kellogg of Dubuque can receive benefits for several years before the new program began. She served honorably in the U.S. Marines and then married and started a family. But she was an unfortunate victim of domestic abuse and left California for her hometown with one child and pregnant with a second child. She ended up on welfare and wanted out but felt she had few options and felt she was trapped.

She recently told me:

''The family investment contract gave me a sense of self-worth, something the old system lacks. . .and now I had a reason to look forward to the future instead of feeling being trapped.''

She has escaped. She is now working as a housing specialist and is no longer on welfare. But for her, she had a contract which outlined what she was expected to do. The contract also outlined what the State of Iowa was going to do. So both sides knew what was expected.

In addition to making it clear what is expected of individuals on welfare, a contract of mutual responsibility also makes it possible not only for families to simply move off welfare but to stay off permanently.

Self-sufficiency is the only way to end the cycle of dependency and poverty that is claiming more and more victims each year. A well-designed and enforced contract is a way to make families self-sufficient, not Government dependent. It is the way to stop treating the symptoms of the disease and to go after the cause.

The proposal that we have before us, the amendment offered by Senator DOLE, at least recognizes the important principle of a contract. However, it does not define the personal responsibility contract in any way. It could be anything or it could be nothing.

My amendment, which I just sent to the desk, would add clarity to make sure that it works as envisioned and does not become just another failed promise for welfare recipients and the taxpayers.

Without further definition, I am concerned that the provision in the Dole-Packwood bill will not provide us with the desired result in terms of a contract.

My amendment is simple. It just says that a State would provide an assessment to determine the strengths and the barriers to employment. That information then would be used to draw up a binding contract that outlines the steps a family would take to move off welfare and a date certain when welfare benefits would end.

Failure to follow the terms of the contract would result in serious consequences—the elimination of cash welfare benefits. The experience we have had in Iowa has shown us that individuality is critical. Families have different needs, and a cookie cutter that stamps out one plan for everyone will fail. You cannot force families into a preshaped mold. But instead, we need to form the mold around the family. The last thing we need is a one size fits all contract. My amendment would clarify that individual family characteristics must be paramount in negotiating the terms of the contract.

Accountability, responsibility, and common sense must guide us as we reform the welfare system. Strengthening the personal responsibility contract will send a clear message that the rules have changed and that responsibility is required from day one on welfare—just as a worker knows the rules on the first day of a new job.

We have a responsibility for the taxpayers' money. The taxpayers of Iowa want to make sure that their money is well spent, whether it is in Oklahoma, Nevada, California, or Pennsylvania. A contract such as I have outlined here will ensure greater accountability in the welfare system.

Mr. President, I have an editorial from the Omaha World Herald entitled ''Welfare Contract a Worthwhile Idea.'' I ask unanimous consent that it be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARKIN. I thought I might take a few minutes to buttress my remarks for the need for a well-defined contract by once again bringing to my colleagues an illustration of what has happened in Iowa since we changed our welfare system.

I always point with pride to the fact that in Iowa, we now have the distinction of having a higher percentage of people on welfare who work than any State in the Nation.

Mr. President, before we started our welfare reform program, about 18 percent of the people on welfare worked. It is now up to about 35 percent, which is just about double. So what we have is more people on welfare who are also working. Again, that is one of the objectives of welfare reform.

What has happened to our caseload? We knew at the beginning that, in changing the rules, the initial thing that would happen is that we would have more people on welfare. Everyone knew that. Sure enough, after we enacted the bill, we went from 36,000 to almost 40,000 in the space of just about a year. But look at what has happened since then. Our caseload has come down, and we now have fewer people by about 2,000 caseload 2 years after we started our program. The first year it went up, and then it came down dramatically. So in 2 years we have done two things. We have more people on welfare working—we doubled it—and we have cut the total caseload of people on welfare in Iowa.

With all the talk about what all of the States are doing, I point out that Iowa, to this date, as far as I know, is the only State that has actually cut people off of welfare. We did it with the contract. People have a contract. They sign it and they have to live up to it. If they do not, they are cut off. The chart shows that we have less of a caseload than we did when we started.

How much are we spending on welfare in Iowa? Has the cost gone up or down? Here is total what we spend in Iowa. The yellow, blue, and green lines are 1992, 1993 and 1994. The amount we totally spent on welfare basically stayed about the same in the State of Iowa. We enacted a welfare reform program in October 1993, and almost 2 years later you can see what happened. Our total spending on welfare has dropped, and dropped dramatically, since we have had our welfare reform program.

So, again, people say, No. 1, we want more people to work. Well, in Iowa we have doubled it. Second, we want fewer people on welfare. Well, we have fewer people on welfare, as I have shown. Third, we want to spend less money. Well, here it is, we are spending less money on welfare.

The average grant—now, we had the total, and this is the total amount of money the State of Iowa is spending on welfare. It has come down dramatically. What happened to the average person on welfare? It was about $373 average per family, and we are now down to $336. That is about a 10, 11, 12 percent drop in what we are spending per caseload in the State of Iowa. So, by any yardstick of measuring, the Iowa experiment has worked and has worked well.

Some people might say that in Iowa you do not have high unemployment and all that kind of stuff. Mr. President, when we enacted welfare reform, the Department of Health and Human Services insisted—and I admit I fought this for some time—that we have a control group, a certain group of individuals in Iowa who would not come under the new reform program. They would stay under the old system. So, 2 years later, we were able to compare the control group to the new group. What we have found is that under the old group, they are still down to about 18 percent of those who are working, not 36 percent. The average caseload cost is still high. And so we have that control group to show that it is not just because of the Iowa circumstance, it is because of how we reformed the system.

That brings me back to my amendment. The central feature of the Iowa welfare reform program is a contract. When the person comes in to get welfare, an assessment is done. Who are you? What are you? What is your background? Do you have disabilities? How many children do you have? Tests are given; assessments are made by a case manager. Based upon that, an individual contract is drawn up. That person signs that contract. It is a binding contract. That contract spells out, from day one, what that individual must do to continue to receive benefits. It also spells out what the State will do in terms of child care and that type of thing. As I stated, if the welfare recipient does not live up to the terms of the contract, after 3 months benefits are ended. And that has happened in the State of Iowa. That is why I feel so strongly about having a contract as a part of whatever welfare reform program passes here.

As I stated, the Dole proposal does mention a contract, but it does not say what it is. All my amendment seeks to do is to further define and outline what the personal responsibility contract is, and to make sure that it is a contract that is molded around the family. Under the proposal that we have before us, the Dole-Packwood proposal, it just states a contract. Well, the State can set up one contract for everybody. Again, that just will not work.

We need a contract for each individual family that is on welfare. It needs to be molded around that family. So that is why I feel that the provision for a personal responsibility contract needs to be strengthened. It is in the bill and that is what my amendment seeks to do.

With that, Mr. President, I will inquire of the managers of the bill. I would like to ask for the yeas and nays on my amendment. I do not know if they are in the mode of accepting amendments or not. I have not checked.

I yield the floor.

EXHIBIT 1

[From the Omaha World Herald]

WELFARE CONTRACT A WORTHWHILE IDEA

The idea that welfare should involve a form of social contract continues to deserve attention.

Sen. Tom Harkin, D-Iowa, has introduced a bill in the Senate that reflects ideas from a welfare reform plan enacted by Governor Branstad and the Iowa Legislature. One idea is that welfare isn't an automatic entitlement. A recipient must sign a contract with state government. The contract spells out the services the government will provide, and it contains specific steps to be taken by the recipient to become self-reliant.

A similar provision has been included in the welfare reform program under consideration in Nebraska. Jerry Oligmueller of the State Department of Social Services said that recipients would sign a ''self-sufficiency contract'' charting a two-year course to self-sufficiency.

Emphasis on personal responsibility, he said, is part of the state's effort to recognize and encourage a change in attitudes about welfare.

The idea of changing society's thinking about welfare is all to the good. In the case of people who have no physical or mental ailments, welfare should not be an open-ended arrangement. It's not fair for the government to take money from tax-paying citizens to provide for the permanent support of an able-bodied person. State and federal officials who are trying to re-establish welfare as a temporary, rehabilitative program are doing the right thing.

Mr. MOYNIHAN. Mr. President, if the Senator from Iowa would be good enough, it would seem to me that we could put the amendment over until Monday. We will begin voting Monday at 5 o'clock. We can arrange for him to have a vote after 5 o'clock if that is possible. I see the majority leader on the floor.

Mr. HARKIN. If I might inquire, Mr. President, if the Senator would yield, would now be the appropriate time to ask for the yeas and nays?

Mr. MOYNIHAN. Yes.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. The Republican manager would have to agree to any sequence on the Senator's vote. If he could be patient, that will be done.

Mr. DOLE. I think under the agreement they did want to vote on the Dodd amendment first.

Mr. MOYNIHAN. I said the sequence depends on the Republican manager.

Mr. DOLE. I say to my colleagues, hopefully in the next minute or so we will be able to get a consent agreement that is now being cleared by the Democratic leader. If it is clear, there will be no further votes.

AMENDMENT NO. 2546 TO AMENDMENT NO. 2280

(Purpose: To maintain the welfare partnership between the States and the Federal Government)

Mr. CHAFEE. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is set aside.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment numbered 2546 to amendment No. 2280.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

''(5) WELFARE PARTNERSHIP.—

''(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, 1999, or 2000 shall be reduced by the amount by which State expenditures under the State program funded under this part for the preceding fiscal year is less than 75 percent of historic State expenditures.

''(B) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'historic State expenditures' means expenditures by a State under parts A and F of title IV for fiscal year 1994, as in effect during such fiscal year.

''(ii) HOLD HARMLESS.—In no event shall the historic State expenditures applicable to any fiscal year exceed the amount which bears the same ratio to the amount determined under clause (i) as—

''(I) the grant amount otherwise determined under paragraph (1) for the preceding fiscal year (without regard to section 407), bears to

''(II) the total amount of Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year).

''(C) DETERMINATION OF STATE EXPENDITURES FOR PRECEDING FISCAL YEAR.—

''(i) IN GENERAL.—For purposes of this paragraph, the expenditures of a State under the State program funded under this part for a preceding fiscal year shall be equal to the sum of the State's expenditures under the program in the preceding fiscal year for—

''(I) cash assistance;

''(II) child care assistance;

''(III) education, job training, and work; and

''(IV) administrative costs.

''(ii) TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—In determining State expenditures under clause (i), such expenditures shall not include funding supplanted by transfers from other State and local programs.

''(D) EXCLUSION OF FEDERAL AMOUNTS.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

Mr. CHAFEE. Mr. President, just a brief explanation.

Under the rules that we are operating, as I understand it, we are required to file any amendments that we have reserved spots for by 5 o'clock this evening. As such, this is that type of amendment.

I do not seek its immediate consideration now. I will call it up in some sequence next week, whenever is a proper time. Basically, this amendment is the maintenance-of-effort amendment that requires 75 percent maintenance of effort based on 1964 State expenditures, and the maintenance of effort shall continue for 5 years. The State expenditures shall only be for those existing categories that State expenditures are now made for, to qualify for matching funds under the AFDC and the other payments. In other words, the Federal contribution.

The point I am making here is that the State maintenance-of-efforts funds cannot be used, for example, for Medicaid, which they are not currently committed to be used for.

Mr. President, I ask that the amendment be set aside and we take it up in whatever sequence is deemed proper next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand this consent agreement has been cleared by my colleagues on the other side. I will propound it. I ask unanimous consent when the Senate completes its business today, it stand in recess until 10 a.m. Monday, September 11, 1995, and immediately resume consideration of the welfare bill, H.R. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask at 10 o'clock a.m. Senator KASSEBAUM be recognized to offer an amendment concerning block grants, and following the conclusion of debate the amendment be laid aside and the vote occur on or in relation to the amendment second in the voting sequence to be outlined before for Monday, September 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that following the debate on the above-mentioned amendment, Senator HELMS be recognized to offer an amendment regarding work for food stamps, and following conclusion of the debate the amendment be laid aside and the vote occur on or in relation to the amendment third in the voting sequence on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask following debate, Senator DODD be recognized to offer an amendment regarding child care, and that debate be limited to 4 hours to be equally divided in the usual form and the vote occur on or in relation to that amendment at 5 p.m. on September 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. That would be the first vote.

We need to work out additional time, I think, on the Feinstein amendments. We can do that on Monday.

I also ask there be 4 minutes for debate to be equally divided in the usual form between the second and third rollcall votes ordered on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. And that the first vote be for 15 minutes and the other two or any other subsequent votes be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I say to my colleagues I think we are making progress. We have had five votes today. We have been able to dispose of other amendments. Members are offering their amendments to be considered and they still have until 5:00 p.m. to do so.

In light of this agreement, in lining up the three rollcall votes beginning at 5 p.m. on Monday, there will be no further votes today.

Members are reminded if you intend to offer an amendment to this bill, those amendments must be offered by 5 p.m. this evening.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. DOLE. At this time, I have consent to modify my amendment. I send that modification to the desk.

The PRESIDING OFFICER. Under the previous order, the amendment is so modified.

The amendment (No. 2280), as further modified, is as follows:

On page 23, beginning on line 7, strike all through page 24, line 18, and insert the following:

''(5) MAINTENANCE OF EFFORT.—

''(A) IN GENERAL.—The amount of the grant otherwise determined under paragraph (1) for fiscal year 1997, 1998, or 1999 shall be reduced by the amount by which State expenditures under the State programs described in subparagraph (B) for the preceding fiscal year is less than 75 percent of historic State expenditures.

''(B) PROGRAMS DESCRIBED.—The programs described in this subparagraph are—

''(i) the State program funded under this part; and

''(ii) any other program for low-income individuals (other than the medicaid program under title XIX of this Act) established or modified under the Work Opportunity Act of 1995.

''(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means amounts expended by the State under parts A and F of this title for fiscal year 1994, as in effect during such fiscal year.

''(D) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.''.

On page 36, strike lines 14 through 25, and insert the following:

''(d) PENALTIES AGAINST INDIVIDUALS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

''(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

''(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

''(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program based on a refusal of an adult to work if such adult is a single custodial parent caring for a child age 5 or under and has a demonstrated inability (as determined by the State) to obtain needed child care, for one or more of the following reasons:

''(A) Unavailability of appropriate child care within a reasonable distance of the individual's home or work site.

''(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

''(C) Unavailability of appropriate and affordable formal child care arrangements.''.

On page 49, beginning with line 20, strike all through page 50, line 5, and insert the following:

''(c) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

''(1) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash assistance for a minor child who is born to—

''(A) a recipient of assistance under the program operated under this part; or

''(B) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

''(2) EXCEPTION FOR VOUCHERS.—Paragraph (1) shall not apply to vouchers which are provided in lieu of cash assistance and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

''(3) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape or incest.''.

On page 51, between lines 11 and 12, insert the following:

''(e) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

''(1) IN GENERAL.—The amount of the grant payable to a State under section 403(a)(1)(A) for fiscal years 1998, 1999, and 2000 shall be increased by—

''(A) 5 percent if—

''(i) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

''(ii) the rate of induced pregnancy terminations for the fiscal year in the State is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

''(B) 10 percent if—

''(i) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

''(ii) the rate of induced pregnancy terminations in the State for the same fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(2) DETERMINATION OF THE SECRETARY.—The Secretary shall not increase the grant amount under paragraph (1) if the Secretary determines that the relevant difference between the illegitimacy ratio of a State for an applicable fiscal year and the illegitimacy ratio of such State for fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the illegitimacy ratio or if the Secretary determines that the relevant non-increase in the rate of induced pregnancy terminations for an applicable fiscal year as compared to fiscal year 1995 is the result of a change in State methods of reporting data used to calculate the rate of induced pregnancy terminations.

''(3) ILLEGITIMACY RATIO.—For purposes of this subsection, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

''(A) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

''(B) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

''(4) AVAILABILITY OF AMOUNTS.—There are authorized to be appropriated and there are appropriated such sums as may be necessary for fiscal years 1998, 1999, and 2000 for the purpose of increasing the amount of the grant payable to a State under section 403(a)(1) in accordance with this subsection.

On page 51, line 12, strike ''(e)'' and insert ''(f)''.

On page 77, strike line 22 and all that follows through page 83, line 15, and insert the following:

SEC. 102. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under titles, I, II, or X that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to, beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance;

(B) form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2) solely on the basis that it is a religious organization; or

(C) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) with assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that an employee rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under section programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

SEC. 103. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may chose where such assistance shall be redeemed.

On page 20, beginning on line 8, strike all through line 17 and insert in lieu thereof the following:

''(ii) CERTAIN STATES DEEMED QUALIFYING STATES—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

''(I) the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996; or

''(II) a State has extremely high population growth (which for purposes of this clause shall be defined as a greater than ten percent increase in population from April 1, 1990 to July 1, 1994, as determined by the Bureau of the Census).''.

On page 17, line 8, insert ''and for fiscal year 2000, the amount of the State's share of the performance bonus and high performance bonus determined under section 418 for such fiscal year'' after ''year''.

On page 17, line 22, insert ''and for fiscal year 2000, reduced by the percent specified in section 418(a)(3)'' after ''(B)''.

On page 59, between lines 22 and 23, insert the following:

''(14) Any other data necessary to measure the progress the State is making in achieving performance with respect to the measurement categories described in section 418(c)(1).''.

On page 77, line 21, strike the end quotes and the end period.

On page 77, between lines 21 and 22, insert the following:

"SEC. 418. PERFORMANCE BONUS AND HIGH PERFORMANCE BONUS.

''(a) IN GENERAL.—

''(1) PERFORMANCE BONUS.—In addition to the State family assistance grant, for fiscal year 2000, the Secretary shall pay to each qualified State an amount equal to the State's share of the performance bonus fund described in paragraph (3).

''(2) QUALIFIED STATE.—For purposes of this subsection, the term 'qualified State' means a State that during the measurement period—

''(A) exceeds the overall average performance achieved by all States with respect to a measurement category, or

''(B) improves the State's performance in a measurement category by at least 15 percent over the State's baseline period.

''(3) BONUS FUND.—The amount of the bonus fund for fiscal year 2000 shall be an amount equal to 5 percent of the amount appropriated under section 403(a)(2)(A) for such fiscal year.

''(b) HIGH PERFORMANCE BONUS.—

''(1) IN GENERAL.—In addition to the amount provided under subsection (a), each of the 10 high performance States in each measurement category shall be entitled to receive a share of the high performance bonus fund described in paragraph (3).

''(2) HIGH PERFORMANCE STATES.—For purposes of this subsection, the term 'high performance States' means with respect to each measurement category during the measurement period—

''(A) the 5 States that have the highest percentage of improvement with respect to the State's performance in the measurement category over the State's baseline period; and

''(B) the 5 States that have the highest overall average performance with respect to the measurement category.

''(3) HIGH PERFORMANCE BONUS FUND.—There are authorized to be appropriated and there are appropriated the amount of the high performance bonus fund for fiscal year 2000 equal to—

''(A) the amount of the reduction in State family assistance grants for all States for fiscal years 1996, 1997, 1998, and 1999 resulting from the application of section 407; plus

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

''(1) MEASUREMENT CATEGORY.—A measurement category means any of the following categories:

''(A) A reduction in the average length of time families in the State receive assistance during a fiscal year under the State program funded under this part.

''(B) An increase in the percentage of families receiving such assistance under this part that receive child support payments under part D.

''(C) An increase in the percentage of families receiving assistance under this part that earn an income.

''(D) An increase in the amount earned by families that receive assistance under this part.

''(E) A reduction in the percentage of families that become eligible for assistance under

this part within 18 months after becoming ineligible for such assistance.

''(2) MEASUREMENT PERIOD; BASELINE PERIOD.—

''(A) MEASUREMENT PERIOD.—The term 'measurement period' means the period beginning not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995 and ending on September 30, 1999.

''(B) BASELINE PERIOD.—The term 'base-line period' means fiscal year 1994.

''(3) ALLOCATION FORMULA.—For purposes of determining a State's share of the performance bonus fund under subsection (a)(1), and the State's share of the high performance bonus fund under subsection (b)(1), the Secretary shall, not later than June 30, 1999, develop and publish in the Federal Register a formula for allocating amounts in the performance bonus fund to qualified States and a formula for allocating amounts in the high performance bonus fund to high performance States. Such formulas shall be based on each State's proportional share of the total amount appropriated under section 403(a)(2)(A) for fiscal year 2000.''.

Mr. DOLE. I will briefly explain the first modification which provides no additional cash assistance for children born of families receiving assistance. States may provide vouchers in lieu of cash assistance, and they may be used to pay for particular goods and services suitable for the care of the child involved.

The second one provides a bonus to States reducing out-of-wedlock births.

Third is a maintenance of effort. We are still trying to reconcile that with the distinguished Senator from Rhode Island. He just offered an amendment. We have a little different amendment. We are very close to an agreement. Maybe we can agree on something by Monday.

The fourth would be a work family provision relating to child care. States cannot sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care and the States define what constitutes demonstrated need.

No. 5, services provided by charitable, religious, or private organizations, limitation on the use of funds for certain purposes—just a modification of the current provision, and a modification of the supplemental growth fund.

And finally, a performance bonus fund that provides additional money for States that exceed performance goals.

These are modifications to the amendment. There will still be other amendments.

I ask unanimous consent to have this printed in the RECORD.

There being no objection, the modifications ordered to be printed in the RECORD, are as follows:

MODIFICATIONS TO LEADERSHIP WELFARE BILL

TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

1. Provides No Additional Cash Assistance for Children Born to Families Receiving Assistance (''Family Cap''). States may not provide additional cash assistance for children born to families receiving assistance. States may provide vouchers in lieu of cash assistance. Vouchers may be used only to pay for particular goods and services that are suitable for the care of the child involved.

2. Out-of-Wedlock Birth Ratio. Provides a bonus to States that reduce out-of wedlock births.

3. Maintenance of Effort. For the first three years, States must spend 75 percent of what the State spent on AFDC benefits including JOBS and child care, for the preceding fiscal year. This is a modification to current provisions.

4. Work Penalty Provisions Relating to Child Care. States can not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. The States define what constitutes demonstrated need.

5. Services Provided by Charitable, Religious or Private Organizations and Limitations on Use of Funds for Certain Purposes. Modifications to current provisions.

6. Modification to Supplemental Growth Fund. Qualifies States with extraordinary population increases for the supplemental growth fund.

7. Performance Bonus Fund. Provides additional money for States that exceed performance goals.

Mr. DOLE. There may be other amendments. Senator HATCH is here, Senator CHAFEE is here, both members of the Finance Committee, the distinguished Senator from New York, ranking member on the committee is here. If there are some amendments that can be taken, I assume we would be open for business for a while. Otherwise, as I indicated, there are no further votes today. There may be additional debate, and Members are reminded of the 5 o'clock deadline.

In my view, I do not see why we cannot complete action on this bill by Wednesday or perhaps early Thursday because we would like to do the State, Justice Department appropriations bill on Thursday and Friday.

We have done seven appropriations bills. That gives us No. 8. That would leave five to do before the end of this month. The only one available to us next week will be State, Justice, Commerce appropriations bill. The others come out the following week.

I do not think it will be necessary because I think we have had good cooperation—we would rather not file cloture. We like to have a good debate and let everybody have a chance to debate their amendments up or down and then have a vote on final passage.

Of course, if there should be some effort to frustrate the process, then it would be my suggestion we wrap all this up and put it in reconciliation. Welfare reform is very important, and if we are frustrated here, we will try to do it in another way.

So far, we have had good cooperation on both sides. Members have been offering amendments. We have had good debates. I think we are making progress.

Mr. KENNEDY. Would the Senator yield for a brief question?

Mr. DOLE. I yield.

Mr. KENNEDY. The changes included in the amendment are those child care provisions which will give the State, even, an option, open to the States, that will exclude the parent from the sanctions if the child is less than 1 year old? As I understand it, that was going to be the intention of the Senator. I am just asking now whether that was—if the Senator will just be kind enough to repeat the provisions dealing with day care?

We had inquired of the majority leader a week or so ago, or just before the break, about the child care provisions and the Senator had indicated that there would be some modifications. I had understood, in the modification that was sent to the desk, it did provide for the State's flexibility to exclude from the punitive provisions of the legislation if the child was less than 1 year old.

But that was one provision. I am just inquiring of the leader if that is the only change that was made with regard to child care? I think later on in the afternoon, Senator DODD and myself, and I think others, are going to be introducing an amendment on the child care which the majority leader referenced, which we will dispose of early next week. I just want to try to understand exactly what modification has been included by the leader relating to the child care, which I consider to be, perhaps, the most important provisions, along with the work requirements, in the bill.

Mr. DOLE. I might say in response, this is an amendment suggested by the Senator from Maine, Senator SNOWE. The State would not sanction if they are of preschool age, which I think is a step in the direction the Senator would want us to go.

Mr. KENNEDY. I see. So, as I understand it, then——

Mr. DOLE. I will be happy to furnish the Senator with a copy of the legislative language, too.

Mr. KENNEDY. Fine. I will not, then, take up the time. As I understand the amendment of the Senator from Maine, it will, therefore, increase the age of the child? I think it is up to 5 years of age, which effectively will—5 years of age——

Mr. DOLE. Five?

Mr. KENNEDY. Exclude 60 percent of those who are currently on welfare today, since 60 percent of those who are on welfare have children under that age.

The purpose of the legislation, as I understood it, was to try to get people to work and also to provide for their children with day care. We will have a chance later to debate this, but as I understand the changes in the child care provision, they effectively will say those welfare mothers can stay home and continue to take care of the children. Then, after that child gets to 6, they will be subject to the other provisions of the legislation.

I hope we will have a chance to debate that because it seems to me to be both undermining the thrust of the legislation, in terms of moving people from welfare to work, because they will

be excluded and we do not have additional kinds of child care provisions that will permit them to move to work, which I know is the objective of the majority leader.

So I thank the Senator for his explanation, but this is the kind of issue I hope we will have an opportunity to debate before we get to closure.

Mr. DOLE. I thank the Senator from Massachusetts for his statement, as I understood his statement on the participation rates. But we do not sanction a single custodial parent for failure to work if the parent shows a demonstrated need for child care. And that would be determined by the States, what constitutes a demonstrated need.

We will have that debate on Monday. Senator SNOWE will be here, and I am certain she will be happy to go into it in more detail.

Mr. CHAFEE. Mr. President, I have just a procedural question. We are open for business for filing the amendments until 5, and to have an amendment count you have to send it to the desk. That is what offering an amendment is.

So, as I understand it—so, therefore, presumably, the establishment has to stay in business until 5?

Mr. DOLE. Oh, yes. We will be around until 5. The Senator from Utah suggests maybe we can go into recess until a quarter of 5. But we are not going to try to shut off anybody because there may be Members now in the process of drafting amendments. So I hope we could continue to maybe accept amendments, maybe have some debate. There may be other amendments to be offered.

In fact, if some have been offered where we could do the debate this afternoon and take up the votes on Monday, we will be happy to do that, too.

Mr. CHAFEE. Mr. President, if this is complete, I have an amendment on behalf of Mr. COHEN. I will send it to the desk.

Mr. MOYNIHAN. There is a Moynihan-Dole amendment we can accept right now.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2502, AS MODIFIED

Mr. CHAFEE. Mr. President, on behalf of Senator COHEN, I send to the desk a modification to a prior amendment.

The PRESIDING OFFICER. The amendment will be modified.

The amendment (No. 2502), as modified, is as follows:

On page 79, line 18, insert after ''subsection (a)(2)'' the following: ''so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution''.

On page 80, line 13, after ''governance'' replace '','' with '';'' and delete lines 14–16.

AMENDMENT NO. 2547 TO AMENDMENT NO. 2280

(Purpose: To deny supplemental security income cash benefits by reason of disability to drug addicts and alcoholics, to require beneficiaries with accompanying addiction to comply with appropriate treatment requirements as determined by the Commissioner, and for other purposes)

Mr. CHAFEE. Now, Mr. President, on behalf of Senator COHEN I send an amendment to the desk dealing with supplemental security income benefits, so-called SSI, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for Mr. COHEN, proposes an amendment numbered 2547 to amendment No. 2280.

The PRESIDING OFFICER. Without objection, further reading will be dispensed with.

The amendment is as follows:

Beginning on page 112, line 13, strike all through page 114, line 23, and insert the following:

SEC. 201. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) TERMINATION OF SSI CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking ''(B)'' and inserting ''(C)'';

(2) by striking ''(3)(A) and inserting ''(B)''; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

''(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.''.

(b) TREATMENT REQUIREMENTS.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

''(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph.''

''(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 201 of the Work Opportunity Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph.''

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking ''who is required under subclause (I)'' and inserting ''described in division (bb) of subclause (I) who is required''.

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking ''clause (i)'' and inserting ''clause (i)(I)''.

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking ''who is eligible'' and all that follows through ''is disabled'' and inserting ''described in clause (i)(I)''; and

(B) in subclause (V), by striking ''or v''.

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking ''who are receiving benefits under this title and who as a condition of such benefits'' and inserting ''described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who''.

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking ''residing in the State'' and all that follows through ''they are disabled'' and inserting ''described in subparagraph (B)(i)(I) residing in the State''.

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

''(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).''.

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

''(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

''(E) The requirements of subparagraph (B) shall cease to apply to any individual—

''(i) after three years of treatment, or

''(ii) if the Commissioner determines that such individual no longer needs treatment.''.

(c) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

''(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.''.

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking ''eligible for benefits'' and all that follows through ''is disabled'' and inserting ''described in subparagraph (A)(ii)(II)''.

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows ''15 years, or'' and inserting ''described in subparagraph (A)(ii)(II)''.

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking ''eligible for benefits'' and all that follows through ''is disabled'' and inserting ''described in subparagraph (A)(ii)(II)''.

(d) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking ''clause (i) or (v) of section 1611(e)(3)(A)'' and inserting ''subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)''; and

(2) by adding at the end the following: ''This subsection shall not apply to any such person—

''(i) after three years of treatment, or

''(ii) if earlier, if the Commissioner determines that such individual no longer needs treatment, or

''(iii) if such person has previously received such treatment.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning after the cessation of the individual's treatment provided pursuant to such title as in effect on the day before the date of such enactment, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 2548 TO AMENDMENT NO. 2280

(Purpose: To direct the Commissioner of Social Security to develop a prototype of a counterfeit-resistant social security card, and to provide for a study and report on the development of such card)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for myself and Senator DOLE. It is an amendment for the development of a prototype counterfeit resistant Social Security card. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, we will set aside the pending amendment.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself and Mr. DOLE, proposes an amendment numbered 2548 to Amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 87, between lines 5 and 6, insert the following:

SEC. 105A. DEVELOPING OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (hereafter in this section referred to as the ''Commissioner'') shall in accordance with the provisions of this section develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to achieve the purposes of this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3, 5, and 10 year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3, 5, and 10 year phase-in options.

(3) DISTRIBUTION OF REPORT.—Copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) shall be submitted to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year of the date of the enactment of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated and are appropriated from the Federal Old-Age and Survivors Insurance Trust Fund such sums as may be necessary to carry out the purposes of this section.

Mr. MOYNIHAN. Mr. President, it was 18 years ago that I first proposed we produce a new tamper-resistant Social Security card to reduce fraud and enhance public confidence in our Social Security system. This has been an ongoing battle, and I think there should be a new sense of urgency about this issue in light of the current welfare debate.

The amendment I offer today is very simple. It would require two things. First, it would require the Commissioner of the Social Security Administration to develop a prototype of a counter-proof Social Security card. The prototype card would be designed with the security features necessary so that it could be used reliably to confirm U.S. citizenship or legal resident alien status.

Second, it would require the Commissioner to study and report to Congress on ways to improve the Social Security card application process so as to reduce the process' vulnerability to fraud. An evaluation of cost and workload implications of issuing a counterfeit-resistant Social Security card is also required.

The Congressional Budget Office has informed me that this amendment would result in an insignificant increase—less than $500,000—in administrative expenses for the Social Security Administration.

When the Social Security amendments were before us in 1983, we approved a provision to require the production of a new tamper-resistant Social Security card. The law, section 345 of Public Law 98–21, stated:

The social security card shall be made of banknote paper, and (to the maximum extent practicable) shall be a card which cannot be counterfeited.

What a disappointment when late in 1983, the Social Security Administration began to issue the new card, and it became clear that the agency simply had not understood what Congress intended. The new card looks much like the old, a pasteboard card really much like the first ones produced by Social Security in 1936. It has the same design framing the name and nearly the same colors. It feels the same. An expert examining a card with a magnifying glass can certainly detect whether or not one of the new ones is genuine, but therein lies the problem. We should have a distinguished, durable card that can hold vital information and can be authenticated easily.

There is a history here. The Social Security Administration, from its earlier years, has resisted any use of the Social Security card for identification purposes. In fact, the card actually said it could not be so used.

In 1977, when I first proposed that we produce a new card, the Social Security Administration objected and the proposal was not adopted. I tried again and again, and succeeded only on the fifth try.

Or so I thought. Until the card was introduced.

A new Social Security card—one very difficult to counterfeit and easily verified as genuine—could be manufactured at a low cost. The major expense, if we were to approve new cards, would be the cost of the interview process and that is why the amendment requires a study to include the cost and workload implications of a new card. Let us explore our options—we must try to improve the system.

A Social Security card could be designed along the lines of today's high technology credit cards. The card could be highly tamper-resistant, and its authenticity could be readily discerned by the untrained eye. It must be seen as a special document; one which would be visually and tactilely more difficult to counterfeit than the current paper card.

The magnetic stripe would contain the Social Security number, encoded with an algorithm known only to the Social Security Administration. A so-called watermark stripe could be placed over it, making it nearly impossible to counterfeit without technology that currently costs $10 million. The decoding algorithm could be integrated with the Social Security Administration computers.

The new cards will not eliminate all fraudulent use of Social Security cards. But it will close down the shopfront operations that flood America with false Social Security cards.

That is what the Congress intended in the 1983 legislation.

Let us try again. We have seen that it can be done. It is what the Clinton

administration intended last year when they introduced the health security card. As many of you remember, it has a magnetic stripe to hold whatever information may be necessary.

A key reform in our ongoing welfare debate is the restriction of benefits to U.S. citizens. I think it is safe to say that when this restriction is enforced there will be a revitalized black market for documentation of U.S. citizenship. It would be wise to head off this foreseeable problem. A high technology Social Security card would also facilitate the disbursement of benefits to our citizens. A simpler, more effective way of providing citizenship would strengthen public confidence in our immigration system and improve the efficiency of our welfare system.

I offer the present amendment, which as I said earlier, would require only the development of a prototype counterfeit-resistant card and a study on ways to reduce the vulnerability of the card application process to fraud. The Attorney General would assist the Commissioner of Social Security with determining what is needed here.

I ask for the support of my colleagues on this important matter once again—this time for a simple prototype card and a study.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2548) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I have just a short list of amendments to be called up and set aside, on behalf of other Senators.

AMENDMENT NO. 2549 TO AMENDMENT NO. 2280

(Purpose: To allow a State to revoke an election to participate in the optional State food assistance block grant)

Mr. MOYNIHAN. Mr. President, Senator KERREY has an amendment on the Food Stamp Program which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] for Mr. KERREY, proposes an amendment numbered 2549 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 229, strike lines 4 through 8 and insert the following:

''(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently elect to participate in the food stamp program in accordance with the other sections of this Act.

Mr. MOYNIHAN. Mr. President, I ask that amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2550 AND 2551 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Mr. President, I have two amendments I send forward on behalf of Senator KOHL. Each concerns the Food Stamp Program.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. KOHL, proposes amendments numbered 2550 and 2551 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2550

(Purpose: To exempt the elderly, disabled, and children from an optional State food assistance block grant)

On page 244, strike lines 3 through 13 and insert the following:

''(B) REDUCTIONS IN ALLOTMENTS.—

''(i) REDUCTION FOR EXEMPTED INDIVIDUALS.—

''(I) DETERMINATION.—The Secretary shall determine the Federal costs of providing benefits to and administering the food stamp program for exempted individuals in each State participating in the program established under this section.

''(II) REDUCTION.—The Secretary shall reduce the allotment to each State participating in the program established under this section by the amount determined under subclause (I).

''(ii) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.

''(m) EXEMPTED INDIVIDUALS.—

''(1) DEFINITION.—Subject to paragraph (2), in this subsection, the term 'exempted individual' means an individual who is—

''(A) elderly;

''(B) a child; or

''(C) disabled.

''(2) EXEMPTION.—Notwithstanding any other provision of this section, an exempted individual shall not be subject to this section and shall be subject to the other sections of this Act.''.

AMENDMENT NO. 2551

(Purpose: To expand the food stamp employment and training program)

On page 158, between lines 14 and 15, insert the following:

SEC. 301. DECLARATION OF POLICY.

Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by adding at the end the following: ''Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by—

''(1) facilitating the transition of low-income families and households from economic dependency to economic self-sufficiency through work;

''(2) promoting employment as the primary means of income support for economically dependent families and households and reducing the barriers to employment of economically dependent families and households; and

''(3) maintaining and strengthening healthy family functioning and family life.''.

On page 185, line 7, strike ''and''.

On page 185, between lines 13 and 14, insert the following:

(D) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(E) by inserting after clause (v) the following:

''(vi) Case management, casework, and other services necessary to support healthy family functioning, enable participation in an employment and training program, or otherwise facilitate the transition from economic dependency to self-sufficiency through work.'';

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2552 THROUGH 2555 TO AMENDMENT NO. 2280

Mr. MOYNIHAN. Finally, Mr. President, I have four amendments concerning the legislation before us on the American family, restoring the American family, which I send to the desk on behalf of Mr. BRYAN. I ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for Mr. BRYAN, proposes amendments numbered 2552 through 2555 to amendment No. 2280.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2552

(Purpose: To provide that a recipient of welfare benefits under a means-tested program for which Federal funds are appropriated is not unjustly enriched as a result of defrauding another means-tested welfare or public assistance program)

At the appropriate place in the title X, insert the following new section:

SEC. . FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term ''means-tested welfare or public assistance program for which Federal funds are

appropriated'' shall include the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

AMENDMENT NO. 2553

(Purpose: To require a recipient of assistance based on need, funded in whole or in part by Federal funds, and the noncustodial parent to cooperate with paternity establishment and child support enforcement in order to maintain eligibility for such assistance)

On page 87, between lines 5 and 6, insert the following:

SEC. . COOPERATION REQUIRED WITH RESPECT TO PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT FOR ELIGIBILITY FOR ASSISTANCE.

Subject to the provisions of titles IV and XIX of the Social Security Act and the Food Stamp Act of 1977, and notwithstanding any other provision of law, no Federal funds may be used to provide assistance based on need to, or on behalf of, a child in a family that includes an individual (including the noncustodial parent, if any) whom the agency responsible for administering such assistance determines is not cooperating in establishing the paternity of such child, or in establishing, modifying, or enforcing a support order with respect to such child, without good cause as determined by such agency in accordance with standards prescribed by such agency which shall take into consideration the best interests of the child.

AMENDMENT NO. 2554

(Purpose: To provide that State welfare and public assistance agencies can notify the Internal Revenue Service to intercept Federal income tax refunds to recapture overpayments of welfare or public assistance benefits)

At the appropriate place in the amendment, insert the following new section:

SEC. . COLLECTION OF WELFARE OR PUBLIC ASSISTANCE BENEFIT OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

(a) IN GENERAL.—Paragraph (1) of section 6402(d) of the Internal Revenue Code of 1986 (relating to collection of debts owed to Federal agencies) is amended by inserting ''or upon receiving notice from any State agency that a named person owes a past-due legally enforceable debt arising out of an overpayment under an applicable welfare program,'' before ''the Secretary shall''.

(b) APPLICABLE WELFARE PROGRAMS.—Section 6402(d) of such Code is amended by adding at the end the following new paragraph:

''(4) APPLICABLE WELFARE PROGRAM.—For purposes of this subsection, the term 'applicable welfare program' means any program established or significantly modified by the Work Opportunity Act of 1995.''

(c) CONFORMING AMENDMENTS.—

(1) Section 6402(d)(2) of such Code is amended by inserting ''or State'' after ''Federal''.

(2) The heading for section 6402(d) of such Code is amended by inserting ''or certain State'' after ''Federal''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after December 31, 1995.

AMENDMENT NO. 2555

(Purpose: To provide state welfare or public assistance agencies an option to determine eligibility of a household containing an ineligible individual under the Food Stamp program)

At the appropriate place in the amendment, insert the following new section:

SEC. . Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

The state agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2467 TO AMENDMENT NO. 2280

(Purpose: To increase the participation of teachers, parents, and students in developing and improving workforce education activities)

Mr. HATCH. Mr. President, I ask unanimous consent amendment No. 2467 be called up and sent to the desk for immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. HATFIELD, for himself, Mr. DODD and Mr. GLENN, proposes an amendment numbered 2467 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 714(d)(1)(K), strike ''and''.

In section 714(d)(1)(L), strike the semicolon and insert ''; and''.

In section 714(d)(1), insert after subparagraph (L) the following:

''(M) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students;''.

In section 716(b)(6) strike ''and''.

In section 716(b)(7) strike the period and insert ''; and''.

In section 716(b), add at the end the following:

(8) with respect to secondary education activities—

(A) establishing effective procedures, including an expedited appeals procedure, by which secondary school teachers, secondary school students involved in workforce education activities carried out under this title, parents of such students, and residents of substate areas will be able to directly participate in State and local decisions that influence the character of secondary education activities carried out under this title that affect their interests;

(B) providing technical assistance, and designing the procedures described in subparagraph (A), to ensure that the individuals described in subparagraph (A) obtain access to the information needed to use such procedures; and

(C) subject to subsection (h), carrying out the secondary education activities, and implementing the procedures described in subparagraph (A), so as to implement the programs, activities, and procedures for the involvement of parents described in section 1118 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) in accordance with the requirements of such section.

In section 716, add at the end the following:

(h) PARENTAL INVOLVEMENT.—

(1) COMPARABLE REQUIREMENTS.—For purposes of implementing the requirements of section 1118 of the Elementary and Secondary Education Act (20 U.S.C. 6319) with respect to secondary education activities as required in subsection (b)(8)(C), a reference in such section 1118—

(A) to a local educational agency shall refer to an eligible entity, as defined in subsection (a)(2) of section 727;

(B) to part A of title I of such Act (20 U.S.C. 6311 et seq.) shall refer to this subtitle;

(C) to a plan developed under section 1112 of such Act (20 U.S.C. 6312) shall refer to a local application developed under such section 727;

(D) to the process of school review and improvement under section 1116 of such Act (20 U.S.C. 6317) shall refer to the performance improvement process described in subsection (b)(4) of such section 727;

(E) to an allocation under part A of title I of such Act shall refer to the funds received by an eligible entity under this subtitle;

(F) to the profiles, results, and interpretation described in section 118(c)(4)(B) of such Act (20 U.S.C. 6319(c)(4)(B)) shall refer to information on the progress of secondary school students participating in workforce education activities carried out under this subtitle, and interpretation of the information; and

(G) to State content or student performance standards shall refer to the State benchmarks of the State.

(2) NONCOMPARABLE REQUIREMENTS.—For purposes of carrying out the requirements of such section 1118 as described in paragraph (1), the requirements of such section relating to a schoolwide program plan developed under section 1114(b) of such Act (20 U.S.C. 6314(b)) or to section 1111(b)(8) of such Act (20 U.S.C. 6311(b)(8)), and the provisions of section 1118(e)(4) of such Act (20 U.S.C. 6319(e)(4)), shall not apply.

In section 728(a)(2)(A), strike ''and veterans'' and insert ''veterans, secondary school students (including such students who are at-risk youth) involved in workforce education activities carried out under this title, and parents of such students''.

In section 728(b)(2)(B)(iv), strike ''and''.

In section 728(b)(2)(B)(v), strike the period and insert ''; and''.

In section 728(b)(2)(B), add at the end the following:

''(vi) representatives of secondary school students involved in workforce education activities carried out under this title and parents of such students.''.

In section 728(b)(4)(A)(iii), strike ''participation'' and all that follows and insert ''participation, in the development and continuous improvement of the workforce development activities carried out in the substate area—

''(I) of business, industry, and labor; and

''(II) with regard to workforce education activities, of secondary school teachers, secondary school students involved in workforce education activities carried out under this title, and parents of such students;''.

Mr. HATCH. Mr. President, I ask unanimous consent the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2556 TO AMENDMENT NO. 2280

(Purpose: Transmission of quarterly wage reports in order to relay information to the State Directory of New Hires to assist in locating absent parents)

Mr. HATCH. Mr. President, I send an amendment to the desk and in behalf of

Senator NICKLES of Oklahoma and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. NICKLES, proposes an amendment numbered 2556.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 913 page 601 of the amendment, strike line 8 thru line 21 and insert in lieu thereof the following:

''(2) TIMING OF REPORT.—Each report required by paragraph (1) shall be made in accordance with the requirements of Section 1320b–7 (3), Title 42 of U.S.C.''

(c) REPORTING FORMAT.—Each report required under Section 1320b–7(3), Title 42 of U.S.C. shall include an indication of those employees newly hired during such quarter.''

Mr. HATCH. Mr. President, I see the distinguished Senator from Alabama.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. I thank the Chair.

(The remarks of Mr. HEFLIN pertaining to the introduction of S. 1227 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. HATCH. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2557 AND 2558, EN BLOC, TO AMENDMENT NO. 2280.

Mr. HATCH. I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. JEFFORDS, proposes amendments, en bloc, numbered 2557 and 2558 to amendment No. 2280.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2557

(Purpose: To amend the definition of work activities to include vocational education training that does not exceed 24 months)

On page 36, line 12, strike ''12'' and insert ''24''.

AMENDMENT NO. 2558

(Purpose: To provide for the State distribution of funds for secondary school vocational education, postsecondary and adult vocational education, and adult education)

On page 381, strike lines 18 through 21, and insert the following:

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a fiscal year, such agency shall distribute such funds for workforce education activities in such State as follows:

(A) 75 percent of such amount shall be distributed for secondary school vocational education in accordance with section 722, or for postsecondary and adult vocational education in accordance with section 723, or for both; and

(B) 25 percent of such amount shall be distributed for adult education in accordance with section 724.

Mr. HATCH. I also ask unanimous consent that those amendments be set aside for later consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2559 TO AMENDMENT NO. 2280

(Purpose: To require the establishment of local work force development boards)

Mr. HATCH. Mr. President, I send another amendment to the desk for and on behalf of Senator KYL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Utah [Mr. HATCH], for Mr. KYL, proposes an amendment numbered 2559.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 728, strike subsections (a) and (b) and insert the following:

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local workforce development boards described in subsection (b).

(2) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local workforce development board;

collaborated in reaching the agreement.

(3) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local workforce development board, the Governor shall notify the board, and provide the board with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(4) EXCEPTION.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—There shall be a local workforce development board for every substate area in a State that receives assistance under this title.

(2) DUTIES.—Such a local workforce development board shall—

(A) have principal responsibility for implementing local workforce development activities (other than economic development activities), including one-stop centers or systems, school-to-work activities, and workfare activities; and

(B) shall have authority over economic development activities if no comparable oversight or policy group exists within the substate area.

(3) APPOINTMENT.—

(A) IN GENERAL.—A local workforce development board shall be appointed by the chief elected official of a unit of general purpose local government within the substate area involved, based on guidelines established by the Governor, in consultation with local elected officials in the substate area.

(B) CHIEF ELECTED OFFICIAL.—Such chief elected official shall be selected by the elected officials of 1 or more units of general purpose local government within the substate area.

(C) MEMBERSHIP.—A majority of the members of the board shall be representatives of business. The remainder of the board shall consist of such other members as the Governor may determine to be appropriate.

(4) REFERENCES.—Notwithstanding any other provision of this title, any reference in this title to a local partnership shall be deemed to be a reference to a local workforce development board established under this subsection.

Mr. HATCH. I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, at long last, the Senate turns its attention to an issue at the heart of the availability of any real welfare proposal and close to the heart of all working families, and that is access to safe, affordable child care in the next period of time. I see in the Chamber my friend and colleague, the Senator from Connecticut, who will offer the amendment for himself and for myself.

Mr. President, somehow amidst all the tough talk and political posturing about welfare reform, talk of block grants and State flexibility, funding formulas and family caps, this debate seems to have lost sight of the clear and simple fact that a single parent with a preschool-aged child cannot hold down a job if there is no one to care for that child.

I think over the long course of the hearings that have been held on the question of welfare reform in the time that I have been in the Senate, it is very clear what the elements of a successful welfare reform bill must be. There has to be, obviously, a job at the end of the line for an individual, hopefully in the private sector, public sector if necessary. There has to be some training for that individual. There also has to be some care for the child of that parent. And when we realize that two-thirds of those recipients today of welfare have small children, we understand the importance of providing the child care. And there also has to be an element of health care for that child and for that family.

Those are essentially the elements. And what is an intolerable situation is to present welfare reform legislation

and pretend that it is really, truly a reform program without addressing the enormously important issue of who is going to care for the children that will be affected by this debate.

Of those that are on welfare, about 10 million of them are children, 4 to 5 million are adults. So when we talk about the welfare issue and welfare reform, we are really talking about children and families in this country. Many of those children are the sons and daughters of working families. Children are always the most vulnerable individuals. They are not here to speak for themselves. As responsible policymakers, we must consider the impact of any legislative effort on the most vulnerable in our society.

So throughout this debate we intend to ask over and over again the key questions that should guide this entire debate: Who will care for the children? As families enter the job search, who will care for the children? As families enter workfare programs, who will care for the children? As a single parent is mandated to take a job, who will care for the children?

I would like to just take a few moments before my friend and colleague from Connecticut introduces legislation that will address this issue, and I think in an important way remedy this glaring defect in the majority leader's proposal, to consider where we are with the proposal that is before the Senate this afternoon.

First of all, if we look at the current situation under the existing legislation, legislation that passed in 1988 with virtually unanimous support in the Senate, which recognized the importance of child care programs, there is $1 billion to take care of 643,000 children.

Under the bill that is before the Senate at the present time, that particular funding, the $1.1 billion, which is the total of three different child care programs, is effectively eliminated, crossed out as separately designated child care funding.

There is an additional child care program in current law that is provided under discretionary spending for the child care programs which also amounts to $1 billion—some $935 million spent in the year 1995 to take care of 750,000 children. This is $935 million for 750,000 versus $1.1 billion for 643,000 children. These are the sons and daughters of low-income working families and need care for a short period of time, and that is why there is some disparity.

The majority leader's proposal not only eliminates the $1 billion which will currently provide for the 643,000 children—eliminates that—but also takes a third of the $1 billion which was appropriated for child care and allows 30 percent of it to be transferred for other purposes.

We have to ask ourselves, who is going to care for all of these children? Who is going to care for the children who are being taken care of under the existing discretionary program if these funds are diverted away? Who will care for the children who would have been cared for through the mandatory programs that would otherwise be expended in 1996 but have been effectively?

We have to ask ourselves, what is going to be the response?

When this issue was raised just before the break, the leader indicated what his response was going to be.

In the exchange on the floor of the Senate, the majority leader said:

> Let me just respond this way to the Senator from Massachusetts. I said just a few moments ago—I do not think the Senator was on the floor—that was an area of concern raised by the White House, the same general area. As I said, it is a concern raised by a number of my colleagues on this side of the aisle.
>
> We had our first meeting on Friday. And Senator KASSEBAUM, the chairman of the committee, who did a lot of work in this area, was present.
>
> It is certainly true that Senator KASSEBAUM has been very dedicated to child care. It was Senator DODD who was the leader of the development of the discretionary program, with strong support of the Senator from Utah, Mr. HATCH, and it was Senator KASSEBAUM who ensured that this valuable program was reauthorized.

It continues on:

> So I can say to the Senator in all candor, it is something we are looking at. We know there is a problem, and we are looking at it because under the present provision of S. 1120 it would be block granted to the States. But there is a great deal of concern expressed. I can only say that we are going to sit down, I think, again either tonight or tomorrow morning to try to address that on this side.

Now, what happened? First of all, we have what I call under the existing Dole proposal effectively the home alone program. We are telling parents that they are going to have to leave their children home alone. We are saying if the parent of this family does not go out and take a job, they are going to lose any kind of support benefits and we are going to leave the child alone at home.

That was the issue brought before the majority leader just before the August recess and he responded that he was going to address that particular proposal. So what happened? In the proposal sent to the Senate just before the break, he included a provision providing the discretion to the States the option to exempt a parent with a child less than 1 year old—but completely at the discretion of the States. If the State did not choose to do it, infants could find themselves home alone again.

The new bill did not provide additional child care for families with young children. The bill did not provide additional funding to help and assist those families in achieving self sufficiency, allowing them to go to work with good quality day care. All it did was say that those families would be exempt. You will not be denied the benefits of the program if you do not participate in the work program. And effectively what you are saying is happy birthday to the child when they turn 1, because that parent is going to be required to go on out and leave that child at home alone when they are 13 months old.

I call that ''Home Alone II.'' You left the children home alone in the initial proposal. And now we are saying we are leaving it up to the States to exempt 10 percent of families from having to leave their children home alone. But what about getting those parents into the work force, which is part of the desire of this particular legislation? We are not providing child care. All we are saying is that if you have young children, you can stay home and do not have to work.

Mr. President, this chart gives a real reflection of what the needs are and what the realities are under the day care proposal. We are taking the $1 billion that was spent on child care for welfare families and under the Dole proposal it is eliminated. But we will have to spend $4.8 billion in the year 2000 alone to provide for day care for welfare recipients mandated to work under the Home Alone bill. That means that if the Dole bill is implemented and all the people required to work actually go to work, you will need $4.8 billion to provide the day care for them in that one single year—one single year.

This assumes that only half of the parents that are going to work will need help finding and affording child care. It says that the others will be able to get child care on their own, which is an extraordinary assumption. I mean, it defies what is happening in all of our States. I am interested in listening to Senators who have had a different experience in their State, finding scores of people receiving welfare that are able to get child care and pay for it. But that is one of the assumptions.

Even with that assumption, HHS says that the Dole bill will cost $4.8 billion for child care in the year 2000. Cumulatively, under the Dole proposal, it will be $11.2 billion from 1996 to the year 2000. And States will only be provided $16.8 billion flat funding over that period of time. If you are going to need all of this for day care, where is the money going to be on job search? Where is the money going to be in providing for the health care needs of the children? Where is the money going to be for job training and education? Where is it going to be? It is just not going to be there. That is why this is so fraudulent. That is why this legislation is so basically and fundamentally flawed when you think about the needs of the poor children of this country.

Mr. President, I will join with my colleague and friend from Connecticut in an amendment to address this particular problem by restoring the existing $1 billion and making up the rest to make sure this legislation addresses the issue of child care for the children

of this country, as well as the requirements in terms of job needs.

So, Mr. President, I welcome the opportunity, as we come into the weekend, to join with our leader here in the Senate, Senator DODD, who has provided leadership in this child care area. It has been a bipartisan effort, in our committee and on the floor, with Senator HATCH and Senator KASSEBAUM and others, very much involved in this effort.

Let me just say, finally, we heard just a few moments ago, additional changes proposed by the majority leader. As I understand, this includes an amendment to raise the age of children whose families are exempt from 1 to 5 years of age. This effectively will mean that sixty percent of those who are on welfare will be excluded from welfare reform because that many have children under 5.

So that raises some serious issues and questions about what we are doing here if we go about excluding people from the requirements rather than assisting them. As a way of trying to respond to this particular need, I think this raises some serious questions about what this legislation is all about.

Mr. SANTORUM. Will the Senator yield?

Mr. KENNEDY. I will in a second. I prefer that we provide the kind of support that is included in the Dodd amendment because if we do that, what we are going to do to get people to work—by providing the training for them, the day care, and help them to find a job. That is the objective, to care for children and to promote work. That is the desirable end.

But certainly, if we are not going to have the kind of support and help and the funding for the day care, as a matter of policy, it is a lot better to have the parent at home taking care of very small children than requiring them to make a choice between leaving a child who is 2, 3, 4, or 5 home alone and complying with the requirements of this legislation.

So this is a very important discussion and debate. I hope that we will have the chance on Monday, to get into greater detail both on the changes that have been made. But just at the opening of this, because I see my friend and colleague from Connecticut on the floor who wants to make a presentation, I think it is important that we understand exactly where we are with regard to the child care proposals.

I will be glad to yield briefly for a question from the Senator, and then I want to yield the floor so that the Senator from Connecticut can——

Mr. SANTORUM. I just wanted to respond to the comments of the Senator from Massachusetts about the Snowe amendment. I think there is a mischaracterization. Maybe it is not a mischaracterization. I know the amendment has not been presented. You received a summary. But what the Snowe amendment does is say that the parents with children under 5 who can demonstrate to the State—the States will determine what the demonstration requirements would be—that their child care is either unaffordable to them or unavailable to them, whatever, would not be sanctioned for not working.

That does not mean that anyone who has a child under 5 would be exempt from the work requirement. That is not the case. In fact, they would be required to work unless they can prove that there is no child care available. So what happens, since the Snowe amendment does not change the participation standard, which is that 50 percent have to be in the work program, what the Snowe amendment really attempts to do by keeping the denominator the same is to encourage States to provide more child care so they can increase work participation by families with children under 5. So it is, in a sense, a roundabout way of getting States to come up with more child care dollars so we can, in fact, give opportunities for women, in most cases women, who have children under 5.

Mr. KENNEDY. Mr. President, I appreciate that, and I will make a brief comment. That is the very basis of the difference among the Dole, Senator Santorum, and other proposals. You are not providing child care for that mother that wants to be able to go out and work. What you are saying is that mothers will have to work unless they are able to demonstrate that for some means they cannot quite get that child care, that they do not have the resources to do it.

I say to the Senator from Pennsylvania, travel around your own State or my State or any of the other States and talk to those mothers and ask them. We already know what is happening out there. We already have that kind of information, and we just know of the availability of child care.

I hope it is not quite as punitive as described by the Senator to say because we know what the shortage is and what the cost is in terms of quality child care. I do not know how many working families that are trying to go out and work and provide for their families, let alone those that are caught in the misfortunes of life and have a life of dependency, are able to go on out there and get the child care and afford to pay it, have someone tell them, ''Well, maybe your situation is not desperate enough and you are able to stay home. You are able to stay home. We are not going to do anything for you to get child care so you can get off welfare, we are just going to say you can still get your check.''

I do not think that is really what this bill should be about.

I look forward to the opportunity later this afternoon and Monday to get into greater detail on this.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 2560 TO AMENDMENT NO. 2280

(Purpose: To provide for the establishment of a supplemental child care grant program)

Mr. DODD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. KENNEDY, Mr. KOHL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. LEAHY, and Mr. KERREY, proposes an amendment numbered 2560 to amendment No. 2280.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 22, strike ''subparagraph (B)'' and insert ''subparagraphs (B) and (C)''.

On page 18, between lines 15 and 16, insert the following new subparagraph:

''(C) AMOUNT ATTRIBUTABLE TO CERTAIN CHILD CARE PAYMENTS.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under subsections (g)(1)(A)(i), (g)(1)(A)(ii), and (i) of section 402 for fiscal year 1994 (as in effect during such fiscal year).''.

On page 18, line 16, strike ''(C)'' and insert ''(D)''.

On page 22, line 12, strike ''$16,795,323,000'' and insert ''$15,795,323,000''.

At the end of title VI, add the following new section:

SEC. . WORK PROGRAM RELATED CHILD CARE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall, upon the application of a State under subsection (c), provide a grant to such State for the provision of child care services to individuals.

(b) FUNDING.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this section for a fiscal year, the Secretary of Health and Human Services shall pay, from funds in the Treasury not otherwise appropriated, an amount equal to the sum of—

(1) the outlays for child care services under sections 402(g)(1)(A)(i), 402(g)(1)(A)(ii), and 402(i) of the Social Security Act (as such sections existed on the day before the date of enactment of this Act) for fiscal year 1994; and

(2)(A) for fiscal year 1996, $246,000,000;

(B) for fiscal year 1997, $311,000,000;

(C) for fiscal year 1998, $570,000,000;

(D) for fiscal year 1999, $1,122,000,000; and

(E) for fiscal year 2000, $3,776,000,000.

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require.

(d) AMOUNT OF GRANT.—From the amounts available under subsection (b) for a fiscal year, the Secretary of Health and Human Services shall allot to each State (with an application approved under subsection (c)) an amount which bears the same relationship to such amounts as the total number of eligible children in the State bears to the total number of eligible children in all States (with applications approved under subsection (c)).

(e) USE OF FUNDS.—

(1) IN GENERAL.—Amounts received by a State under a grant awarded under this section shall be used to carry out programs and activities to provide child care services to eligible children residing within such State.

(2) ELIGIBLE CHILDREN.—For purposes of this section, the term ''eligible child'' means an individual—

(A) who is less than 13 years of age; and

(B) who resides with a parent or parents who are working pursuant to a work requirement contained in section 404 of the Social Security Act (as amended by section 101), are attending a job training or educational program, or are at risk of falling into welfare.

(3) GUARANTEE.—Notwithstanding any other provision of this Act, or of part A of title IV of the Social Security Act—

(A) no parent of a preschool age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program if child care assistance in an appropriate child care program is not provided for the child of such parent; and

(B) no parent of an elementary school age child shall be penalized or sanctioned for failure to participate in a job training, educational, or work program before or after normal school hours if assistance in an appropriate before or after school program is not provided for the child of such parent.

(f) GENERL PROVISIONS.—

(1) OTHER REQUIREMENTS.—The requirements, standards, and criteria under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) except for the provisions of section 658G of such Act, shall apply to the funds appropriated under this section to the extent that such requirements, standards, and criteria do not directly conflict with the provisions of this section.

(2) MAINTENANCE OF EFFORT.—A State, in utilizing the proceeds of a grant received under this section, shall maintain the expenditures of the State for child care activities at a level that is equal to not less than the level of such expenditures maintained by the State under the provisions of law referred to in subsection (b) for fiscal year 1994.

(g) SENSE OF THE SENATE REGARDING FINANCING.—

(1) FINDINGS.—The Senate finds that—

(A) child care is essential to the success of real welfare reform and this Act dramatically reduces the funds designated for child care while at the same time increasing the need for such care; and

(B) obsolete corporate subsidies and tax expenditures consume a larger and growing portion of the funds in the Treasury.

(2) SENSE OF THE SENATE.—It is the sense of the Senate that the new investment in child care, above the amounts appropriated under the provisions of law referred to in subsection (b)(1) for fiscal year 1994, provided under this section should be offset by corresponding reductions in corporate welfare.

Mr. DODD. Mr. President, this is the child care amendment. As I understand it, we will take some time this afternoon, and on Monday we will resume the debate and have a vote on this amendment, I think, at 5 p.m. I stand corrected if that is not correct. My colleague from Pennsylvania is indicating that that is the situation procedurally. We will have people over the weekend take a look at the amendment, decide either to support it or offer ideas to change it. But I think it is a critically important amendment. It is one of the two or three, I think, most significant amendments we will have during the consideration of this bill, because it is such an important linchpin to the whole debate on welfare. It determines whether or not the so-called welfare reform proposal can actually work.

Let me, first of all, thank my colleague from Massachusetts for his support in putting this amendment together, and for his support not just today and recently, but over the years.

As he has pointed out, Mr. President, going back some 5, 6, 7 years ago, we were able to fashion a child care proposal, the very first, I might add, ever adopted by a Congress with the exception of the period in about 1942 or 1943 when, in the middle of World War II, the Congress appropriated $50 million for a national child care program for the obvious reasons.

We had young men in uniform who were fighting in the European and Pacific theaters. War production was critical. Women went to work in war production facilities and, obviously, taking care of their children was something that needed to be done.

In fact, I invite my colleagues to look at a fascinating exhibit at the Library of Congress. There are marvelous photographs and stories about these child care facilities and how sophisticated they were with doctors and nurses, wonderful feeding programs and the like. In fact, one of them still is in operation in Santa Monica, CA, the only one I know of that is still operating from that period of time.

Obviously, that was a time of national emergency. Once World War II was over, young men came back from the war, women left war production, men went to work in our companies and factories across the country, and these child care facilities, many of them, closed their doors.

It is intriguing to note, because it was, obviously, a recognized need that we could not very well ask people to go to work in war production without a parent being home and to leave children home alone.

I have gone back and examined that legislation. There was no criteria established in that bill based on the age of the children or exemptions from work and war production. It was designed to take care of kids, and it was a wonderful educational process as well, where those children actually had a good education experience while being in that child care setting.

At any rate, we are again engaged in a debate. This time another emergency, not of the magnitude of World War II, but an emergency. We have far too many people who are living on public assistance of one kind or another. We are trying to break that cycle. We are trying to make it possible for people to go back to work or to go to work for the first time ever, and we are faced not with a dissimilar fact situation.

In World War II, the men in those families were fighting a war. Today, in many cases, there are not any men at all in these households, just women raising children alone. And yet we want them to go to work, not in war production today, but we want them to get into the work force, because we think it is not only good for them, it is good for the country. But the issue regarding the children is the same, it is the common denominator. In 1942 and 1943, we reached the collective conclusion those kids should not be left home alone. We needed women in war production; take care of the kids.

Today we are saying collectively, I think, we ought to get people to work in this country. We are tired of watching two and three generations and four generations live on public assistance. We want to get them to work, and yet we know we have a staggering number of children who need care.

What this amendment is designed to do is to come up with a means by which we make the work requirements in this particular bill be effective. So that is what we have crafted with this amendment. We take $5 billion as part of the block grant—it is already in the bill—and dedicate that to child care. We then recognize, as a result of HHS's numbers, that you cannot possibly meet the criteria outlined in the Dole legislation that requires that a certain percentage of people on welfare get to work, if you do not have a child care component. So 44 States would not be in compliance according to CBO. We come up with $6 billion to come out of a corporate welfare approach that is designated by a sense-of-the-Senate resolution.

Some will argue you do not need $6 billion, you can do with a sum less than that. I, frankly, will be listening and more than happy to entertain some discussion of that. Health and Human Services says roughly $6 billion. CBO says less than that, depending on what numbers you use as the base.

The point is, what presently exists in the bill does not meet the criteria at all. You need to have more resources. I will get into why that is the case in a moment.

As I pointed out yesterday during our debate, and when the distinguished majority leader, Senator DOLE, pulled his welfare reform bill 3 weeks ago, that, in my view, the bill pretended to be serious about work but ignored how children would fit into that equation.

At that point, I described the legislation as ''child care—less.'' There has been a lot of talk, obviously, in the past several weeks about a modified proposal. But as far as I can tell, not much has changed in the legislation.

The Republican proposal is still, as Senator KENNEDY has pointed out, a home alone bill. The Republican proposal amounts, in my view, to nothing more than a bitter taste for thousands of families across the country. You cannot throw a dab of budgetary so-called gravy on it and call it tasty or a success. It is just window dressing, Mr. President, and Americans simply, I think, will not take it.

The Republican proposal still imposes significant new work requirements without acknowledging that child care is essential if people are going to go to work. Funds previously designated for child care and child care only disappear.

I point out, on one of the charts that we have here, that in 1994, we designated $1 billion for child care assistance in our welfare reform programs. That was only done a year or so ago. The Dole bill, as presently crafted, as Senator KENNEDY pointed out a moment ago, takes that money previously earmarked for child care, lumps it into general welfare, a pool. One can argue that the States may decide to use those resources.

Let us assume, if you want to, that they may. But there is no requirement. They may decide to do something else with it. If you say we are going to insist that that $1 billion be left in the bill for child care, the fact is, that with the changes in the Dole bill we are going to increase the need for child care slots by 165 percent. So the $1 billion is going to be totally inadequate in order to meet this increased demand that we have. So it is not even going to come close to the demands that we will have on us. The bottom line here is that no money is guaranteed at all. Not a single penny is guaranteed here at all.

In fact, even under previous legislation, you had a requirement that States had to dedicate some of their own resources for child care. We even stripped that out of the bill. So there was no requirement there at all either. So we have taken out the Federal money, and the State requirement too. We have said that you have to go to work quickly, and we do not provide the resources to allow that to happen.

Let me quickly add that we are seeing add-ons or modifications now. We had the provision that was added that said if you had children under the age of 1, you would be exempted from the work requirement. Now, that has been raised to the age of 5. I appreciate the point of our colleague from Pennsylvania that that exemption only exists if child care is not available. The fact of the matter is, if you are on welfare and you do not have any dedicated resources, child care is de facto not going to be available.

A point I think that needs to be made here is that we need to remind ourselves what the essence of this bill is. That is, to try and get people to work. If we start exempting people because they have children under the age of 1 or 5—while I appreciate the motivations behind it—it is going to run counter to what we should be trying to do. Does that mean if you have three children above the age of 5 and one under, that you are exempt? Is that going to be an inducement to some families—at a time of trying to discourage more children, is it in fact going to be an inducement in some ways for people to have a child in order to avoid the work requirements? I would much rather see us stick with the criteria that you try and get people to work and then provide the child care for them. That, it seems to me, makes more sense and goes to the essence and heart of what we are trying to achieve, instead of trying to come up with an exemption for each age group here. I think we ought to be trying to assist these families to become self sufficient, independent, and to give them the resources to achieve those goals.

As we know right now, we have been told that as a result of no additional funds, we will have to find an $4.8 billion in the year 2000 just to meet the child care requirements. States would be required to spend totally, we are reminded, some $11 billion over the next 5 years.

Let me emphasize again that I think there is general consensus here that if there is one common theme in all of the various proposals that are being discussed regarding welfare reform it is that we want to get people to work. We are trying to figure out the best way to do that, the most efficient way to do it.

What those who agree with that proposition are suggesting is that if we are going to get people on public assistance to work, there are several things we have to do.

First, we have to see if they have the training and the education in order to meet the criteria of the job market, which is critically important. Second, we have to recognize the reality that almost everyone in the country understands; that is, it is difficult to get to work if you have young children and you have no place to leave them where they will be cared for and adequately protected.

That is an issue that everyone understands. You certainly do not have to be on welfare to understand that. As I said yesterday and the day before, every single family in this country whether two parents who work, or a single parent works, knows of the anxiety of child care.

Even if you have a good child care system today in place for your children, every week you wonder whether it will be there next week, and how much more it may cost. Will there be a problem for one reason or another?

Child care for working families with young children is an issue that everyone understands, regardless of their economic situation.

What I am suggesting here and what we successfully passed a few years ago, with the tremendous help of my colleague from Utah, Senator HATCH, in a very strong, bipartisan way, with the ultimate support of President Bush and the Bush administration, was the recognition that we need to have some support for child care, for families, as we try to move them into the workplace, and for the working poor.

What we are doing with this amendment is trying to come up with adequate resources that make it possible for the work requirements of this bill to become effective. If we are really going to get people from welfare to work, where two-thirds of these families have children that are very young, then you will have to deal with the child care issue.

That does not require any great leap of faith. It does not require a great understanding of the complexity of law. It merely states what everyone ought to be able to appreciate and understand. That is what we are trying to do with this amendment.

Now we are being told, as it stands right now, the Governors would have to come up with $4.8 billion in the year 2000. If we are going to just provide for the welfare recipients mandated under the home alone bill, if you are going to get to the year 2000, you will need a total amount of roughly $11 billion between now and then.

You can take out of the block grant $5 billion, but you have to come up with $6 billion more, roughly, to meet the criteria. Am I absolutely certain of the $6 billion? No, I am not. I am listening to a lot of people who spend a lot of time on these issues, and they tell me that is roughly the number. It could be somewhat less. But the point is, it is roughly in that ballpark if you are going to meet the work criteria.

Now, it is being suggested by the majority leader and others, rather than do that, why not just exempt these families that have very young children?

First, the proposal was under age 1. Now the proposal is up to 5 years.

My suggestion here is, rather than start exempting people with young children right and left, why not try to come up with the resources so we get back to the heart of the welfare proposals, and that is to make it possible for people to get to work? That seems to me to be a more logical step to take, rather than retreating from those obligations of work requirements.

So that is what we do with this amendment. We try to make it possible for that to happen. Otherwise, I do not know what these Governors are going to do. They do not have the resources, Mr. President. We are shifting the problem to them. We are saying, you come up with the resources or you face the penalties, because we have penalties in the bill. And if you do not get a certain percentage of your welfare recipients into the work force in the first year or two and then at a higher percentage a year or two after that, then there are penalties that we at the Federal Government levy on these States.

So what are the options? Either you do not get the child care, you do not get people to work, and then you have a penalty, which means you have to raise taxes to pay it; or you have to come up with $4.8 billion in 2000, or more over the next 5 years in one form of taxation or another.

Why not try to come up here with a means by which we make it possible for people to make that transition, so we get from the dependency on welfare to work by providing adequate child care for these children?

I have recommended here corporate welfare as an offset—I cannot identify choices specifically because then you end up with bill being transferred immediately to various committees. We have in the amendment—because the obvious question is how do you pay for

it—a section. We asked people to look at corporate welfare. There is a lot in there. We talk about deductions and availability of certain things. There is a lot that exists. We have a tax proposal that is going to be submitted to us that calls for $250 billion in tax cuts, the bulk of which will go to upper-income families. If we would just modify that by $6 billion, I might add, or take a look at the literally billions of dollars that exist in corporate welfare and find $6 billion in order to achieve this desirable goal of getting people to work, it seems to me to be a modest request. I am confident that people who are committed to this will be able to find the resources over the next 5 years to do so.

This ought to be, in my view, an issue which people can gather around. We may disagree on other aspects of this bill, but I do not believe there ought to be the kind of partisan debate over child care, over coming up with the resources to make it possible for people to go to work and have their kids well taken care of. That is an issue everybody understands. As I said a moment ago, anybody who is at work today and has young children understands the problem, the worry, the concern, the anxiety that people have.

Frankly, with all due respect to those who have made the proposal of 1 year or 5 years, you have a child that is 5 years and 6 months, or 6 years old, 7 years old, you are not going to leave that child home alone and go to work. That is just unrealistic.

In fact, even when those children are in school, the great anxiety that parents have at 2 or 3 o'clock in the afternoon is hoping the child gets home safely. Look at the number of phone calls that get made at 3:30 and 4 o'clock when people are at work to find out whether or not that young child has made it home, and then worrying when they are home what happens to them. Who is watching them? What are they doing?

Again, I have to believe most of my colleagues understand these issues because they have certainly heard the general worry and concern outside of the welfare debate when it comes to the issue of care for children. It's obviously compared to the other things we do—my God, we come up with criteria for parking places. We take care of people's cars better. We have criteria for pets in this country to make sure they are not going to get harmed. All I am saying is what about our kids? In this day and age, we just increased the defense budget by $7 billion for next year, $7 billion more than the Pentagon wanted. That is $1 billion more than would take care of all the child care needs under the Dole bill for 5 years—for 5 years. One year of increased spending that was not asked for by the Pentagon.

In a just and fair society, with the tremendous and legitimate demand of the constituencies of this country that said we ought to get people off of welfare and to work, understanding the element of child care, we ought to be able to do that. And this ought to be a unanimous vote. There ought to be no great split here on that issue, and that is what I am offering with this amendment.

We can have, over the weekend, a talk about it. Staffs may meet. Maybe somebody will have some other ideas how we can fashion this to the satisfaction of everyone. I am not rigidly holding onto every dotted ''i'' and crossed ''t.'' If there are some other numbers people want to use, I am open to them. I am not looking for an acrimonious debate on this issue. I am just telling you flatout that a welfare reform bill that demands that people go to work and does not have a child care factor to it, an element to it to allow for that transition to occur, is just unworkable.

I promise that you can threaten families all you want, they are not going to abandon their children. They just will not do it. I do not care what income category, what part of the country you are talking about. These families are not going to walk out of the house and leave that child alone. We would condemn them if they did. You get arrested in parts of this country if you do it. We have had cases in Connecticut in recent times where people have gone to casinos and left children in parked cars. We arrest them. It is a headline story when it happens.

Does anyone think that we are going to have a law that requires that people go to work and leave their kids locked up in their houses, and that we are not going to have a sense of outrage about it? And we are then going to penalize those States because they have not met the criteria because people have refused to obey the law and leave their children alone? That is insanity. That does not make any sense at all.

So I do not know why people have so much difficulty with this concept. This ought to be a 20-minute debate, not a great source of controversy. If you do not understand the linkage between child care and welfare reform, then you do not have the vaguest notion about welfare and what needs to be done to make it work better.

So, Mr. President, I hope over the coming 2 or 3 days before we come back on Monday afternoon, that people will take a good look at this, come together, and see if we cannot either support this amendment or some modifications to it so it roughly will allow the Dole bill provisions to actually take effect and make it possible for these States to meet the criteria without raising taxes.

In the absence of doing it, you have the biggest unfunded mandate I have seen so far. It was S. 1, I think, the unfunded mandate bill, where we said you cannot put mandates on States without coming up with the resources so they do not have to raise their own taxes. Here we are going to have a mandate that you take your welfare recipients and put them to work or face penalties. That is an unfunded mandate if we do not help them provide the resources to meet those criteria that we are laying out in this legislation.

So, Mr. President, again, I thank my colleagues for listening here this afternoon. I know I have probably bored them over the years on this subject matter, going back 7 and 8 years ago when we started the child care debates. But I think most people recognize today—certainly the corporate community does. The business community has had tremendous sophistication in understanding its employees' needs. They understanding the value of productive workers and having good, adequate child care alleviates worries so those employees can pay full attention to their jobs. Every sector of our society seems to appreciate the relationship between people's worries about their children, the priorities that people place on their children and their children's needs and the simultaneous need to be a productive and successful worker.

As we now talk about getting people off public assistance and moving them into the work force for the benefit of everyone, most importantly that individual, the element of dealing with their young children is something that we have to take into consideration.

I think exempting the families, as appealing as that may be to some, confuses the issue rather than sticking to the point of trying to make it possible for people to get to work and help them stay there through an adequate and appropriate child care system or structure.

So with that, Mr. President I urge my colleagues to take a look at this. We will reengage the debate on Monday and hopefully come up with an adequate solution that will make it possible for all of us to begin to support the DOLE proposal on welfare reform.

I know, in speaking with others, that the administration is very interested in supporting a bill that will truly be a welfare reform bill. That is the strong desire of President Clinton. He wants to do it. He believes that can be done if an issue like this can be adequately addressed and several others. But this is certainly an important element in all of that.

With that, I thank my colleagues and I yield the floor.

SENATOR PACKWOOD'S RESIGNATION EFFECTIVE AS OF OCTOBER 1, 1995

Mr. DOLE. Mr. President, there have been a number of inquiries last night and today about when the resignation of Senator PACKWOOD would be effective. I think I can best answer that in the exchange of letters I have had with Senator PACKWOOD if my colleagues will permit me.

This is my letter to Senator PACKWOOD:

DEAR BOB: As I said on the Senate floor yesterday, it is my belief that you made the