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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, September 18, 1995, at 10:30 a.m.

Senate

FRIDAY, SEPTEMBER 15, 1995

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

Almighty God, whose mercies are new every morning, we praise You for Your faithfulness. You are the same yesterday, today, and forever. Thank You for the strength, security, and serenity You provide in the midst of the strain and stress of heavy responsibilities and long hours. Refresh us physically and renew our minds. Give us light when our vision is dim, courage when we need to be bold, decisiveness when we are tempted to equivocate, and fresh hope when others are discouraged. Help us to listen to You so that our decisions are guided by how we perceive You would have us decide. Also make us more attentive listeners to each other so that we may be receptive to the deeper truth You give when there is honest, open debate. Give us unity in diversity and the oneness of a shared patriotism. Keep us from the grimness of taking ourselves too seriously and not taking You seriously enough. You hold us together when ideas, policies, and points of view would divide us. Help us to reach out to one another to affirm our oneness of our faith in You and our high calling to lead this Nation. So we commit this day to emulate Your faithfulness in the work You have given us to do. In the name of our Lord. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. SANTORUM. Thank you, Mr. President. For the information of all Senators, the Senate will immediately resume the consideration of the welfare reform bill. As a reminder to all Senators, following 10 minutes of debate this morning there will be a rollcall vote on or in relationship to the Bingaman amendment, to be followed by a series of rollcall votes with 10 minutes of debate between each vote.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. INHOFE). Under the previous order, the leadership time is reserved.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 99–498, appoints Dr. Robert N. Kelly, of Kansas, to the Advisory Committee on Student Financial Assistance for a 3-year term effective October 1, 1995.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Subsequently, the amendment was further modified.

Daschle amendment No. 2672 (to amendment No. 2280), to provide for the establishment of a contingency fund for State welfare programs.

Faircloth amendment No. 2608 (to amendment No. 2280), to provide for an abstinence education program.

Simon amendment No. 2509 (to amendment No. 2280), to eliminate retroactive deeming requirements for those legal immigrants already in the United States.

Simon amendment No. 2681 (to amendment No. 2280), to provide grants for the establishment of community works progress programs.

Simon amendment No. 2468 (to amendment No. 2280), to provide grants for the establishment of community works progress programs.

Graham amendment No. 2568 (to amendment No. 2280), to set national work participation rate goals and to provide that the Secretary shall adjust the goals for individual States based on the amount of Federal funding the State receives for minor children in families in the State that have incomes below the poverty line.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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AMENDMENT NO. 2483

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the Bingaman amendment numbered 2483, to be followed by a vote on or in relation to the amendment.

AMENDMENT NO. 2483, AS MODIFIED

Mr. BINGAMAN. Mr. President, I ask unanimous consent to send a modification of the amendment to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. Reserving the right to object, we are still in the process of reviewing the modification. If the Senator can start the debate on the amendment, after we review the modification, we hope we will have no objection to it.

Mr. BINGAMAN. I will be glad to do that, Mr. President.

This amendment is a very simple, straightforward amendment. I really do not understand how anyone can object to it. It simply puts in law a requirement that the States receiving these block grants under the family assistance block grant program that is being established in this legislation—that they develop a plan, a plan for how they are to spend that money. The plan is very general in the requirements for what would be in the plan, but we basically say the same planning requirement that Senator DOLE had proposed for the work force training block grants, that same kind of planning should occur in the case of the family assistance programs. Once a State has its program in place, this amendment, in my view, would help both Federal and State taxpayers and officials evaluate the success of the State programs through State-established goals and benchmarks.

I do not really understand any credible argument against it. The proposal here is very consistent with the provisions specified in the Government Performance and Results Act of 1993, which I know Senator ROTH had a great involvement in, to establish performance-based program management in the Federal Government. This continues to leave the decisionmaking, the substantive decisionmaking, to the States. But under the bill as it presently sits before us, there is virtually no planning required or encouraged or ensured. States need not do any long-range or strategic planning, nor do they need to establish any goals or benchmarks. There is no accountability to State or Federal taxpayers as to those goals actually being achieved.

We are talking, in this legislation, about block grants that add up to something over $16.8 billion in Federal money each year. In my view, it is not unreasonable for us, as stewards of that Federal money, to at least ask for a written document that explains how it is to be spent.

So that is the essence of the amendment. I ask the manager of the bill if he has had a chance to review the modification and if he sees a problem with it? If not, I ask unanimous consent, again, I be allowed to modify the amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. SANTORUM. We have no objection to the request. In fact, as the Senator has modified his amendment, we would be willing to accept the amendment without a rollcall vote.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 2483), as modified, is as follows:

On page 12, between lines 22 and 23, insert the following:

''(2) FAMILY ASSISTANCE PROGRAM STRATEGIC PLAN.—

''(A) IN GENERAL.—A single comprehensive State Family Assistance Program Strategic Plan (hereafter referred to in this section as the 'State Plan') describing a 3-year strategic plan for the statewide program designed to meet the State goals and reach the State benchmarks for program activities of the family assistance program.

''(B) CONTENTS OF THE STATE PLAN.—The State plan shall include:

''(i) STATE GOALS.—A description of the goals of the 3-year plan, including outcome related goals of and benchmarks for program activities of the family assistance program.

''(ii) CURRENT YEAR PLAN.—A description of how the goals and benchmarks described in clause (i) will be achieved, or how progress toward the goals and benchmarks will be achieved, during the fiscal year in which the plan has been submitted.

(iii) PERFORMANCE INDICATORS.—A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of relevant program activities.

''(iv) EXTERNAL FACTORS.—Information on those key factors external to the program and beyond the control of the State that could significantly affect the attainment of the goals and benchmarks.

''(v) EVALUATION MECHANISMS.—Information on a mechanism for conducting program evaluation, to be used to compare actual results with the goals and benchmarks and designate the results on a scale ranging from highly successful to failing to reach the goals and benchmarks of the program.

''(vi) MINIMUM PARTICIPATION RATES.—Information on how the minimum participation rates specified in section 404 will be satisfied.

''(vii) ESTIMATE OF EXPENDITURES.—An estimate of the total amount of State or local expenditures under the program for the fiscal year in which the plan is submitted.

Mr. BINGAMAN. Mr. President, I appreciate that willingness to accept the modified amendment. If that concludes debate on this issue, I suggest we go to a vote.

Mr. SANTORUM. I yield the remainder of my time.

Mr. BINGAMAN. I yield the remainder of my time as well.

The PRESIDING OFFICER. All time is yielded back. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2483), as modified, was agreed to.

AMENDMENT NO. 2484

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on Bingaman amendment No. 2484, to be followed by a vote on or in relation to the amendment.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, this amendment, amendment No. 2484, I gather, is at the desk. I will not ask it be read. Let me explain briefly what the amendment does.

The amendment simply provides that we will make our bill, this bill that Senator DOLE has proposed here, consistent with the House legislation on welfare reform in that we would provide $100 million for each of fiscal years 1997 through the year 2000 to States to help them provide treatment for drug addiction and alcoholism.

Let me review the situation we have as I understand it and then invite any correction if the manager of the bill or anybody else would like to correct my impression.

This morning I put together a very simple chart which demonstrates my skill at calligraphy, but also, I think, makes the point I am trying to get at here. These, as I understand it, are proposed losses in Federal funds for drug and alcohol treatment, prevention and education, assuming this legislation is passed and assuming we go forward with other budget cuts that are contemplated.

Let me specify how I get the figures. As I understand it, the legislation we have here proposes to eliminate any funds for beneficiaries under SSI who are there by virtue of having a drug or alcohol abuse problem. So they are no longer eligible to receive SSI benefits. That is estimated to save the taxpayers $300 million.

Payments to RMA's are also eliminated. These are the organizations, as I understand it, that provide services and do monitoring of the problems that alcoholics and drug abusers have throughout the country. That is $100 million.

We are eliminating Medicaid eligibility for alcoholics and drug abusers. That is another $100 million.

Then there are a series of cuts which I am informed have been voted by the Appropriations Committee, the Labor, HHS, Education Appropriations Committee, on Wednesday. I assume those will be agreed to here when they come to the full Senate. Those amount to $108 million cut in substance abuse block grant funding, $100 million in drug treatment demonstration programs, $29 million in drug abuse prevention demonstrations, and $166 million in drug-free school money which will be eliminated. The alcohol and other health programs that Health and Human Services runs we are cutting by $242 million.

So the total reduction in Federal support to States and to beneficiaries in this area of drug and alcohol treatment prevention and education is $1.345 billion this next year.

Mr. President, I have concerns about that kind of drastic cut. The amendment I have offered will try to help resolve some of that by at least adding in $100 million. The $100 million is a very, very small part of what is being lost. I think that is obvious to everybody. At least it is a good-faith effort. As I understand the agreement that has been worked out between the leadership on the Republican side and the leadership on the Democratic side, the intent is to add in $25 million a year to offset the $1.345 billion which is being lost. To my mind, that is not a credible effort by the Senate and it is not adequate to what we are doing. So all I am saying is, let us at least do what the House of Representatives did, let us at least provide $100 million additional funds for substance abuse block grants in this next fiscal year and each year during the time this legislation is in law.

The issue here is not just whether you like people who are beneficiaries of this. The issue is how this impacts on the criminal problems we face in the country. I have a press release here from the Department of Justice. This is August 9.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BINGAMAN. Mr. President, I ask unanimous consent to speak for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. I yield the Senator 3 minutes.

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

Mr. BINGAMAN. Mr. President, this press release from the Department of Justice, dated August 9, is entitled, ''The Nation's Prison Population Grew Almost 9 Percent Last Year.'' When you read over on page 3 of this it says: More than a quarter of State and Federal inmates were imprisoned for drug offenses, that is 234,600 prisoners in 1993. Prisoners serving a drug sentence increased from 8 percent of the State and Federal prison population in 1980 to 26 percent in 1993. In Federal prisons—this is a startling statistic; people really should focus on this—inmates sentenced for drug law violations were the single largest group. Sixty percent in 1993 of the prisoners in our Federal prisons were there for drug law violations. That was up from 25 percent in 1980.

When you look into how we deal with the problem of more and more people going into prisons for drug offenses, the solution is in this area. The solution is in treatment, prevention, and education.

There is a publication which recently came out by the National Association of State Alcohol and Drug Abuse Directors which makes a very compelling case, that where we put these people in treatment, the incidence of criminal activity reduces very substantially. In my home State of New Mexico, they have estimated that the rate of DWI arrests in the year before treatment was 27.8 percent in the group that received treatment, while in the 1-year post-treatment period, the rate was 9.8 percent. That is an enormous reduction.

I know that the majority leader is concerned about how it impacts on his State. The report I am referring to says that Kansas has reported a reduction in legal problems on the addiction severity index comparison data between admission and discharge for 2,700 of its clients who received treatment services in fiscal year 1993. Between admission and discharge, there was a 35 percent decrease in the severity of legal problems for clients in treatment.

Mr. President, if we are serious about dealing with the crime problem, we need to maintain some level of funding here. My amendment simply provides $100 million in funding to offset the $1.3 billion which is contemplated in this legislation and in the appropriations bill that I referred to.

I know that people are concerned about not spending too much money. Mr. President, this is a good investment. If we do not spend the money here, we will be spending it down the road in building more prison cells. That is the tradeoff, and I believe very strongly that we ought to at least support the House level of expenditure for this drug and alcohol treatment prevention and education.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SANTORUM. Mr. President, we are still working on this amendment, I think, between the two leaders. And if we could set this amendment aside temporarily and allow—I believe the Senator from Illinois is somewhere on the floor and may be willing to bring up his amendment at this point, and we will see if we can work this out.

Mr. BINGAMAN. Mr. President, I have no objection. I believe the Senator from Maine, Senator COHEN, wanted to speak for a few moments.

Mr. SANTORUM. There is time remaining on our side. We could allocate 2 minutes.

Mr. BINGAMAN. I have no objection to putting the amendment aside under those circumstances.

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

Under the previous order, there will now be 10 minutes of debate equally divided on the Simon amendment No. 2468, to be followed by a vote on or in relation to the amendment.

Mr. SANTORUM. Mr. President, I see the Senator from Illinois is here. I would allow him to proceed with his amendment.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2468, AS MODIFIED

Mr. SIMON. Mr. President, I ask unanimous consent to modify the amendment 2468.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the appropriate place, insert the following new title:

TITLE —COMMUNITY WORKS PROGRESS ACT

SEC. 00. SHORT TITLE.

This title may be cited as the ''Community Works Progress Act''.

SEC. 01. FUNDING FOR COMMUNITY WORKS PROGRESS PROGRAMS.

(a) AUTHORIZATION FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—There is authorized $240,000,000 for a demonstration Community Works Progress Administration up to $240,000,000 of the amounts authorized under this section may be used for the purpose of paying grants beginning with fiscal years after fiscal year 1997 to States for the operation of community works progress programs. Such amounts shall be paid to States in accordance with the requirements of this title and shall not be subject to any requirements of part A of title IV of the Social Security Act.

(b) LIMITATIONS ON COSTS.—

(1) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of each grant awarded to a State may be used for administrative expenses.

(2) COMPENSATION AND SUPPORTIVE SERVICES.—Not less than 70 percent of the amount of each grant awarded to a State may be used to provide compensation and supportive services to project participants.

(3) WAIVER OF COST LIMITATIONS.—The limitations under paragraphs (1) and (2) may be waived for good cause, as determined appropriate by the Secretary.

(c) AMOUNTS REMAINING AVAILABLE FOR STATE FAMILY ASSISTANCE GRANTS.—Any amounts appropriated for making grants under this title for a fiscal year under section 403(a)(4)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(2)(A)(4)(A)(i)) that are not paid as grants to States in accordance with this title in such fiscal year shall be available for making State family assistance grants for such fiscal year in accordance with subsection (a)(1) of such section.

SEC. ___01A. ESTABLISHMENT.

In the case of any fiscal year after fiscal year 1997, the Secretary of Labor (hereafter referred to in this title as the ''Secretary'') shall award grants to 4 States for the establishment of community works progress programs.

SEC. ___02. DEFINITIONS.

For purposes of this title:

(1) COMMUNITY WORKS PROGRESS PROGRAM.—The terms ''community works progress program'' and ''program'' mean a program designated by a State under which the State will select governmental and nonprofit entities to conduct community works progress projects which serve a significant public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and child care.

(2) COMMUNITY WORKS PROGRESS PROJECT.—The terms ''community works progress project'' and ''project'' mean an activity conducted by a governmental or nonprofit entity that results in a specific, identifiable service or product that, but for this title, would not otherwise be done with existing funds and that supplements but does not supplant existing services.

(3) NONPROFIT ENTITY.—The term ''nonprofit entity'' means an organization—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

SEC. ___03. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to conduct, or to continue to conduct, a community works progress program under this title shall submit an annual application to the Secretary at such time and in such manner as the Secretary shall require. Such application shall include—

(1) identification of the State agency or agencies that will administer the program and be the grant recipient of funds for the State, and

(2) a detailed description of the geographic area in which the project is to be carried out, including such demographic and economic data as are necessary to enable the Secretary to consider the factors required by subsection (b).

(b) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—In reviewing all applications received from States desiring to conduct or continue to conduct a community works progress program under this title, the Secretary shall consider—

(A) the unemployment rate for the area in which each project will be conducted,

(B) the proportion of the population receiving public assistance in each area in which a project will be conducted,

(C) the per capita income for each area in which a project will be conducted,

(D) the degree of involvement and commitment demonstrated by public officials in each area in which projects will be conducted,

(E) the likelihood that projects will be successful,

(F) the contribution that projects are likely to make toward improving the quality of life of residents of the area in which projects will be conducted,

(G) geographic distribution,

(H) the extent to which projects will encourage team approaches to work on real, identifiable needs,

(I) the extent to which private and community agencies will be involved in projects, and

(J) such other criteria as the Secretary deems appropriate.

(2) INDIAN TRIBES AND URBANIZED AREAS.—

(A) IN GENERAL.—The Secretary shall ensure that—

(i) one grant under this title shall be awarded to a State that will conduct a community works progress project that will serve one or more Indian tribes; and

(ii) one grant under this title shall be awarded to a State that will implement a community works progress project in a city that is within an Urbanized Area (as defined by the Bureau of the Census).

(B) INDIAN TRIBE.—For purposes of this paragraph, the term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C.A. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(c) MODIFICATION TO APPLICATIONS.—If changes in labor market conditions, costs, or other factors require substantial deviation from the terms of an application approved by the Secretary, the State shall submit a modification of such application to the Secretary.

SEC. ___04. PROJECT SELECTION BOARD.

(a) ESTABLISHMENT.—Each State that receives a grant under this title shall establish a Project Selection Board (hereafter referred to as the ''Board'') in the geographic area or areas identified by the State under section ___03(b)(2).

(b) MEMBERSHIP.—

(1) IN GENERAL.—Each Board shall be composed of 13 members who shall reside in the geographic area identified by the State under section ___03(b)(2). Subject to paragraph (2), the members of the Board shall be appointed by the Governor of the State in consultation with local elected officials in the geographic area.

(2) REPRESENTATIVES OF BUSINESS AND LABOR ORGANIZATIONS.—The Board—

(A) shall have at least one member who is an officer of a recognized labor organization; and

(B) shall have at least one member who is a representative of the business community.

(c) DUTIES OF THE BOARD.—The Board shall—

(1) recommend appropriate projects to the Governor;

(2) select a manager to coordinate and supervise all approved projects; and

(3) periodically report to the Governor on the project activities in a manner to be determined by the Governor.

(d) VETO OF A PROJECT.—One member of the Board who is described in subparagraph (A) of subsection (b)(2) and one member of the Board who is described in subparagraph (B) of such subsection shall have the authority to veto any proposed project. The Governor shall determine which Board members shall have the veto authority described under this subsection.

(e) TERMS AND COMPENSATION OF MEMBERS.—The Governor shall establish the terms for Board members and specify procedures for the filling vacancies and the removal of such members. Any compensation or reimbursement for expenses paid to Board members shall be paid by the State, as determined by the Governor.

SEC. ___05. PARTICIPATION IN PROJECTS.

(a) IN GENERAL.—To be eligible to participate in projects under this title, an individual shall be—

(1) receiving, eligible to receive, or have exhausted unemployment compensation under an unemployment compensation law of a State or of the United States,

(2) receiving, eligible to receive, or at risk of becoming eligible to receive, assistance under a State program funded under part A of title IV of the Social Security Act,

(3) a noncustodial parent of a child who is receiving assistance under a State program funded under part A of title IV of the Social Security Act,

(4) a noncustodial parent who is not employed, or

(5) an individual who—

(A) is not receiving unemployment compensation under an unemployment compensation law of a State or of the United States;

(B) if under the age of 20 years, has graduated from high school or is continuing studies toward a high school equivalency degree;

(C) has resided in the geographic area in which the project is located for a period of at least 60 consecutive days prior to the awarding of the project grant by the Secretary; and

(D) is a citizen of the United States.

(b) WORK ACTIVITY UNDER BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—For purposes of section 404(c)(3) of the Social Security act, as added by section 101(b) of this Act, the term 'work activity' includes participation in a community works progress program.

SEC. ___06. MANDATORY PARTICIPATION.

Able-bodied individuals who reside in a project area and who have received assistance under a State program funded under part A of title IV of the Social Security Act for more than 5 weeks shall be required to participate in a project unless—

(1) the project has no available placements; or

(2) the individual is a single custodial parent caring for a child age 5 or under and has a demonstrated inability to obtain needed child care, for 1 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.

SEC. ___07. HOURS AND COMPENSATION.

(a) DETERMINATION OF COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), project participants in a community works progress project shall be paid the applicable Federal or State minimum wage, whichever is greater.

(2) EXCEPTIONS.—If a participant in a community works progress project is—

(A) eligible for benefits under a State program funded under part A of title IV of the Social Security Act and such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent of the amount of such benefits; or

(B) eligible for benefits under an unemployment compensation law of a State or the United States such benefits exceed the amount described in paragraph (1), such participant shall be paid an amount that exceeds by 10 percent the amount of such benefits.

(b) WORK REQUIREMENTS RELATED TO PARTICIPATION.—

(1) IN GENERAL.—

(A) MAXIMUM HOURS.—In order to assure that each individual participating in a project will have time to seek alternative employment or to participate in an alternative employability enhancement activity, no individual may work as a participant in a project under this title for more than 32 hours per week.

(B) REQUIRED JOB SEARCH ACTIVITY.—Individuals participating in a project who are not receiving assistance under a State program funded under part A of title IV of the Social Security Act or unemployment compensation under an unemployment compensation law of a State or of the United States shall be required to participate in job search activities on a weekly basis.

(c) COMPENSATION FOR PARTICIPANTS.—

(1) PAYMENTS OF ASSISTANCE UNDER A STATE PROGRAM FUNDED UNDER PART A OF TITLE IV AND UNEMPLOYMENT COMPENSATION.—Any State agency responsible for making a payment of benefits to a participant in a project under a State program funded under part A of title IV of the Social Security Act or under an unemployment compensation law of a State or of the United States may transfer such payment to the governmental or nonprofit entity conducting such project and such payment shall be made by such entity to such participant in conjunction with any payment of compensation made under subsection (a).

(2) TREATMENT OF COMPENSATION OR BENEFITS UNDER OTHER PROGRAMS.—

(A) HIGHER EDUCATION ACT OF 1965.—In determining any grant, loan, or other form of assistance for an individual under any program under the Higher Education Act of 1965, the Secretary of Education shall not take into consideration the compensation and benefits received by such individual under this section for participation in a project.

(B) RELATIONSHIP TO OTHER FEDERAL BENEFITS.—Notwithstanding any other provision of law, any compensation or benefits received by an individual under this section for

participation in a community works progress project shall be excluded from any determination of income for the purposes of determining eligibility for benefits under a State program funded under part A of title IV, title XVI, and title XIX of the Social Security Act, or any other Federal or federally assisted program which is based on need.

(3) SUPPORTIVE SERVICES.—Each participant in a project conducted under this title shall be eligible to receive, out of grant funds awarded to the State agency administering such project, assistance to meet necessary costs of transportation, child care, vision testing, eyeglasses, uniforms and other work materials.

SEC. ___08. ADDITIONAL PROGRAM REQUIREMENTS.

(a) NONDUPLICATION AND NONDISPLACEMENT.—

(1) NONDUPLICATION.—

(A) IN GENERAL.—Amounts from a grant provided under this title shall be used only for a project that does not duplicate, and is in addition to, an activity otherwise available in the State or unit of general local government in which the project is carried out.

(B) NONPROFIT ENTITY.—Amounts from a grant provided to a State under this title shall not be provided to a nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency in which such entity resides, unless the requirements of paragraph (2) are met.

(2) NONDISPLACEMENT.—

(A) IN GENERAL.—A governmental or nonprofit entity shall not displace any employee or position, including partial displacement such as reduction in hours, wages, or employment benefits, as a result of the use by such entity of a participant in a project funded by a grant under this title.

(B) LIMITATION ON SERVICES.—

(i) DUPLICATION OF SERVICES.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that would otherwise be performed by any employee as part of the assigned duties of such employee.

(ii) SUPPLANTATION OF HIRING.—A participant in a project funded by a grant under this title shall not perform any services or duties or engage in activities that will supplant the hiring of other workers.

(iii) DUTIES FORMERLY PERFORMED BY ANOTHER EMPLOYEE.—A participant in a project funded by a grant under this title shall not perform services or duties that have been performed by or were assigned to any presently employed worker, employee who recently resigned or was discharged, employee who is subject to a reduction in force, employee who is on leave (terminal, temporary, vacation, emergency, or sick), or employee who is on strike or who is being locked out.

(b) FAILURE TO MEET REQUIREMENTS.—The Secretary may suspend or terminate payments under this title for a project if the Secretary determines that the governmental or nonprofit entity conducting such project has materially failed to comply with this title, the application submitted under this title, or any other terms and conditions of a grant under this title agreed to by the State agency administering the project and the Secretary.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State conducting a community works progress program or programs under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants in any project conducted under such program, labor organizations, and other interested individuals concerning such program, including grievances regarding proposed placements of such participants in projects conducted under such program.

(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance under this paragraph shall be filed not later than 6 months after the date of the alleged occurrence of the event that is the subject of the grievance.

(d) TESTING AND EDUCATION REQUIREMENTS.—

(1) TESTING.—Each participant in a project shall be tested for basic reading and writing competence prior to employment under such project.

(2) EDUCATION REQUIREMENT.—

(A) FAILURE TO SATISFACTORILY COMPLETE TEST.—Participants who fail to complete satisfactorily the basic competency test required in paragraph (1) shall be furnished counseling and instruction. Those participants who lack a marketable skill must attend a technical school or community college to acquire such a skill.

(B) LIMITED ENGLISH.—Participants with limited English speaking ability may be furnished such instruction as the governmental or nonprofit entity conducting the project deems appropriate.

(e) COMPLETION OF PROJECTS.—

(1) IN GENERAL.—A governmental or nonprofit entity conducting a project or projects under this title shall complete such project or projects within the 2-year period beginning on a date determined appropriate by such entity, the State agency administering the project, and the Secretary.

(2) MODIFICATION.—The period referred to in paragraph (1) may be modified in the discretion of the Secretary upon application by the State in which a project is being conducted.

SEC. ___09. EVALUATIONS AND REPORTS.

(a) BY THE STATE.—Each State conducting a community works progress program or programs under this title shall conduct ongoing evaluations of the effectiveness of such program (including the effectiveness of such program in meeting the goals and objectives described in the application approved by the Secretary) and, for each year in which such program is conducted, shall submit an annual report to the Secretary concerning the results of such evaluations at such time, and in such manner, as the Secretary shall require. The report shall incorporate information from annual reports submitted to the State by governmental and nonprofit entities conducting projects under the program. The report shall include an analysis of the effect of such projects on the economic condition of the area, including their effect on welfare dependency, the local crime rate, general business activity (including business revenues and tax receipts), and business and community leaders' evaluation of the projects' success. Up to 2 percent of the amount granted to a State may be used to conduct the evaluations required under this subsection.

(b) BY THE SECRETARY.—The Secretary shall submit an annual report to the Congress concerning the effectiveness of the community works progress programs conducted under this title. Such report shall analyze the reports received by the Secretary under subsection (a).

SEC. ___10. EVALUATION.

Not later than October 1, 2000, the Secretary shall submit to the Congress a comprehensive evaluation of the effectiveness of community works progress programs in reducing welfare dependency, crime, and teenage pregnancy in the geographic areas in which such programs are conducted.

Mr. SIMON. Mr. President, this is an amendment offered by Senator BROWN, Senator REID, and myself. This is an amendment which would authorize, but not have a set-aside, four demonstration WPA-type projects where people would be on welfare only 5 weeks. After 5 weeks, like the WPA, the local people would pick the projects. They would have to work 4 days a week at the minimum wage. The fifth day they would have to be out trying to find a job in the private sector.

Why this is important is there is a tendency that is not going to change for the demand for unskilled labor to go down, and an awful lot of people on welfare are these people who are unskilled. We are going to pay people ultimately either for being productive or nonproductive. I think it makes much more sense to pay them for being productive.

And this is an amendment, I might add, that was passed last year. And I say to the Presiding Officer that the chief sponsor was Senator BOREN. I was a cosponsor, as was Senator REID, and I think a few others on the other side also.

The idea is, let us have a demonstration. Let us see what we can do if we try this. What is going to happen—and this would be a voluntary thing—to the numbers if everyone after 5 weeks is required to work but is paid at minimum wage.

I would hope this would be accepted. It was accepted by voice vote a year ago. But if it is not accepted, I would require a vote on it.

Let me just add one other point while we are talking, Mr. President. We have heard a lot about teenage pregnancy. I took some counties in Illinois, and you see a direct correlation between teenage pregnancy and the number of people working.

The counties in California with a population over 250,000 get the same statistics. The same pattern is here.

If we really want to do something about teenage pregnancy, if we can put people to work—and I think it is not simply that they are occupied; I think it is that they have the spark of hope. Teenage pregnancy frequently comes with hopelessness. Anyway, I think it is a worthwhile experiment. I would hope we could move in this direction, and I am pleased to have some supporters on that side of the aisle as well as this side of the aisle.

I hope that we can accept this. I would be happy to answer any questions. Otherwise, I would yield the floor at this point.

Mr. SANTORUM. Mr. President, my understanding is the chairman of the Labor Committee, Senator KASSEBAUM, is still opposed to this amendment even in the modified form. It sets up a demonstration project with $240 million in four States. I know the Senator from Kansas believes that there is adequate money under AmeriCorps and other programs existing for these kinds of projects to occur.

I do not believe the Senator will be able to make it here to debate that. But my understanding is that we object to the amendment.

Mr. SIMON. Mr. President, again, I would hope that this would be acceptable. I understand that it will require a vote now.

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. SANTORUM. Mr. President, I yield the remainder of my time.

Mr. SIMON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 53 seconds remaining.

Mr. SIMON. Mr. President, let me just add one other point. We talked a lot on the floor in the Senate about the crime problem. My instinct is, if we guarantee jobs to people and require work—not just guarantee but require work—we will see a change in the crime rate.

You show me an area of high unemployment—black, Hispanic, white, whatever the area—and I will show you an area of high crime. I think this makes sense. I hope it could be accepted by the body.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SANTORUM. Mr. President, we would like to stack a couple of votes, and I see the Senator from Minnesota is here to debate his two amendments. We have one amendment I believe of the Senator from Minnesota we can agree to related to agriculture. The second one will require a vote. And then we still have outstanding the Bingaman amendment which may require a vote.

How long will the Senator from Minnesota need on his first amendment on agriculture?

Mr. WELLSTONE. Mr. President, I would say to the Senator from Pennsylvania that I can do this in less than 5 minutes.

Mr. SANTORUM. And on the second amendment there will be 10 minutes equally divided? Ten minutes equally divided on the second amendment?

Mr. WELLSTONE. Mr. President, that is fine.

Mr. SANTORUM. Why not have the first vote at around 10 o'clock.

I would ask unanimous consent that the Simon amendment vote be postponed until 10 o'clock.

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

Mr. WELLSTONE. Mr. President, I wonder whether I could just—I am ready to go—suggest the absence of a quorum for 30 seconds.

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

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

AMENDMENT 2503, AS MODIFIED

Mr. WELLSTONE. Mr. President, I send an amendment as modified to the desk.

The PRESIDING OFFICER. Is there objection to the modification? Without objection, the amendment is modified.

The amendment (No. 2503), as modified, is as follows:

On page 229, between lines 13 and 14, insert the following;

''(4) SUNSET OF ELECTION UPON INCREASE IN NUMBER OF HUNGRY CHILDREN.—

''(A) FINDINGS.—The Congress finds that—

''(i) on March 29, 1995 the Senate adopted a resolution stating that Congress should not enact or adopt any legislation that will increase the number of children who are hungry;

''(ii) it is not the intent of this bill to cause more children to be hungry;

''(iii) the Food Stamp Program serves to prevent child hunger; and

''(iv) a State's election to participate in the optional state food assistance block grant program should not serve to increase the number of hungry children in that State.

''(B) SUNSET.—If the Secretary of Health and Human Services makes two successive findings that the hunger rate among children in a State is significantly higher in a State that has elected to participate in a program established under subsection (a) than it would have been had there been no such election, 180 days after the second such finding such election shall be permanently and irreversibly revoked and the provisions of paragraphs (1) and (2) shall not be applicable to that State.

''(C) PROCEDURE FOR FINDING BY SECRETARY.—In making the finding described in subparagraph (B), the Secretary shall adhere to the following procedure:

''(i) Every three years, the Secretary shall develop data and report to Congress with respect to each State that has elected to participate in a program established under subsection (a) whether the child hunger rate in such State is significantly higher than it would have been had the State not made such election.

''(ii) The Secretary shall provide the report required under clause (i) to all States that have elected to participate in a program established under subsection (a), and the Secretary shall provide each State for which the Secretary determined that the child hunger rate is significantly higher than it would have been had the State not made such election with an opportunity to respond to such determination.

''(iii) If the response by a State under clause (ii) does not result in the Secretary reversing the determination that the child hunger rate in that State is significantly higher than it would have been had the State not made such election, then the Secretary shall publish a finding as described in subparagraph (B).''

Mr. WELLSTONE. Mr. President, there is some history to this amendment, and I am very pleased it has been accepted.

The history is this. Early on in this session, I came to the floor with a sense of the Senate that we would go on record saying we would take no action which could increase hunger or malnutrition among children in America. That amendment was defeated several times but then finally passed.

I believe the Senate is now on record on that question.

What this amendment says is that every 3 years, if we are going to block grant food stamps, Health and Human Services develops data on child hunger for each State that gets food stamps as a block grant.

What we want to look at is whether or not, after moving to block grants, the malnutrition and hunger among children goes up. HHS reports back the data to Congress and also sends a report out to the States and gives States a chance to respond. But if Health and Human Services finds out, based upon this survey—and it is two 3-year increments, as a matter of fact—States have gone to block granting and what has happened is you have seen an increase in hunger among children, then in fact it is no longer a block grant and it goes back to the Federal Food Stamp Program with the national standards.

Mr. President, I think this is a kind of proof-in-the pudding amendment. If in fact there are no problems, then there are no problems, and I certainly would assume that is exactly what Senators hope for.

My view is that we could very well be making a terrible mistake. My view is that we are coming very close, or we have I think moved away from a fundamental idea that there is a minimal role for the Federal Government in making sure that every child in America, no matter how poor, no matter from what family, no matter in what region of the United States of America, has some minimal level of assistance. This is an amendment that I think provides some check on that.

I thank my colleagues on the other side for accepting this amendment, and I urge its approval.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. WELLSTONE. I would be pleased to.

Mr. SANTORUM. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to amendment 2503, as modified.

The amendment (No. 2503), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2505

Mr. SANTORUM. Mr. President, I think we now move to the next Wellstone amendment and the Senator should proceed.

The PRESIDING OFFICER. Under a previous order, there will now be 10 minutes of debate equally divided on the Wellstone amendment No. 2505 to be followed by a vote on or in relation to the amendment.

Mr. WELLSTONE. Mr. President, I call up amendment 2505.

Mr. President, I think the best way for me to proceed on this—and I must say to my colleagues, I am actually puzzled; this is the amendment that I thought would be accepted without any

question—is to let me go through the findings.

Findings. The potential loss of Medicaid coverage represents a large disincentive for welfare recipients to accept jobs that offer no health insurance.

Mr. President, we all know that one of the problems when a mother wants to move from welfare to workfare is that quite often without any kind of transitional support from Medicaid she is worse off than she was before and just as importantly her children are worse off. Please remember, of the 15 million AFDC population, 9 million are children.

Whereas thousands of the Nation's employers continue to find the cost of health care out of reach; whereas the percentage of working people who receive health insurance from their employer has dipped to its lowest point since the 1980's; and whereas children are the largest proportion of the increase in the number of uninsured in recent years, it is the sense of the Senate . . .

I am really puzzled by the opposition. I would say this to Senators, that any Medicaid reform enacted by the Senate this year should require that States continue to provide Medicaid for 12 months to families that lose eligibility for welfare benefits because of more earnings or hours of employment.

Mr. President, we have said in this health care reform bill that we will have an extension of Medicaid for a year. This sense-of-the-Senate amendment just says the Senate will do what it says it is going to do.

I do not understand how there could be any opposition to this amendment. We have said that real welfare reform means there has to be this transition and there are all these proposed cuts in Medicaid. And so what this amendment just says is look, when we take up Medicaid separately, we go on record that the Senate will make sure that with that Medicaid funding there will be 1 year of transitional support.

I say to all of my colleagues, Democrats and Republicans alike, we cannot have it both ways. We cannot say that we are in favor of and we know we must provide some transitional coverage so that women and children are not in worse shape because of reform, and make a commitment to do that and now vote against the sense-of-the-Senate amendment that says we will do what we said we were going to do.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. WELLSTONE. I will reserve the remainder of my time to maybe get a sense—I am puzzled why this amendment has not been accepted.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the opposition on this side lies in the fact that right now we are in negotiations trying to deal with the problem of Medicaid and trying to come up with solutions that will provide services, health care services to the poor in our country and at the same time come within the reconciliation targets that are set. And we believe that if one of the options that is available to us, as has been discussed openly, is the idea of a block grant. A block grant would in fact give flexibility to the States to design their own program. And we would not be able in that situation to guarantee a transitional benefit.

So, what we want to do is maintain the flexibility for us to deal with this issue in a way that the Senate can come together to try to provide these services, health care services for the poor in our society. And one of the options on the table that we do not obviously want to foreclose is the option of doing a block grant to States to have them provide services. In fact, what we have seen in States that have gotten waivers, which would, in a sense, be similar to a block grant, States like Tennessee where we have seen a dramatic increase in the number of people covered—the Senator from Tennessee, who I do not know if he is around or on the floor, but Senator FRIST was one of the principal architects of the Tenn care plan that provided this flexibility, this flexibility from the Federal level, but allowed Tennessee to redesign their Medicaid Program to cover more people. In fact, more people are covered under Medicaid now in Tennessee and at less cost.

So we have seen State experiments that have worked in reducing health care costs and covering more people on Medicaid. And we do not want to foreclose that option for States to be able to do that in the future. And that is the reason we oppose the amendment.

Mr. WELLSTONE. Will the Senator yield for a question?

The PRESIDING OFFICER. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. WELLSTONE. Is the Senator saying there is a possibility that we would rescind what we have stated is a major provision of this welfare reform bill, namely, the requirement that States extend the Medicaid coverage for a year? Is that what the Senator is saying, that we may very well rescind what we have now passed?

Mr. SANTORUM. I think the Senator from Minnesota knows very well there are discussions with respect to Medicaid and those discussions should not be foreclosed by action taken by the Senate.

Mr. WELLSTONE. Well, Mr. President, then what my colleague from Pennsylvania has said is that this amendment——

The PRESIDING OFFICER. Does the Senator yield further?

Mr. SANTORUM. I do not yield further.

The PRESIDING OFFICER. Does the Senator reserve the remainder of his time?

Mr. SANTORUM. Yes.

Mr. WELLSTONE. Mr. President, this is amazing. I want people in the country to understand this. We have said we are going to have this welfare reform, it is not going to be punitive. We changed this for the better. States will be required to carry Medicaid for 1 year. I have a sense of the Senate that makes it clear that in the Medicaid debate that comes up we make a commitment that we will do what we said we would do.

And now I hear my colleague from Pennsylvania say, we may very well turn around and not do that. My amendment asks the Senate to go on record that we will do what we have said we are going to do in this piece of legislation. And now I have colleagues that equivocate on this question and say, you know what? This might be a sham. We say we are going to have transitional coverage to make sure that women and children are not hurt, but that is just for now. When it comes to the Medicaid debate, we may very well take away that funding.

I do not think the Senators can have it both ways. Are we not going to live up to our word as is now stated in this provision of this piece of legislation? I hope my colleagues will overwhelmingly support this amendment because this is all about the Senate's integrity. Are we for what we say we are for? Will we live up to our commitment?

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. Mr. President, 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. SANTORUM. 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. SANTORUM. I will yield back the remainder of our time.

Mr. WELLSTONE. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 58 seconds left.

Mr. WELLSTONE. For every Senator that is going to vote on this, I am puzzled. This amendment says:

It is the sense of the Senate that any Medicaid reform enacted by the Senate this year should require that States continue to provide Medicaid for 12 months to families who lose eligibility for welfare benefits because of more earnings or hours of employment.

That is exactly what we said we are going to do for reform in this bill. Otherwise, there will not be any funding and then this will be truly punitive.

So we should go on record voting for what we said we were going to do. I hope every Senator will vote for this amendment.

I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2484

Mr. SANTORUM. Mr. President, it is my understanding that we have not been able to reach an agreement on the Bingaman amendment, which would then require a rollcall vote. I do not see anybody else on our side looking for time. All I would suggest is, the Bingaman amendment deals with a subject we have dealt with in the Daschle-Dole compromise. The Daschle-Dole compromise provided $100 million for drug treatment over the next 2 years. It was a compromise between what Senator COHEN and Senator BINGAMAN had sought, which was $100 million per year. We came up with $100 million over the next 2 years. It was intended to be a compromise.

As compromises are, we compromise, and hopefully when you compromise you do not go forward and offer the amendment that we compromised on. But, unfortunately, that has occurred in this case. It is going to cost $300 million more for this drug treatment. And I hope that, given the fact that this bill is far under the reconciliation target that we need to meet to balance the budget, this is another $300 million that we will have to take out of Medicaid or Medicare or somewhere else in the Finance Committee. And I think the Finance Committee has a hard enough burden as it is without adding more money for drug treatment for people, for people who are taken care of with $50 million a year for the first 2 years.

Obviously, this is something that we can come back and visit in the future. But we are well over. And I hope that Senators will recognize that we have got some tough decisions to make in the future. This is going to make it much tougher.

I yield back the remainder of my time.

I ask unanimous consent that votes occur in the order in which they were debated, starting at 10 a.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2484, AS MODIFIED

Mr. BINGAMAN. Mr. President, could I ask a question of the manager?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, we have made some modification in the amendment to accommodate concerns that were raised on the other side. Is it permissible for me to send the modification of the amendment and have that voted on?

Mr. SANTORUM. Reserving the right to object——

The PRESIDING OFFICER. The Senator is seeking unanimous consent to modify his amendment?

Mr. BINGAMAN. Yes. I do seek unanimous consent to modify the amendment.

Mr. SANTORUM. Mr. President, 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. SANTORUM. 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. SANTORUM. Mr. President, we have no objection to the modification of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is modified.

The amendment, as modified, is as follows:

On page 127, between lines 2 and 3, insert the following new subsection:

(d) SUPPLEMENTAL FUNDING FOR ALCOHOL AND SUBSTANCE ABUSE TREATMENT PROGRAMS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated to supplement State and Tribal programs funded under section 1933 of the Public Health Service Act, $100,000,000 for each of the fiscal years 1997 through 2000.

(2) ADDITIONAL FUNDS.—Amounts appropriated under paragraph (1) shall be in addition to any funds otherwise appropriated for allotments under section 1933 of the Public Health Service Act and shall be allocated pursuant to such section 1933.

(3) USE OF FUNDS.—A State or Tribal government receiving an allotment under this subsection shall consider as priorities, for purposes of expending funds allotted under this subsection, activities relating to the treatment of the abuse of alcohol and other drugs.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SANTORUM. I yield back the remainder of the our time.

The PRESIDING OFFICER. the question is on agreeing to the Bingaman amendment No. 2484, as modified.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Utah [Mr. HATCH] is necessarily absent.

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

The result was announced—yeas 41, nays 58, as follows:

[Rollcall Vote No. 429 Leg.]

YEAS—41

Akaka	Feinstein	Kerry
Biden	Ford	Lautenberg
Bingaman	Glenn	Leahy
Boxer	Graham	Levin
Bradley	Harkin	Lieberman
Bryan	Heflin	Mikulski
Bumpers	Hollings	Moseley-Braun
Cohen	Inouye	Murray
Conrad	Jeffords	Nunn
Dodd	Johnston	Pell
Dorgan	Kennedy	Pryor
Exon	Kerrey	Reid
Robb	Rockefeller	Simon
	Sarbanes	Wellstone

NAYS—58

Abraham	Faircloth	McConnell
Ashcroft	Feingold	Moynihan
Baucus	Frist	Murkowski
Bennett	Gorton	Nickles
Bond	Gramm	Packwood
Breaux	Grams	Pressler
Brown	Grassley	Roth
Burns	Gregg	Santorum
Byrd	Hatfield	Shelby
Campbell	Helms	Simpson
Chafee	Hutchison	Smith
Coats	Inhofe	Snowe
Cochran	Kassebaum	Specter
Coverdell	Kempthorne	Stevens
Craig	Kohl	Thomas
D'Amato	Kyl	Thompson
Daschle	Lott	Thurmond
DeWine	Lugar	Warner
Dole	Mack	
Domenici	McCain	

NOT VOTING—1

Hatch

So the amendment (No. 2484) was rejected.

Mr. DOLE. Mr. President, I ask unanimous consent the next two votes be 10-minute votes.

The PRESIDING OFFICER. Without objection, the next two votes will be 10-minute votes.

VOTE ON AMENDMENT 2468, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the Simon amendment, No. 2468, as modified.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 37, nays 63, as follows:

[Rollcall Vote No. 430 Leg.]

YEAS—37

Akaka	Feinstein	Moseley-Braun
Boxer	Harkin	Murray
Bradley	Heflin	Nunn
Breaux	Hollings	Pell
Brown	Inouye	Pryor
Bryan	Johnston	Reid
Bumpers	Kennedy	Robb
Byrd	Kerry	Rockefeller
Conrad	Kohl	Sarbanes
Daschle	Lautenberg	Simon
Dodd	Levin	Wellstone
Dorgan	Lieberman	
Feingold	Mikulski	

NAYS—63

Abraham	Ford	Lugar
Ashcroft	Frist	Mack
Baucus	Glenn	McCain
Bennett	Gorton	McConnell
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Nickles
Burns	Grassley	Packwood
Campbell	Gregg	Pressler
Chafee	Hatch	Roth
Coats	Hatfield	Santorum
Cochran	Helms	Shelby
Cohen	Hutchison	Simpson
Coverdell	Inhofe	Smith
Craig	Jeffords	Snowe
D'Amato	Kassebaum	Specter
DeWine	Kempthorne	Stevens
Dole	Kerrey	Thomas
Domenici	Kyl	Thompson
Exon	Leahy	Thurmond
Faircloth	Lott	Warner

So the amendment (No. 2468), as modified, was rejected.

VOTE ON AMENDMENT NO. 2505

The PRESIDING OFFICER. The question now occurs on the Wellstone

amendment, No. 2505. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 49, nays 51, as follows:

[Rollcall Vote No. 431 Leg.]

YEAS—49

Akaka	Feinstein	Mikulski
Baucus	Ford	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Heflin	Pell
Breaux	Hollings	Pryor
Bryan	Inouye	Reid
Bumpers	Johnston	Robb
Byrd	Kennedy	Rockefeller
Cohen	Kerrey	Sarbanes
Conrad	Kerry	Simon
Daschle	Kohl	Snowe
Dodd	Lautenberg	Specter
Dorgan	Leahy	Wellstone
Exon	Levin	
Feingold	Lieberman	

NAYS—51

Abraham	Frist	Mack
Ashcroft	Gorton	McCain
Bennett	Gramm	McConnell
Bond	Grams	Murkowski
Brown	Grassley	Nickles
Burns	Gregg	Packwood
Campbell	Hatch	Pressler
Chafee	Hatfield	Roth
Coats	Helms	Santorum
Cochran	Hutchison	Shelby
Coverdell	Inhofe	Simpson
Craig	Jeffords	Smith
D'Amato	Kassebaum	Stevens
DeWine	Kempthorne	Thomas
Dole	Kyl	Thompson
Domenici	Lott	Thurmond
Faircloth	Lugar	Warner

So the amendment (No. 2505) was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 2550

Mr. DOLE. I ask we temporarily set aside the Kennedy amendment No. 2564 and move to the Kohl amendment No. 2550.

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

Under the previous order, there will now be 10 minutes of debate equally divided on the Kohl amendment No. 2550, followed by a vote on or in relation to the amendment.

Mr. KOHL. I thank the Chair.

Mr. President, I ask unanimous consent at this time that Senator LEAHY be added as an original cosponsor to this amendment No. 2550.

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

Mr. KOHL. Mr. President, we should not need to debate this amendment for very long. It is straightforward. This amendment would exempt the food stamp benefits that go to children, the elderly and disabled from the optional State block grant program set up in the bill.

I want to emphasize to my colleagues that the House in its welfare reform bill did not choose to block grant food stamps at all.

The argument for this amendment is simple. If it is not broke, do not fix it. Welfare is broke, financially and philosophically, but by ''welfare,'' what we have always meant are the federally driven programs that pay benefits to able-bodied adults who are not working.

Most of us and most Americans want to see the welfare programs redesigned to emphasize moving recipients to work rather than paying them to stay home. And many of us believe that such work-based welfare programs can best be managed at the State and local level where officials understand the local economy and the specific needs of those in the community who are without jobs.

But Federal nutrition programs that serve the elderly, the disabled and children are not broken. In all the meetings that I have held throughout Wisconsin on welfare reform, no one has complained to me about Federal programs that have provided a hot meal to elderly retirees or a school lunch to children. No one has suggested that we ought to make these populations work for their food stamps.

So we should not lump food stamps to the elderly, disabled and the children in with the welfare programs that so many Americans want ended. In ending welfare as we know it, we should not end successful nutrition programs that keep our children, the disabled, and the elderly from going hungry. This amendment would still leave States with the ability to take as a block grant food stamps and money that go to adults that can and should work. However, children, the elderly, and the disabled would retain the assurance that nutritional assistance and Federal nutrition standards will be there when they are needed. And, again, I want to remind my colleagues that the House did not block grant food stamps at all.

This amendment has been endorsed by the Children's Defense Fund, the Food Research & Action Center, and Bread for the World. I ask unanimous consent that letters I have in support from these antihunger groups be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BREAD FOR THE WORLD (A CHRISTIAN CITIZENS' MOVEMENT IN THE USA),
Silver Spring, MD, September 11, 1995.

DEAR SENATOR KOHL: Bread for the World, a nation-wide Christian citizen's movement against hunger, opposes the optional food stamps block grant found in the Work Opportunity Act of 1995, S. 1120. We hope there will be attempts to remove the Food Stamps Program from the welfare reform legislation and urge you to support an amendment that would do so. However, in the absence of such an amendment, we would support your amendment to exempt children, the elderly and disabled from the optional food stamps block grant.

Current nutrition programs need to be strengthened in order to assure access to a nutritious diet for every person. Bread for the World supports proposals by the Department of Agriculture to make improvements in the Food Stamp Program. But deep funding cuts and the option to block grant would inevitably spawn more hunger in this country, particularly for children.

The Food Stamps Program is this nation's leading defense against hunger in this country and ensures those in need access to an adequate diet. The program targets some of the most vulnerable members of society, including children and elderly persons. Over eighty percent of benefits go to households with children and sixteen percent of food stamp households contain at least one elderly person.

Tufts University released a study in July of this year showing that the federal Food Stamp Program greatly impacts diets of poor children in this country. The study found that food stamp participation reduces dietary deficiencies among poor children by 30–50% for certain nutrients, and over 70% for others. Over half of all food stamp recipients are children.

We strongly believe that federal standards on eligibility and benefit levels are important to the food stamps program to ensure it is available on an equitable basis for all who need it. However, at the very minimum, we must as a nation ensure that our children do not go hungry.

Sincerely,

DAVID BECKMANN,
President.

FOOD RESEARCH
& ACTION CENTER,
Washington, DC, September 11, 1995.

DEAR SENATOR: We write to urge your support for the Kohl amendment to S. 1120 (amendment #2550) which could exempt the elderly, disabled persons, and children from the proposed optional food stamp block grant. FRAC supports this amendment as necessary to protect the ability of the Food Stamp Program to serve the most vulnerable in our society.

FRAC strongly opposes the optional food stamp block grant as it would eliminate the assurance of assistance for all eligible persons in need when they need assistance. The Food Stamp Program has been successful in alleviating hunger precisely because of its ability to respond automatically, especially in times of recession or natural disaster.

It is because of the vital role the Food Stamp Program plays in feeding the most vulnerable among us, particularly children, the elderly and the disabled, that FRAC strongly supports the amendment to exclude these populations from a block grant. We thank you for your consideration.

The Food Research and Action Center.

CHILDREN'S DEFENSE FUND,
Washington, DC, September 12, 1995.

Hon. HERB KOHL,
U.S. Senate, Washington, DC.

DEAR SENATOR KOHL: I am writing in support of your amendment, #2550, to the welfare reform bill currently being debated on the Senate floor. The amendment would exempt children and people who are elderly or disabled from the proposed optional food stamp block grant.

While we oppose the proposed optional food stamp block grant, if the block grant is passed this amendment would be a significant step in the right direction towards protecting vulnerable children from hunger.

Thank you for your leadership on this issue.

Sincerely yours,

MARIAN WRIGHT EDELMAN.

Mr. KOHL. So, Mr. President, I urge the Senate to support this change to guarantee that children, the elderly, and the disabled do not go hungry. I urge my colleagues to support the Kohl-Leahy amendment.

I thank the President.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Aside from the administrative nightmare that would be created for the States to give them a block grant for some people and an entitlement for others and the administrative problem, this costs $1.4 billion over the next 7 years.

As we have said many times, we are well under our reconciliation targets. This is money that is going to have to come out of other programs. We simply cannot afford this amendment. I urge rejection of the Kohl amendment.

LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that I be excused from attending the Senate for the remainder of this day.

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

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. SANTORUM. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I would like to emphasize to my colleagues that the House, which passed a very small welfare reform bill, which in many respects is really good, took a look at food stamps. They decided that the country could not afford, from a humanitarian and social point of view, to block grant food stamps at all.

Now we have decided we should block grant food stamps. I agree that for the population that we are attempting to move from welfare into work we should block grant food stamps and be very different how we parcel out food stamps. But when we talk about children, the disabled, and the elderly, to block grant food stamps, it seems to me, is not what welfare reform is all about and not what we are trying to accomplish here. And that is why I am arguing that this population should be exempt from having their food stamps block granted and ultimately rationed out to them when that is not the intention of what this welfare reform bill is to accomplish.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I have no quarrel with the Senator from Wisconsin, but it is about $1.4 billion. We tried to accommodate some of the concerns on child care. And we have lost some savings on this side. And every time we accommodate one of these amendments, it means we are going to have to cut somewhere else in Medicare to reach the budget request because I understand we are going to be scored on this next week. And we are going to have to take our lumps, because we have made some accommodations.

So I hope we can defeat this amendment.

The PRESIDING OFFICER. Who yields time?

Does the Senator yield back his time?

Mr. KOHL. I yielded back my time.

VOTE ON AMENDMENT NO. 2550

The PRESIDING OFFICER. All time is yielded back. All time has expired.

The question is on agreeing to amendment No. 2550.

Mr. KOHL. 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 bill clerk called the roll.

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

The result was announced—yeas 47, nays 53, as follows:

[Rollcall Vote No. 432 Leg.]

YEAS—47

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Harkin	Murray
Breaux	Heflin	Nunn
Bryan	Hollings	Pell
Bumpers	Inouye	Pryor
Byrd	Jeffords	Reid
Cohen	Johnston	Robb
Conrad	Kennedy	Rockefeller
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Simon
Dorgan	Kohl	Wellstone
Exon	Lautenberg	

NAYS—53

Abraham	Gorton	Moynihan
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Packwood
Brown	Gregg	Pressler
Burns	Hatch	Roth
Campbell	Hatfield	Santorum
Chafee	Helms	Shelby
Coats	Hutchison	Simpson
Cochran	Inhofe	Smith
Coverdell	Kassebaum	Snowe
Craig	Kempthorne	Specter
D'Amato	Kyl	Stevens
DeWine	Lott	Thomas
Dole	Lugar	Thompson
Domenici	Mack	Thurmond
Faircloth	McCain	Warner
Frist	McConnell	

So, the amendment (No. 2550) was rejected.

AMENDMENT NO. 2564, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the Kennedy amendment No. 2564, as modified, to be followed by a vote on or in relation to the amendment.

Mr. DOLE. Mr. President, as I understand it, I think we can accept the amendment by the Senator from Massachusetts.

I ask unanimous consent that the amendment by Senator GRAMM be modified.

I send the modification to the desk.

Mr. HARKIN. Reserving the right to object. I might ask the leader, this is a modification of what?

Mr. DOLE. Of an amendment Senator GRAMM will offer and have a rollcall vote on. It is a modification suggested by Senator KASSEBAUM, chairman of the Labor Committee.

Mr. HARKIN. May I review that first? I reserve the right to object.

Mr. GRAMM. We are going to vote on it and debate it.

Mr. HARKIN. I would like to look at it.

Mr. DOLE. We have been letting everybody modify their amendments on that side, I might say.

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2617, AS MODIFIED

Mr. DOLE. Mr. President, I renew the request with reference to Gramm amendment No. 2617. I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 2617), as modified, is as follows.

At the appropriate place, insert the following:

SEC. . RESTRICTIONS ON TAXPAYER FINANCED LEGAL CHALLENGES.

(a) IN GENERAL.—No legal aid organization or other entity that provides legal services and which receives Federal funds may challenge (or act as an attorney on behalf of any party who seeks to challenge) in any legal proceeding—

(1) the legal validity—

(A) under the United States Constitution—

(i) of this Act or any regulations promulgated under this Act; and

(ii) of any law or regulation enacted as promulgated by a State pursuant to this Act;

(B) under this Act or any regulation adopted under this Act of any State law or regulation; and

(C) under any State Constitution of any law or regulation enacted or promulgated by a State pursuant to this Act; and

(2) the conflict—

(A) of this Act or any regulations promulgated under this Act with any other law or regulation of the United States; and

(B) of any law or regulation, enacted or promulgated by a State pursuant to this Act with any law or regulation of the United States.

(b) LEGAL PROCEEDING DEFINED.—For purposes of this section, the term ''legal proceeding'' includes—

(1) a proceeding—

(A) in a court of the United States;

(B) in a court of a State; and

(C) in an administrative hearing in a Federal or State agency; and

(2) any activities related to the commencement of a proceeding described in subparagraph (A).

AMENDMENT NO. 2564, AS MODIFIED

Mr. KENNEDY. Mr. President, I send a modification to the desk of my amendment No. 2564.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment (No. 2564), as modified, is as follows:

On page 292, line 5, strike ''and''.

On page 292, line 11, strike the period and insert a semicolon.

On page 292, between lines 11 and 12, insert the following new subparagraphs:

''(F) the Head Start program (42 U.S.C. 9801); and

(G) programs specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) delivers services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life, safety, or public health.''

Mr. DOLE. Mr. President, we are prepared to accept the Kennedy amendment No. 2564, as modified.

The PRESIDING OFFICER. Do the Senators wish to debate the amendment?

Mr. KENNEDY. Mr. President, I want to thank the Senator from Wyoming for his able assistance in working out this compromise.

Mr. President, we all agree that illegal aliens should not be eligible for Federal programs. The only exception is when the assistance is in the nature of emergency services. Both the Dole bill and the Democratic bill underscore this policy.

But the situation is very different with respect to legal immigrants. They are lawfully in this country, and they make substantial contributions to our communities and to our Nation. They work, they create jobs, they pay taxes, they promote family values, and they contribute to the sciences, the arts and culture.

In fact, legal immigrants contribute $25 to $35 billion more in taxes each year than they take out in services, including the educational costs of their children.

We all want to get tough on illegal immigration. But the Dole proposal does so in a way that turns countless churches, synagogues, and community groups into immigration police. If they receive Government funds to operate soup kitchens, food pantries, battered women's shelters, rape crisis centers, and many other community services, they must now check a needy client's immigration status before they can provide assistance.

This means that priests, ministers, rabbis, social workers, teachers, family crisis counselors, and community health workers must become immigration police and check for green cards before they can offer help or carry out their humanitarian work.

Imagine a shattered young girl, brutally raped and requiring immediate care and counseling at a rape crisis center. If the center is even partially funded with Government money, under this bill, the center must first determine if the traumatized young victim is a citizen or noncitizen. They must find out whether she is here legally or illegally. If she is illegal, they can't help her.

In addition, if she is a legal immigrant, they must determine if she has a sponsor, find out what the sponsor's income is, and determine whether deeming the sponsor's income makes her eligible or ineligible for Government-funded help.

This same lengthy and complicated process would be repeated countless times all across the country. Priests must check the immigration status of the homeless and hungry at church soup kitchens. Social workers must check the status of battered women seeking protection. Teachers must check the status of children enrolling in Head Start programs. Rabbis must check the status of the elderly for assistance to the homebound.

For example, in 1993, Catholic charities provided services to needy people across America—citizens and noncitizens alike—including food pantries, soup kitchens, homeless shelters, family counseling programs, and other valuable community assistance. More than 60 percent of the funding for these services came from Federal, State, and local governments. This assistance is provided on the basis of need. As a result, under the Dole bill, Catholic Charities would be required to check immigration status before they help anyone.

We all agree that Head Start programs give children an effective early start toward a more successful and fulfilling future. But under the Dole bill, Head Start teachers would have to check children's green cards before they enter the program.

The Department of Health and Human Services offers a partial list of noncash programs under its jurisdiction which would be affected by the harsh features of the Dole bill. Significant portions of these programs are administered by community-based organizations, churches, and other nonprofit groups, who would be required by the bill to check the immigration status of their clients. The list includes:

Programs serving abused and neglected children and preventing family and domestic violence. Programs providing critical public health services to women and children, including maternal and child health.

Early childhood development programs. Youth development and violence prevention programs.

The Dole bill exempts school lunches, WIC, emergency Medicaid and certain other noncash programs. But if we are to avoid forcing the Nation's clergy and teachers and social workers to become immigration police by demanding green cards of their clients, we need to do more.

Rather than list individually the additional programs which should be exempted from the bill, my amendment leaves the decision to the Attorney General in consultation with the head of the agency or department administering the assistance program. In that way, before a program is exempted from the bill, the law enforcement perspective of the Attorney General, together with the benefits perspective of the agency providing the assistance, will determine the decision.

I believe my amendment represents a responsible compromise on this issue, and I urge its adoption.

Mr. SIMPSON. As I understand it, this amendment is intended to cover those few programs involving little cost in which an individual income determination is not required.

Mr. KENNEDY. That is correct. My amendment is intended to cover programs which are in the interest of the community and are needed for the fundamental health or safety of the immigrant or the community. In giving the authority to make the determination to the Attorney General, it is my expectation that decisions regarding which programs to designate under this authority will be made with immigration law enforcement interests in mind as well.

The kinds of program which I would envision being designated under this amendment are soup kitchens, battered women's shelters, rape crisis centers, and other similar programs. It will not cover entitlement programs.

The PRESIDING OFFICER. The question is on agreeing to the Kennedy amendment No. 2564, as modified.

The amendment (No. 2564), as modified, was agreed to.

Mr. KENNEDY. 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. DOLE. The next amendment is by Senator SIMON and Senator GRAHAM of Florida.

AMENDMENT NO. 2509

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate, equally divided, on the Simon-Graham amendment No. 2509, to be followed on a vote on or in relation to the amendment.

Mr. SIMON. Mr. President, if I may have the attention of the floor manager on this, Senator GRAHAM of Florida has become a chief sponsor of this amendment and is trying to work out an amendment. I do not know whether he is successful in that or not.

I yield to the Senator from Florida.

Mr. GRAHAM. Mr. President, as my colleague has just explained, the basic thrust of this amendment is to maintain the status quo and the rules of the game under which those people who are currently in the country as legal immigrants, playing by the rules as they were at the time they entered the country, particularly as it relates to

that group of legal immigrants who are attending educational institutions and depend upon their access to things like guaranteed loans to be able to finance their education. There has been some discussion of possibly limiting the scope of this amendment to be more specifically focused on that one issue. As of this point, there does not appear to be interest in that limitation. But I will state to my colleagues that that is an extremely important part of what this legislation would do.

It really means the ability for thousands of students across the country to be able to continue their education and continue their pursuit of the American dream—coming to America, getting an education, becoming a fully self-supporting citizen.

I yield to my colleague.

Mr. SIMON. Mr. President, I ask for the attention of my colleagues here. Every change we have made in immigration in the past has been prospective, not retroactive. That is the way it should be. To say that if, for example, Senator DEWINE was the chief sponsor for an immigrant named Senator FORD, and he agrees to be responsible for 3 years, that is the way it should be. When we change that to 5 years, we should do it prospectively, not retroactively. That is No. 1.

The second point is that we should not go back to Senator DEWINE and say, sorry, you agreed to 3 years, now we are going to make it 5.

This is the point the Senator from Florida has made which is very important. There are thousands of students who are legal immigrants in this country, who are going to become citizens, and without this amendment, they cannot get any benefits in this country, and they are going to have to leave school. Without this amendment, they lose all education assistance. I do not think that makes sense for this country. So I am pleased to cosponsor this amendment with Senator GRAHAM. I think it is important, and I hope it will be adopted.

Mr. GRAHAM. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator has 1 minute 35 seconds.

Mr. GRAHAM. Mr. President, I would like to reserve that to close.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, we have a matter involving the Senator from Wyoming, Senator SIMPSON. He will be here momentarily. We are also trying to determine the cost of this amendment. I understand it is about half a billion dollars.

Mr. SIMPSON. Mr. President, might I inquire as to the time for the Senator from Wyoming?

The PRESIDING OFFICER. The Senator from Wyoming has 4 minutes and 29 seconds.

Mr. SIMPSON. Mr. President, again, as in last night's activity, a difficult and emotional issue, couched in the terms of immigration and welfare—either we do something or we do not. It is very simple.

The Dole welfare reform bill would for 5 years require the deeming of a sponsor's income and resources in the case of a sponsored immigrant seeking public assistance. Immigration law is riddled with compassionate loopholes and people are fed up.

We must place sensible controls on these continuing conditions or Americans will be in terminable compassion fatigue.

This 5-year deeming period is consistent with the 5-year deeming period for SSI, which we did last year. It is exactly the same as that 5 years. It is exactly the 5-year deeming period for AFDC and food stamps proposed by the President of the United States in his own welfare reform bill, the President's proposal. The sponsor's assets and income are deemed to be those of the immigrants when you come to the United States.

The only immigrants affected by this 5-year deeming period are those who have already entered within the last 5 years and who apply for or are already receiving public assistance of some form or amount. Please hear that. Remember, please—and you cannot miss this point—the people who are admitted as immigrants to the United States, to this very generous land, are here only after their sponsors convinced the visa officer that the immigrant would not require public assistance at any time—not just for 5 years or the first 3 years or any year, but at any time, and that they would not become a public charge.

Under the Graham-Simon amendment, sponsored immigrants who have entered within the past 5 years could continue to receive assistance under programs which they already benefit and could apply for and receive assistance under many other programs immediately, and several others in less than 3 years.

Most other Americans would certainly question that fairness, when their own children cannot get in those programs because they happen to be native born.

Keep in mind, now, these persons were admitted only—only—because they were able to convince, to make a promise to the visa officer that they would not become a public charge, and the law says ''at any time.''

This amendment would therefore have the purpose of relieving the immigrants and his or her sponsor from that promised obligation to give the required assistance, and the good old American taxpayers would then take over to the tune of $623 million over 5 years.

I want to emphasize that clearly again. Before an immigrant can be admitted, it must be established that he or she is not likely to become a public charge, that the real contract the immigrant and the sponsor have with the American people, the real promise of America, is keeping promises. Whether the affidavit of support is for 3 years or 5 years is much beside the point. The understanding was the immigrant would not become a burden on the public of the United States, especially not in his first 5 years in the United States.

What would the American taxpayers say if they knew we were admitting persons as immigrants who they knew would then be covered under this amendment, would be able to receive public assistance so soon after their arrival, even within 3 years?

My colleague from Florida is honestly concerned about college students in his State who are recent immigrants who may want to receive public-funded college assistance. It is good and in our national interest that the newcomers seek to improve themselves through additional education and training, but the agreement of admission, the promise made was that the immigrants and his or her sponsor would take care of the cost of that education and not the American taxpayers.

A sponsor is a sponsor is a sponsor. If the Senator says that we must maintain the status quo and not change the rules of the game, there is a good way to do it: reject this amendment because the rule of the game is the newcomer must be self-supported, not likely at any time to become a public charge. Those are the words of the immigration law.

The PRESIDING OFFICER. The Senator from Florida has 1 minute and 25 seconds. All time is expired on the other side.

Mr. GRAHAM. This amendment keeps the status quo, particularly as it relates to students who are using Federal programs, such as the guaranteed student loan to continue their education.

The Senator from Wyoming talks about holding sponsors responsible. If we had been able to hold sponsors responsible, we would not have to have the change in the law that is contained in the underlying amendment. The fact is that we have a policy which has been to set a period of time within which we would deem the sponsors' income. We are now about to change that in a prospective manner.

Our previous policies relative to changing immigration law as it relates to legal immigrants have always been to do it for the future, not to change the rules of the game for those people who are here in America today.

I believe this goes to two fundamental principles. One is we play by the rules of the game as those rules were set when the game begins. If you change the rules, you do it for the next game.

Second, we want to encourage these people to get an education so that they can become, to the maximum possible extent, participants in the American dream, participants in building their families, communities, and this Nation.

I urge the adoption of this amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the Simon-Gramm amendment No. 2509. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

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

The result was announced—yeas 35, nays 64, as follows:

[Rollcall Vote No. 433 Leg.]

YEAS—35

Akaka	Graham	Mikulski
Bingaman	Hatfield	Moseley-Braun
Boxer	Inouye	Moynihan
Breaux	Johnston	Murray
Bumpers	Kennedy	Nunn
Chafee	Kerrey	Pell
Conrad	Kerry	Pryor
Daschle	Lautenberg	Sarbanes
Dodd	Leahy	Simon
Dorgan	Levin	Specter
Feinstein	Lieberman	Wellstone
Glenn	Mack	

NAYS—64

Abraham	Faircloth	Lugar
Ashcroft	Feingold	McCain
Baucus	Ford	McConnell
Bennett	Frist	Murkowski
Biden	Gorton	Nickles
Bond	Gramm	Packwood
Bradley	Grams	Pressler
Brown	Grassley	Reid
Bryan	Gregg	Robb
Burns	Harkin	Rockefeller
Byrd	Hatch	Roth
Campbell	Heflin	Santorum
Coats	Helms	Shelby
Cochran	Hollings	Simpson
Cohen	Hutchison	Smith
Coverdell	Inhofe	Snowe
Craig	Jeffords	Thomas
D'Amato	Kassebaum	Thompson
DeWine	Kempthorne	Thurmond
Dole	Kohl	Warner
Domenici	Kyl	
Exon	Lott	

NOT VOTING—1

Stevens

So the amendment (No. 2509) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2568

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate equally divided on the Graham amendment No. 2568 to be followed by a vote on or in relation to the amendment.

Mr. GRAHAM. Mr. President, I ask unanimous consent that Senator PRYOR be added as a cosponsor of this amendment.

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

Mr. GRAHAM. Mr. President, the structure of this bill establishes objectives that States are to meet, particularly in the area of placement of people in work, 25 percent in 1996 rising to 50 percent in the year 2000. Those are laudable objectives.

There are also some very serious sanctions against States that do not meet those objectives. A State is subject, for instance, to losing 5 percent of its Federal grant if in any year it fails to meet the standard that has been set.

What is the problem? The problem is that we are distributing to States wildly different amounts of Federal resources in which to meet those consistent objectives. We are telling, for instance, the State of Mississippi that it will have to use 88 percent of its Federal money in order to meet the mandates of this bill. Other States will be able to meet the mandates for less than 35 percent of the Federal money that will be made available.

That seems inherently unfair, to have 50 States, each of which has a much different position at the starting line in terms of the kind of support they are going to meet but then say that each one has to get to the finish line at exactly the same point and, if they fail to do so, be subject to significant financial personality.

What this amendment says is that the Secretary of HHS should look at the national standards and make adjustments based on the amount of Federal support that each State will receive and the number of minor children in poverty in that State, so that if we are going to have the starting line different from State to State we at least ought to have the finish line adjusted to those States' realistic capabilities. If we do not do this, I can tell you without question there are going to be substantial numbers of States that will be almost subject to automatic penalty. There will be virtually no chance that they can reach the same finish line, the same standard, for instance, of job placement, with the heavy commitments that that means in terms of training, support services, and child care, as the more advantaged States.

It is a simple, straightforward amendment of fairness.

I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I hope Members listen to this because this is a gutting amendment. I heard a lot of comments on the other side of the aisle, even from the President, about how the Republican bill was weak on work. What the amendment of the Senator from Florida does is eliminate all the work requirements. What he does is say that it makes all the participation rates of people getting into work voluntary. It eliminates any of the work requirement.

This is the 1988 act back with you again, which, of course, required work but did not sanction anybody if they did not work.

What has happened? Four percent of the welfare recipients work in this country today. This is the nuclear bomb on this bill which would basically say no one will have to work; you will not be penalized as a State if you do not get people to work. It makes work completely voluntary on the part of the States. Anyone who has come up here and said they are for welfare recipients to work, if you vote for this amendment, you are not for welfare recipients to have to go to work.

I reserve the remainder of my time.

Mr. GRAHAM. Mr. President, I must say that I range between being somewhat offended by that description or concerned about our colleague's ability to read the English language because that is not what this does.

The amendment retains the participation levels as stated in the bill. Then it directs the Secretary of HHS to make such adjustments in the rate. That is, a State, instead of being asked to meet a 50-percent standard, may be asked to meet a 55-percent standard, if it is one that is receiving a substantial amount of funds above the national average, as happens to be the case with the State of our colleague who just spoke, or it might be something less than 50 percent if you are getting substantially less than the national average in terms of Federal resources.

It just seems to me patently unfair to start 50 States in such different positions in terms of their Federal resources per poor child and then say but at the end of the day they all have to get to the same end position. We retain the mandatory provision. We retain all of the requirements to work.

I am proud to come from a State which has one of the demonstration projects which has already gotten in the first few months of operation almost 10 percent of its welfare beneficiaries in jobs, and it is moving toward the goal of having 50 percent of its welfare beneficiaries to work.

I support that as an important principle, but I also recognize there are resources required to reach those objectives, and if you have made a decision that we are going to allocate resources in a differential manner, then I think fairness says we have to look at what will constitute success in a differential manner. Failure to do so is just going to mean that those who start poor are going to not only end poor but they are going to be beaten around the head and neck with penalties and sanctions because they have failed to achieve unrealistic objectives given the resources that were provided.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SANTORUM. Mr. President, I will read from the Senator's amendment.

> A State to which a grant is made under section 403 shall make every effort to achieve the national work participation rate goals.

This is not a mandate—shall make every effort to achieve the goal. It does not mandate that they have to participate. They do not get sanctioned if in fact they do not meet these participation rate goals.

It is the 1988 act all over again which says we want you to do it, but if you do not do this you do not get any sanction. This is the nonwork amendment. And I urge its defeat. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

Mr. SANTORUM addressed the Chair.

Mr. GRAHAM addressed the Chair.

Mr. SANTORUM. Mr. President, I can reclaim my time?

Mr. GRAHAM addressed the Chair.

Mr. SANTORUM. I yield my remaining time to the Senator from Colorado.

Mr. GRAHAM. Mr. President, could I ask one question of either the Senator from Pennsylvania or the Senator from Colorado.

Would they please read the last page of the amendment.

Mr. SANTORUM. Mr. President, if I can can respond to the Senator from Florida, what it says is that the Secretary shall consult with the States and establish a goal. It does not say what that goal is. It could be 2 percent. It could be 5 percent. It does not say anything about any kind of goal of 35 or 50 percent, which is what this bill does. You make it all arbitrary.

Mr. GRAHAM. I guess the Senator will not understand it then.

Mr. SANTORUM. It eliminates the participation rates that are in the bill today. And I yield the remainder of my time to the Senator from Colorado.

Mr. BROWN. Mr. President, I know the distinguished Senator from Florida has very good intentions, and he is known as a very thoughtful Member. I merely would add this for Members' consideration.

In the 1988 act, we billed that as a requirement to either work or train or go to school, and what happened is without penalties we ended up with only 4 percent of the entire population in welfare in this Nation in work programs. In other words, when given an option and without penalties, work did not happen.

The surest way to end the potential of getting people back in the mainstream by getting real work experience is to eliminate the penalties for not complying with the work requirement. If you leave this without a strong penalty for not working, you will eliminate our ability to get people back into the mainstream.

I am convinced this may be the most important amendment that we have considered. I hope the body will vote resoundingly to retain those strong penalties because, believe me, without them our experience indicates it will not happen.

I yield back the remainder of the time.

The PRESIDING OFFICER. All time has expired.

The question occurs on agreeing to the Graham amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

The PRESIDING OFFICER (Mr. FAIRCLOTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 23, nays 76, as follows:

[Rollcall Vote No. 434 Leg.]

YEAS—23

Akaka	Ford	Lautenberg
Bingaman	Graham	Mikulski
Bradley	Heflin	Nunn
Breaux	Inouye	Pell
Bryan	Johnston	Pryor
Bumpers	Kennedy	Sarbanes
Daschle	Kerrey	Simon
Feinstein	Kerry	

NAYS—76

Abraham	Feingold	McCain
Ashcroft	Frist	McConnell
Baucus	Glenn	Moseley-Braun
Bennett	Gorton	Moynihan
Biden	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Brown	Gregg	Packwood
Burns	Harkin	Pressler
Byrd	Hatch	Reid
Campbell	Hatfield	Robb
Chafee	Helms	Rockefeller
Coats	Hollings	Roth
Cochran	Hutchison	Santorum
Cohen	Inhofe	Shelby
Conrad	Jeffords	Simpson
Coverdell	Kassebaum	Smith
Craig	Kempthorne	Snowe
D'Amato	Kohl	Specter
DeWine	Kyl	Thomas
Dodd	Leahy	Thompson
Dole	Levin	Thurmond
Domenici	Lieberman	Warner
Dorgan	Lott	Wellstone
Exon	Lugar	
Faircloth	Mack	

NOT VOTING—1

Stevens

So the amendment (No. 2568) was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. SANTORUM. Mr. President, I ask unanimous consent, notwithstanding the consent of September 14, that a vote occur on the Dole modification following the debate, and following the disposition of the two leaders' amendments, one of which will be a Dole motion to strike the Bradley amendment, the underlying Dole amendment No. 2280, as amended, be deemed agreed to.

Mr. BRADLEY. Reserving my right to object, is there a time for debate on the motion to strike the Bradley amendment?

Mr. SANTORUM. There is no time limit at this point. We will be willing to enter into a time agreement, but there is no time limit.

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

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Gramm amendment No. 2617 be moved ahead of the Gramm amendment 2615, as modified.

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

AMENDMENT NO. 2617

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes for debate equally divided on the Gramm amendment No. 2617, to be followed by a vote on or in relation to the amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, the amendment before us is a very, very simple amendment. Let me just relate some facts about the amendment.

On January 1, 1995, Indiana started a welfare reform pilot program in which welfare recipients were required to work or lose their benefits. The Legal Services Corporation of Indiana filed a lawsuit to block the implementation of that law.

On October 1, 1991, Michigan, the first State in the Nation ever to comprehensively reform welfare, began its program to deny general assistance to nonworking, able-bodied, single adults without children. The Legal Services Corporation of Michigan filed a lawsuit to try to block the implementation of that law.

In 1992, the New Jersey Family Development Act, which among other things, denied additional AFDC payments to mothers for children conceived while on welfare. Five federally funded New Jersey Legal Services grantees filed lawsuits to block the implementation of that law.

In 1994, Pennsylvania law ended welfare benefits for nonworking, able-bodied recipients. The Legal Services Corporation in Pennsylvania filed a lawsuit to block the implementation of that law.

Not one single State in the Union has tried to reform welfare, has tried to implement a mandatory work requirement, has tried to set up a limit on the amount of time you can be on welfare, or has tried to deny additional benefits to people on welfare who have additional children without being challenged at the taxpayers' expense.

Not one such State action has failed to be challenged by Legal Services Corporation in the courts. These lawsuits have been long and protracted. They have been funded by Federal taxpayer funds.

So this amendment says, very simply, this: No Federal taxpayer funds shall be used to block the implementation of this welfare reform bill, any State welfare reform bill, or any regulation emanating from those laws.

Now, let me make it clear. Legal Services Corporation can fund a lawsuit where a recipient argues that the rules or the law are not being fairly implemented with regard to their claim. But taxpayer funding from the Federal Government cannot be used to try to overturn the law or overturn the regulation.

It is a very simple amendment. I urge my colleagues to vote for it. I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yields myself 2½ minutes. First of all, this is not just about Federal funds. The Senator's amendment includes all funds. It says if any advocacy group for disability or for children, as well as at Legal Services, receives a nickel from Legal Services, they cannot challenge any provision under this act, which is targeted on the most vulnerable individuals.

Now, we have provisions in here dealing with adoption. We have provisions in here on child support. We have provisions in here on day care, and we have requirements on the States to make sure that those provisions are going to be effective.

Under the Gramm amendment, if a mother in any of our States found that the State law was insufficient for the purposes of this law, she would be precluded from going ahead and challenging that rule or regulation or State law that otherwise should be meeting the requirements of this law. I mean, that absolutely makes no sense. Here we are putting in provisions on child care, provisions on disability, provisions affecting older Americans, making States go ahead and develop their own laws to implement those, and we are saying, even here, if they are not strong enough, we are denying any of the advocacy groups that they receive a nickel of Legal Services money or private money, if they receive a nickel of Legal Services money from protecting those vulnerable people.

The Senator from Texas usually talks about the ''strings'' that are going on as a requirement of various Federal programs. He is putting strings on the private sector. In my State, in Boston, MA, about 35 percent of the funds for Legal Services in Boston are Legal Services funds. But the others come from the private sector. He is saying you cannot even use a nickel of the private sector funds, from private companies, from private individuals, to protect the most vulnerable in our society. Child support, adoption, disability—his amendment would deny that. We will have a chance to debate this issue next week on the Appropriations Committee on Commerce. Why do it now?

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I am going to be the concluding speaker on the amendment. I ask Senator KENNEDY to go ahead and use his time.

I reserve the remainder of my time.

Mr. KENNEDY. I will yield a minute—how much time do I have.

The PRESIDING OFFICER. Two minutes 30 seconds.

Mr. KENNEDY. I yield 20 seconds to Senator BIDEN.

Mr. BIDEN. I will be very brief. This is the wrong place to consider this. As the Senator from Massachusetts pointed out, the committee is going to be taking up this question about the whole scope of Legal Services. I know that my friend from Texas has a problem with the entire entity of Legal Services. He would like to wipe it all out, period, under any circumstances, for any reason. This is not the place to do this.

I respectfully urge my colleagues to vote against it, or if it is a tabling motion, vote to table it. Let us fight this out on the whole of the future of Legal Services, not on a welfare bill.

Mr. KENNEDY. I yield a minute to the Senator from Iowa.

Mr. HARKIN. Mr. President, this does not just go to Legal Services representing poor people. This goes to protection and advocacy groups representing disabled citizens of the United States. Many times, Legal Services entities in our States provide funds to protection and advocacy groups which we have set up under the law. These are legal entities set up to represent and to help people with disabilities to get through administrative procedures and legal proceedings.

If you read the amendment of the Senator from Texas, it says that no legal aid organization, or other entity—other entity—so protection and advocacy groups for the disabled would be cut out. If you look at the last paragraph, defined is ''legal proceeding.'' In a court of the United States, court of the State, in an administrative hearing, in a Federal or State act. You might as well tell every disabled person in this country that they have no right to go into a court or no right to go into an administrative hearing to challenge the validity of a State regulation.

For the life of me, I cannot understand why the Senator from Texas would want to pick on the most vulnerable in our society. Forget just about Legal Services. Focus on the disabled. This is going to cut every disabled person in this country of low-income means. Obviously, if you have the money, if you have the money, you can hire any lawyer you want. If you are disabled and poor, you will not be able to challenge the validity or legality of any regulation in any State regardless of how onerous it may be. For that reason, it ought to be defeated.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I have spoken before in the debate——

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 30 seconds.

Mr. KENNEDY. I yield 15 seconds to the Senator from Minnesota.

Mr. WELLSTONE. I actually will defer to the Senator from Maryland. We defeated a similar amendment last session.

I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I do not understand how you can profess to be a nation that believes in equal justice under the law and not make legal services available to people who are too poor to afford them. How do you make our legal system work, and how do you make the rule of law equitable and have a real system of justice?

I very strongly oppose the amendment of the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has 2 minutes remaining.

Mr. GRAMM. Mr. President, first of all, current law allows any Legal Services Corporation grantee in America to file a lawsuit on behalf of any client, using taxpayers' funds, regardless of whether or not the individual is being treated fairly under the Federal law or the State law or Federal regulations or State regulations emanating from the law. But what my amendment says is that taxpayer funding cannot be used to try to block the implementation of laws that the American people are for in overwhelming numbers.

It is time that we stop taxpayer funds from being used to circumvent the will of the people who pay those taxes.

Second, the lamenting that we are not funding advocacy groups—if they want to advocate, God bless them, but let them advocate with their own money, not the taxpayers' money.

Finally, State law and Federal law cannot be challenged with Federal taxpayer money, but that does not keep the ACLU from challenging it. It does not keep private groups from doing it.

My amendment is very, very simple. It stops what is going on all over America. Federal tax dollars, through the Legal Services Corporation, are being used to try to block every effort to force able-bodied welfare recipients to go to work. Every effort to try to reform welfare has been challenged using taxpayer money. I want to bring that to an end. If people oppose welfare reform, let them run for public office or put up their own money to challenge it in the court. But do not take the money of the people who do the work, pay the taxes, and pull the wagon in America to try to stop the implementation of law, which they strongly support.

I urge my colleagues to vote for this amendment.

Mr. HEFLIN. Mr. President, I move to table the amendment and 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 question is on agreeing to the motion to table.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Oklahoma [Mr. NICKLES] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

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

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 435 Leg.]

YEAS—51

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Gorton	Moynihan
Boxer	Graham	Murray
Bradley	Harkin	Nunn
Breaux	Heflin	Packwood
Bryan	Inouye	Pell
Bumpers	Jeffords	Pryor
Chafee	Johnston	Reid
Cohen	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
Dodd	Kohl	Simon
Dorgan	Lautenberg	Snowe
Exon	Leahy	Specter
Feingold	Levin	Wellstone

NAYS—47

Abraham	Faircloth	Lugar
Ashcroft	Frist	Mack
Bennett	Gramm	McCain
Bond	Grams	McConnell
Brown	Grassley	Murkowski
Burns	Gregg	Pressler
Byrd	Hatch	Roth
Campbell	Hatfield	Santorum
Coats	Helms	Shelby
Cochran	Hollings	Simpson
Coverdell	Hutchison	Smith
Craig	Inhofe	Thomas
D'Amato	Kassebaum	Thompson
DeWine	Kempthorne	Thurmond
Dole	Kyl	Warner
Domenici	Lott	

NOT VOTING—2

Nickles	Stevens

So the motion to lay on the table the amendment (No. 2617), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2615, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes of debate, equally divided, on the Gramm amendment No. 2615, as modified, to be followed by a vote on or in relation to the amendment.

The amendment (No. 2615), as modified, is as follows:

On page 792, strike lines 1 through 22 and insert the following:

SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at each such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at each such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by each such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 101(b); and

(2) by 60 full-time equivalent managerial positions in the Department.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Does the Senator from Texas wish to modify his amendment?

Mr. GRAMM. I believe, Mr. President, the amendment has already been modified.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. GRAMM. Mr. President, this is a very important principle. The number of positions that are affected by the amendment are relatively small, but let me explain why the principle is important.

We are in the process, in this welfare reform bill, of doing something that we have not done in 40 years. Rather than power and decisionmaking authority residing Washington, we are sending it back to the States, counties, cities and to the people.

We are, in fact, in this bill, eliminating a Federal program known as AFDC [aid to families with dependent children]. We will be debating, later, the elimination of Federal job training programs where the money for those programs will be given back to the States. We will allow each State to conduct job training in such a way that the State believes will be most successful within its borders.

Here is the question. Given that we are eliminating Federal programs, what about the people who are employed by the Federal Government to run those programs? What happens to the jobs in AFDC when we eliminate AFDC? What happens to the jobs in these training programs when we eliminate the training programs?

What I am proposing is a very modest amendment. I am sure it will be strongly opposed by people who believe that immortality in a temporal sense is defined as a Government program or a Government position. But what I am saying is this: If you eliminate a program, you cannot keep more than 25 percent of the people who work directly on that program even though they have nothing to do. Second, you have to take the overhead of the department that the program is part of and you have to reduce that overhead proportionately because that program no longer exists.

I think we have a legitimate right to be concerned—when giving power back to the States and eliminating Federal programs—about all of these Government employees who were running the old programs remaining Government employees and undercutting what the States are doing.

In any other city in America, this would be an amendment in which anybody who opposed it would be laughed out of the room. Unfortunately, this is Washington, DC. We are talking about Government positions.

And what I am saying is simply this: If you eliminate a Government program, you have to eliminate at least 75 percent of the positions. I think it ought to be 100 percent. You also have to lower the overhead for that portion of the program by 75 percent.

It is an eminently reasonable amendment. It may make too much sense to be given consideration in the U.S. Senate. We shall see. But I wanted to offer it.

I reserve the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER (Mr. Grams). The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, that all sounds very good. In transferring this back to the States there will be a block grant except for one thing. For people in Washington, DC, we have loaded down the department with all sorts of requirements for monitoring and evaluation and advice to prevent some of the abuse of the States, among other things. With just a casual look at what current responsibilities are, the responsibilities of the Federal Government still remain.

Under the Dole bill, it indicates that the Dole bill expands the jobs in Washington, not contracts. Less than 1 percent of the total staff administering welfare is employed at the Federal level—State, Federal, and local. Administrative costs account for less than 1,000 of the total 4(a) and 4(f) expenditures.

We have assumed new responsibilities under the Dole bill to provide technical assistance to hundreds of tribes to design and implement new cash assistance programs; also, to gather, compile, evaluate, and disseminate data on a larger scale and with greater case specific variables.

We are assuming new program analysis, and dissemination of information responsibilities. This is particularly true in the child support enforcement area.

We have put all sorts of monitoring requirements on here that, if anything, a case could be made for needing more people to do it.

Let me break this down more. Technical assistance to States: We have a whole series of new requirements under the Dole bill which most of us do not disagree with at all.

Under tribal issues, supporting tribal efforts in designing assistance programs; reviewing and approving temporary assistance plans; we are collecting and evaluating some data collected

from the States, including all sorts of things that we were not required to do before. Under data collection and evaluation where there are five requirements now in existing law, under the Dole bill we now have 16 different—in other words 11 brandnew—data collection and evaluation requirements on this.

In other words, on HHS we are giving them all these things to do and saying but it is an unfunded mandate. We are not going to give you the money to do this. We are going to cut the position to do the things we are telling you to do which does not make any sense at all to do this.

I could go on with this if we had an hour or so. I would like to go into each one of these in detail. Policy and planning accounts, the same thing; accountability, all of these things. We do not want to cut back on accountability now. We have to review State and tribal audits, review and rank State performance, establish penalties, and administer appeals process.

We are going to have to develop and program outcome measures at the same time we are cutting the people that are required to do all these things. And for each of these I have a paragraph reference in the bill itself.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Ohio has 2 minutes.

Mr. GLENN. I yield at this point 30 seconds to the Senator from New York.

Mr. MOYNIHAN. Mr. President, the Senator from Ohio has pointed out clearly something I find painful. In the very long time that I have been in this city I have never seen legislation imposing more regulatory requirements on State governments by the Federal Government than this bill.

And I would simply respond, if I may. In a little bit of a caricature a couple of days ago when one of the these new regulatory provisions came along, I stood on this side of the aisle and said, ''Mr. President, as one who dearly loves Federal regulations imposed on States in minute, indecipherable detail, I accept this amendment with great gusto.''

I could not say it better. It is going to be a great generation for regulators, but not very great for poor people and certainly not great for poor children.

Mr. GLENN. Mr. President, I reserve the remainder of my time.

Mr. GRAMM. How much time is left?

The PRESIDING OFFICER. The Senator from Ohio has 35 seconds remaining.

Mr. GRAMM. Mr. President, I yield 1 minute to the distinguished Senator from Missouri.

The PRESIDING OFFICER. Just a reminder that the amendment that is offered by the Senator from Texas has been modified.

The Senator from Missouri.

Mr. ASHCROFT. Thank you Mr. President.

I rise in support of the amendment. One of the taxes on poor Americans, people who are truly needy, is a bureaucratic tax. As a Governor, I can testify that the more the bureaucracy proliferates in Washington the greater the percentage of the resource at the State level that has to be used to respond to the bureaucracy in Washington rather than to meet the needs of the truly needy.

I believe, to the extent that we can reduce the bureaucratic tax on the poor which is represented by Washington bureaucrats who are no longer needed because we cut the program, that we ought to do that, and for that reason I believe Senator GRAMM's amendment is in order and ought to be supported by Members of this body.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 35 seconds.

Mr. GLENN. Read the Dole bill. It puts more requirements on the Federal Government. I went through some of it here, a whole host of them, and at the same time we are saying we give an unfunded mandate to HHS we say you have to do more, you have to do more analysis, do all of these additional things that are listed right here. This is not fictitious stuff. We say you have to do a lot more in the way of analyzing, and so on. Yet, we are going to cut the people who do it. How on Earth are we going to prevent abuse in these programs if we do that kind of Government operation? It does not make any sense at all. It will not work this way. We are setting up a recipe for disaster, if we do it that way.

Thank you, Mr. President.

Mr. GRAMM. Mr. President, let me remind my colleagues that we are eliminating this Federal program, that the money is going back to the States, and they are going to run the program. Yet, the Senator from Ohio says that a case can be made supporting the need for more employees in Washington, even once we have eliminated the program. There is nothing so immortal as a Government program.

We celebrate here our giving back of funds to the States to run the program, and yet we are arguing that we have to preserve the Federal jobs in a program that no longer exists. No wonder the American people are outraged that Government grows like a cancer.

My amendment is a very modest amendment. It says you have eliminated the program. Eliminate 75 percent of its jobs. It seems to me that we ought to eliminate 100 percent of them, but instead, I say keep 25 percent of the people in an agency that no longer carries out a function, a function that is now run by the State.

I see this as a very modest amendment. We ought to be eliminating every one of these positions, and I urge my colleagues to vote for this amendment.

Mr. GLENN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment No. 2615. 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 Oklahoma [Mr. NICKLES] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

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

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 436 Leg.]

YEAS—49

Akaka	Feingold	Levin
Biden	Feinstein	Lieberman
Bingaman	Ford	Mikulski
Boxer	Glenn	Moseley-Braun
Bradley	Graham	Moynihan
Breaux	Harkin	Murray
Bryan	Hollings	Nunn
Bumpers	Inouye	Pell
Byrd	Jeffords	Pryor
Campbell	Johnston	Reid
Chafee	Kassebaum	Robb
Cohen	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Simon
Dodd	Kohl	Wellstone
Dorgan	Lautenberg	
Exon	Leahy	

NAYS—49

Abraham	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Baucus	Grams	Packwood
Bennett	Grassley	Pressler
Bond	Gregg	Roth
Brown	Hatch	Santorum
Burns	Hatfield	Shelby
Coats	Heflin	Simpson
Cochran	Helms	Smith
Coverdell	Hutchison	Snowe
Craig	Inhofe	Specter
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Dole	Lott	Thurmond
Domenici	Lugar	Warner
Faircloth	Mack	
Frist	McCain	

NOT VOTING—2

Nickles	Stevens

So the motion to table the amendment (No. 2615), as modified, was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment.

Mr. GLENN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

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

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. I ask unanimous consent that the pending matter be set aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MOTION TO STRIKE AMENDMENT NO. 2496

Mr. DOLE. Mr. President, I intend to make a motion to strike the previously agreed to amendment No. 2496, which was offered by the Senator from New Jersey, Senator BRADLEY.

The PRESIDING OFFICER. Under the previous order, the Senator is authorized to make that motion.

Mr. DOLE. First, I want to apologize to my friend from New Jersey. I was so anxious to be accommodating, because I always have been, but I took the amendment before I realized that it had some points that were not what I thought they were. I do not suggest that he said anything, but I did not read it carefully enough.

What the Bradley amendment would do is amend the plans that States must submit to receive Federal block grants. It does three things. It requires the State to define who is eligible and who is not eligible for cash assistance, and this creates the invitation for welfare litigation against the States over who is eligible for assistance. It creates an individual entitlement by requiring States to provide benefits to all individuals that the States deem eligible.

This amendment shifts the time limit from the Federal Government to the State government. The cycle of dependency created by the entitlement must be broken. We do not want to shift that from the Federal to the State government.

Finally, the amendment creates an unfunded mandate by possibly requiring States to provide unmatched funds to individuals. We do not want to create additional unfunded mandates.

The point of this exercise, all the debate we have had, is to provide States with the needed flexibility to address welfare reform and not to create a possible unfunded mandate on the States or, as I said, second, another entitlement. We do not know what the cost of this amendment could possibly be. For the reasons stated, I should not have accepted the amendment.

I now move to strike the amendment, and after the debate I will ask for the yeas and nays.

Mr. BRADLEY. Mr. President, I do say to the distinguished majority leader that I was a little surprised when he said he would accept the amendment. I thought it was perfectly appropriate, because I would not characterize the amendment exactly as he has characterized the amendment.

It does not create a Federal entitlement. It, first, does not add any additional spending. It does not touch the block grant. CBO has told us that it would not result in a penny of additional Federal outlays.

Second, it does not entitle anyone to anything. A State can deny any individual—practically any person—benefits. It can deny benefits if you do not work. A State can deny benefits if you have additional children. It can deny benefits if you do not comply with the requirements of your individual agreement. The State can deny benefits, under this proposal, practically for anything. But what the State cannot do under this amendment is deny you benefits for no reason at all if you are a poor family who is eligible under the State's own rules.

To those who object to this amendment, I just simply would like to ask, what is it that you want States to be able to do that they would not be able to do under this amendment? I, frankly, cannot imagine. I cannot imagine why States should not be required simply to say what their rules are for eligibility, what the benefits are, and who gets cut off, and then simply follow the rules.

The only right that is created here is not a right to money, it is a right to know what the rules are. How do you determine who gets any benefits, unless the State has written rules that clearly state who is eligible? How do we decide that someone who fits the category of eligibility should not be given benefits if there are no rules?

So I simply say that this is a very straightforward amendment. It is an attempt to add clarity to what will be a confused policy in States. I think it illustrates, once again, the problem of a block grant with no rules to implement the block grant. This came through in very vivid terms yesterday when we had an amendment—a well-intentioned amendment—that said in order to reduce illegitimacy, which is what all of us would like to do, a State that reduced illegitimacy would get a bonus, but the amendment read that the State would have to reduce illegitimacy without increasing abortions.

So those are both pretty good intentions. But what that means, as I read that amendment, is that every woman in a State has to be asked if she has had an abortion.

Otherwise, how do you determine how many abortions were performed in the State? The result of the amendment is a direct involvement of the State government in the lives of every woman in the State asking the question, have you or have you not had an abortion?

Unless that is asked to every woman, how do you determine whether abortions have gone up or gone down? If you do not know whether abortions have gone up or gone down, how do you determine the offset against the illegitimacy rate?

Mr. President, that amendment is another illustration of the problem with a block grant that has no requirement of any rule.

This amendment would simply say that the State has to establish rules of eligibility and has to apply those rules of eligibility for every person who fits into that category. It is as simple as that.

This is, again, not a new Federal entitlement. It is simply common sense.

Mr. President, I am ready, if the majority leader would like to make the motion to strike at this time, to have the vote on the motion to strike.

Mr. DOLE. I make a motion to strike the amendment numbered 2496.

The Bradley amendment amends the plan that States must submit to receive Federal funds under the new block grant.

Specifically, the amendment does three things:

It requires the State to define who is eligible and who is ineligible for cash assistance. This creates the invitation for welfare litigation against the States over who is eligible for assistance.

It creates an individual entitlement by requiring States to provide benefits to all individuals that the States deem eligible. This amendment shifts the entitlement from the Federal Government to the State government. The cycle of dependency that is created by the entitlement must be broken.

Finally, the Bradley amendment creates an unfunded mandate on the States by possibly requiring States to provide unmatched funds to individuals.

Mr. President, the point of this exercise is to provide States with the needed flexibility to address welfare reform, not to create another unfunded mandate on the States.

The PRESIDING OFFICER. The motion has been made. Is there further debate?

Mr. DOLE. 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 have been ordered.

The question is on the motion to strike the previously agreed-to Bradley amendment.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Dole amendment be set aside in order to accommodate one final amendment. It would be my understanding I will offer this amendment and then we would have two votes, perhaps three votes stacked, at least two votes, following debate on the Daschle amendment.

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

AMENDMENT NO. 2682 TO NO. 2280

(Purpose: To permit States to provide noncash assistance to children ineligible for aid because of the 5-year time limitation)

Mr. DASCHLE. Mr. President, I will be very brief.

We have had a good debate about a number of issues relating to welfare. The one that I do not think we have talked enough about, and I will be brief as we talk about it this afternoon, is what happens to children under circumstances that are not of their control. I believe we have to ensure, regardless of what else we do, that children do not pay for the mistakes or circumstances of their parents. Of the 14

million people on AFDC, 9 million are children. They did not ask to be born into these circumstances. They cannot get their parents out of these circumstances. Most importantly, these 9 million children are part of our future.

We talk a lot about State flexibility, but the pending bill does not allow States to provide any assistance to children after 5 years.

What my amendment does is simply say we will not prohibit the States from providing care for children if they so desire. If ever there was an argument for State flexibility, this is it. We are simply giving States the option to assist poor children, clothe children, or help children to stay off the streets. We are not telling States they have to do it; we are simply saying we will not prevent them from doing it.

You have heard a lot about making people get out of the cart and pull it. That is right. We should make people get out of the cart and pull it when they can take responsibility. Able-bodied adults should work. But children, infants, and toddlers cannot be expected to pull the cart.

This really just gives States the opportunity to recognize that fact. The amendment is very simple. It provides States with flexibility. It allows States to use block grant funds to provide vouchers for goods and services for children and their needs once the time limit hits, to ensure that children are protected. I do not understand why Washington should make such a critical decision about what is best for a State when it comes to children.

We have talked about flexibility. We have talked about the need to protect kids. It would seem to me that simply saying we will not prohibit the States from issuing vouchers if they choose to do so and see it as in their best interests is reasonable. I think we ought to allow them to do that.

Once the time limit hits, hopefully families will be off welfare, but we do not know. Maybe yes, maybe no. Children, however, did not cause this situation. Children cannot rectify it.

This amendment is pretty harmless, but the ramifications for children could be great if we do not have this State option. Nine million kids—it is simply a matter of giving the States the flexibility.

I yield the floor.

The PRESIDING OFFICER. Did the Senator seek to call up the amendment?

Mr. DASCHLE. I have an amendment at the desk that I call up.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] for Mr. KENNEDY, for himself and Mr. DASCHLE proposes an amendment numbered 2682 to amendment No. 2280.

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

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

The amendment is as follows:

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

''(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.''.

Mr. DOLE. Mr. President, I say very briefly, maybe I misunderstood. We thought this was part of the agreement. We increased the hardship exemption from 15 to 20 percent because this was a request earlier of the Senator from South Dakota. We could not agree on that.

We thought we agreed to raise the hardship exemption which would take care of some of these cases. I hope the amendment would not be adopted.

We thought we had an agreement, and we want to stick with that agreement. Maybe the Senator from South Dakota had a different interpretation, but I am still willing to leave the hardship exemption at 20 percent, but if we have an agreement—if not, maybe it ought to go back to 15 percent.

In any event, I hope we defeat this amendment and also strike the amendment of the Senator from New Jersey, Senator BRADLEY.

The PRESIDING OFFICER. Is there further debate?

Mr. DOLE. I yield back our time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered.

The PRESIDING OFFICER. Does the Senator from South Dakota wish to offer his second amendment before the rollcall begins?

Mr. DASCHLE. Mr. President, that concludes my list of amendments. I have no others to offer.

MOTION TO STRIKE AMENDMENT NO. 2496

Mr. DOLE. I ask unanimous consent that we return to the motion to strike the Bradley amendment.

The PRESIDING OFFICER. The motion has been made to return to the motion to strike the Bradley amendment. Without objection, it is so ordered.

The question is on agreeing to the motion to strike the amendment numbered 2496.

Mr. DOLE. I ask that these be strictly 10-minute votes. We have Members on each side that want to leave.

The PRESIDING OFFICER. A reminder to the Senators that these will be strictly held at 10 minutes for each vote.

The question now is on agreeing to the motion to strike the Bradley amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Oklahoma [Mr. NICKLES], the Senator from Alaska [Mr. STEVENS], and the Senator from Wyoming [Mr. THOMAS] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. THOMAS] would vote ''yea.''

Mr. FORD. I announce that the Senator from California [Mrs. BOXER] is necessarily absent.

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

The result was announced—yeas 50, nays 44, as follows:

[Rollcall Vote No. 437 Leg.]

YEAS—50

Abraham	Frist	Mack
Ashcroft	Gorton	McCain
Bennett	Gramm	McConnell
Brown	Grams	Murkowski
Burns	Grassley	Packwood
Campbell	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Santorum
Cohen	Heflin	Shelby
Coverdell	Helms	Simpson
Craig	Hutchison	Smith
D'Amato	Inhofe	Snowe
DeWine	Kassebaum	Specter
Dole	Kempthorne	Thompson
Domenici	Kyl	Thurmond
Exon	Lott	Warner
Faircloth	Lugar	

NAYS—44

Akaka	Ford	Lieberman
Baucus	Glenn	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Bradley	Hollings	Murray
Breaux	Inouye	Nunn
Bryan	Jeffords	Pell
Bumpers	Johnston	Pryor
Byrd	Kennedy	Reid
Conrad	Kerrey	Robb
Daschle	Kerry	Rockefeller
Dodd	Kohl	Sarbanes
Dorgan	Lautenberg	Simon
Feingold	Leahy	Wellstone
Feinstein	Levin	

NOT VOTING—6

Bond	Chafee	Stevens
Boxer	Nickles	Thomas

So the motion to strike the amendment (No. 2496) was agreed to.

VOTE ON AMENDMENT NO. 2682

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota, No. 2682. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Oklahoma [Mr. NICKLES], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], and the Senator from Wyoming [Mr. THOMAS], are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. THOMAS], would vote ''nay.''

Mr. FORD. I announce that the Senator from California [Mrs. BOXER], and the Senator from Iowa [Mr. HARKIN] are necessarily absent.

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

The result was announced—yeas 44, nays 48, as follows:

[Rollcall Vote No. 438 Leg.]

YEAS—44

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Johnston	Pryor
Byrd	Kennedy	Reid
Conrad	Kerrey	Robb
Daschle	Kerry	Rockefeller
Dodd	Kohl	Sarbanes
Dorgan	Lautenberg	Simon
Exon	Leahy	Wellstone
Feingold	Levin	

NAYS—48

Abraham	Frist	Lugar
Ashcroft	Gorton	Mack
Bennett	Gramm	McCain
Brown	Grams	McConnell
Burns	Grassley	Murkowski
Campbell	Gregg	Packwood
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Helms	Santorum
Coverdell	Hutchison	Shelby
Craig	Inhofe	Smith
D'Amato	Jeffords	Snowe
DeWine	Kassebaum	Specter
Dole	Kempthorne	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lott	Warner

NOT VOTING—8

Bond	Harkin	Stevens
Boxer	Nickles	Thomas
Chafee	Simpson	

So, the amendment (No. 2682) was rejected.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 2526

Mr. FRIST. Mr. President, I ask unanimous consent I be added as a cosponsor to Senator SHELBY's amendment No. 2526 relating to an adoption tax credit which was approved yesterday.

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

AMENDMENT NO. 2568

Mr. KERRY. Mr. President, I strongly support the objective of moving just as many adult recipients or potential recipients of welfare into work and self-sufficiency as we possibly can.

I have some large questions about some of the specific provisions and methodologies employed in the bill before us, and have supported amendments designed to increase their effectiveness and fairness. I am concerned that because most of those amendments have failed, in several important respects the bill will have a punitive effect and will leave many jobless adults without work; without adequate help in preparing to compete for, secure, and keep employment; and therefore with incomes inadequate to support themselves and their children. I also am concerned that as we act to have the Federal Government relinquish its primary responsibility for dealing with the needs of impoverished families and impose a much greater responsibility in that respect on State governments than they previously have borne, we have in several key ways failed to provide the states with adequate resources to meet their newly expanded responsibilities.

Nonetheless, I support the bill's objective of moving Americans from welfare to work, and do not want to weaken the bill's ability to produce that outcome.

I regret that the amendment of the Senator from Florida has been mischaracterized as weakening the bill's ability to move welfare recipients off the rolls and into work, because that is not its intention, nor would that be its effect. The Senator's amendment leaves intact the very same work participation standards contained in the underlying Dole bill. It leaves intact the penalties the bill provides for States that fail to meet the standards that apply to them.

The amendment simply seeks to treat States more fairly in applying work participation standards than does the underlying bill, in recognition of the fact that the formulas for funding distribution contained in the bill result in considerable variation among the States in the amounts of Federal block grant funding per poor minor child the States receive. To achieve that end, the amendment provides for the Federal Government to ''adjust the national participation rate [standards]'' as they will apply to each State each year so that they ''reflect the level of federal funds [each] state is receiving * * * and the average number of minor children in families having incomes below the poverty line that are estimated for the state for the fiscal year.''

This does not give the Federal Government carte blanche to waive the work participation requirement contained in the bill. This does not eviscerate that requirement. The requirement remains. The penalty to be imposed on a State for failing to meet it still remains. The amendment only injects the ability for some human judgment to be applied in securing fairness among the States in applying the work participation requirement when the Secretary determines that the funding a State is receiving is not adequate to reasonably permit it to meet the national work participation standards set by the bill. No matter which party controls the administration at any point, political reality will not permit any administration to disregard the strongly evident intent of the Congress that all States be subject to work participation requirements assuming this bill becomes law.

I support a strong work requirement. I support providing States with sufficient resources to enable them to meet that requirement. And I support this amendment to let good judgment be reflected in imposition of the work requirement on the States.

Mr. DOLE. Mr. President, it is my understanding, now that we have completed action on all the amendments, with the exception of the Gramm amendment No. 2615—there was a motion to table that amendment. It was 49–49. It was not tabled. I think we have agreed that that vote can occur Tuesday.

AMENDMENT NO. 2683

(Purpose: To make modifications to amendment No. 2280)

Mr. DOLE. I am now prepared, if the Democratic leader is prepared, the two of us, to send up the modification.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment No. 2683.

Mr. DOLE. 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 (No. 2683) is as follows:

On page 17, strike lines 13 through 22 and insert the following:

''(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the sum of—

''(i) the total amount of the Federal payments to the State under section 403 (other than Federal payments to the State described in section subparagraphs (A), (B) and (C) of section 419(a)(2)) for fiscal year 1994 (as such section 403 was in effect during such fiscal year), plus

''(ii) the total amount of the Federal payments to the State under subparagraphs (A), (B) and (C) of section 419(a)(2),

as such payments were reported by the State on February 14, 1995, reduced by the amount, if any, determined under subparagraph (B), and for fiscal year 2000, reduced by the percent specified under section 418(a)(3), and increased by an amount, if any, determined under paragraph (2)(D).

On page 77, line 21, strike the end quotation marks and the second period.

One page 77, between lines 21 and 22, insert the following new section:

''SEC. 419. AMOUNTS FOR CHILD CARE.

''(a) CHILD CARE ALLOCATION—

''(1) IN GENERAL.—From the amount appropriated under section 403(a)(4)(A) for a fiscal year, the Secretary shall set aside an amount equal to the total amount of the Federal payments for fiscal year 1994 to States under section—

''(A) 402(g)(3)(A) of this Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to paragraph (1) of such section;

''(B) 403(l)(1)(A) of this Act (as so in effect) for amounts expended for child care pursuant to section 402(g)(1)(A) of this Act, in the case of a State with respect to which section 1108 of this Act applies; and

''(C) 403(n) of this Act (as so in effect) for child care services pursuant to section 402(i) of this Act.

''(2) DISTRIBUTION.—From amounts set-aside for a fiscal year under paragraph (1), the Secretary shall pay to a State an amount equal to the total amounts of Federal payments for fiscal year 1994 to the State under section—

''(A) 402(g)(3)(A) of this Act (as such section was in effect before October 1, 1995)for

amounts expended for child care pursuant to paragraph (1) of such section;

''(B) 403(l)(1)(A) of this Act (as so in effect) for amounts expended for child care pursuant to section 402(g)(1)(A) of this Act, in the case of a State with respect to which section 1108 of this Act applies; and

''(C) 403(n) of this Act (as so in effect) for child care services pursuant to section 402(i) of this Act.

''(3) USE OF FUNDS.—Amounts received by a State under paragraph (2) shall only be used to provide child care assistance under this part.

''(4) For purposes of paragraphs (1) and (2), Federal payments for fiscal year 1994 means such payments as reported by the State on February 14, 1995.

''(b) ADDITIONAL APPROPRIATION.—

''(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated, $3,000,000,000 to be distributed to the States during the 5-fiscal year period beginning in fiscal year 1996 for the provision of child care assistance.

''(2) DISTRIBUTION.—

''(A) IN GENERAL.—The Secretary shall use amounts made available under paragraph (1) to make grants to States. The total amount of grants awarded to a State under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State for fiscal year 1994 under section 403(n) (as such section was in effect before October 1, 1995) for child care services pursuant to section 402(i) as such amount relates to the total amount of such Federal payments to all States for such fiscal year.

''(B) FISCAL YEAR 2000.—With respect to the last quarter of fiscal year 2000, if the Secretary determines that any allotment to a State under this subsection will not be used by such State for carrying out the purpose for which the allotment is available, the Secretary shall make such allotment available for carrying out such purpose to 1 or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional allotments for carrying out such purposes. Such available allotments shall be reallocated to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

''(3) AMOUNT OF FUNDS.—The Secretary shall pay to each eligible State in a fiscal year 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 for child care in such year as exceed the State set-aside for such State under subsection (a) for such year and the amount of State expenditures in fiscal year 1994 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of subsection (a)(1).

''(4) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subsection after fiscal year 2000.

''(c) ADMINISTRATIVE PROVISIONS.—

''(1) STATE OPTION.—For purposes of section 402(a)(1)(B), a State may, at its option, not require a single parent with a child under the age of 6 to participate in work for more than an average of 20 hours per week during a month and may count such parent as being engaged in work for a month for purposes, of section 404(c)(1) if such parent participates in work for an average of 20 hours per week during such month.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide an entitlement to child care services to any child.

On Page 17, line 22, insert before the period the following: '', and increased by an amount (if any) determined under subparagraph (D).''

On Page 18, between lines 21 and 22, insert the following:

''(D) AMOUNT ATTRIBUTABLE TO STATE PLAN AMENDMENTS.—

''(1) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payment under section 403(a)(5) to the State for emergency assistance in fiscal year 1995 under any State plan amendment made under section 402 during fiscal year 1994 (as such sections were in effect before the date of the enactment of the Work Opportunity Act of 1995) subject to the limitation in clause (ii).

''(ii) LIMITATION.—Amounts made available under clause (i) to all States shall not exceed $800 million. If amounts available under this subparagraph are less than the total amount of emergency assistance payments referred to in clause (i), the amount payable to a State shall be equal to an amount which bears the same relationship to the total amount available under this clause as the State emergency assistance payment bears to the total amount of such payments.

On page 25, line 18, insert ''In the case of amounts paid to the State that are set aside in accordance with section 419(9), the State may reserve such amounts for any fiscal year only for the purpose of providing without fiscal year limitation child care assistance under this part.'' after the end period.

Beginning on page 315, strike line 6 and all that follows through page 576, line 12 (renumber subsequent titles and section numbers accordingly).

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

''(d) CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the '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 Fund in a total amount not to exceed $1,000,000,000.

''(3) COMPUTATION OF GRANT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year 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 expenditures for such State.

''(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

''(C) 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 each 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 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 of 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 Fund.

''(5) ELIGIBLE STATE.—

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

''(i)(I) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent, and

''(II) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; and

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

''(B) MAINTENANCE OF EFFORT.—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 (as determined under subsection (a)(5)).

''(6) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

On page 40, line 13, strike ''15'' and insert ''20''.

At the appropriate place, insert the following:

SEC. . ABSTINENCE EDUCATION.

(a) INCREASE IN FUNDING.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''fiscal year 1990 and each fiscal year thereafter'' and inserting ''fiscal years 1990 through 1995 and $761,000,000 for fiscal year 1996 and each fiscal year thereafter''.

(b) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1) is amended—

(1) in subparagraph (c), by striking ''and'' at the end;

(2) in subparagraph (D), by adding ''and'' at the end; and

(3) by adding at the end the following new subparagraph:

''(E) to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.''.

(c) ABSTINENCE EDUCATION DEFINED.—Section 501(b) of such Act (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

''(5) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

''(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

''(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

''(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

''(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

''(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

''(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

''(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

''(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.''.

(d) SET-ASIDE.—

(1) IN GENERAL.—Section 502(c) of such Act (42 U.S.C. 702(c)) is amended in the matter preceding paragraph (1) by striking ''From'' and inserting ''Except as provided in subsection (e), from''.

(2) SET-ASIDE.—Section 502 of such Act (42 U.S.C. 702) is amended by adding at the end the following new subsection:

''(e) Of the amounts appropriated under section 501(a) for any fiscal year, the Secretary shall set aside $75,000,000 for abstinence education in accordance with section 501(a)(1)(E).

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

''(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional $20,000,000 for the purpose of paying—

''(A) the Federal share of any State-initiated study approved under section 410(g);

''(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

''(C) the cost of conducting the research described in section 410(a); and

''(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

''(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

''(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

''(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

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

On page 57, beginning on line 22, strike all through page 60, line 2, and insert the following:

''(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

''(b) STATE SUBMISSIONS.—

''(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403(f) shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

''(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

''(A) The age of the adults and children (including pregnant women) in each family.

''(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

''(C) The gender, educational level, work experience, and race of the head of each family.

''(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

''(E) The type and amount of any benefit or assistance received by the family, including—

''(i) the amount of and reason for any reduction in assistance, and

''(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

''(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

''(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

''(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

''(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

''(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

''(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

''(L) The citizenship status of each member of the family.

''(M) The housing arrangement of each member of the family.

''(N) The amount of unearned income, child support, assets, and other financial factors considered in determining eligibility for assistance under the State program.

''(O) The location in the State of each family receiving assistance.

''(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

''(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

''(A) The number of families.

''(B) The number of adults in each family.

''(C) The number of children in each family.

''(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

''(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

''(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted;

''(B) families applying for such assistance during such preceding calendar quarter; and

''(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

''(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data describe in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

''(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 62, after line 24, insert the following:

''(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

''(1) whether the States are meeting—

''(A) the participation rates described in section 404(a); and

''(B) the objectives of—

''(i) increasing employment and earnings of needy families, and child support collections; and

''(ii) decreasing out-of-wedlock pregnancies and child poverty;

''(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

''(4) the characteristics of each State program funded under this part; and

''(5) the trends in employment and earnings of needy families with minor children.

On page 63, beginning on line 3, strike all through line 16, and insert the following:

''(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

''(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

''(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 63, line 17, strike ''(d)'' and insert ''(c)''.

On page 63, line 24, strike ''(e)'' and insert ''(d)''.

On page 64, line 21, strike ''(f)'' and insert ''(e)''.

On page 66, line 3, strike ''(g)'' and insert ''(f)''.

On page 66, between lines 19 and 20, insert the following:

''(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

''(1) the State submits a proposal to the Secretary for such evaluation,

''(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

''(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

On page 163, line 16, add ''and'' after the semicolon.

On page 163, strike lines 17 through 24, and insert in lieu thereof the following:

''(iii) for fiscal years 1997 through 2002, $124, $211, $174, $248 and $109, respectively.''

On page 164, line 2, strike ''2000'' and insert in lieu thereof ''2002''.

On page 126, between lines 9 and 10, insert the following:

(c) TREATMENT SERVICES FOR INDIVIDUALS WITH A SUBSTANCE ABUSE CONDITION.—

(1) IN GENERAL.—Title XVI (42 U.S.C. 1381 et seq.) is amended by adding at the end the following new section:

''TREATMENT SERVICES FOR INDIVIDUALS WITH A SUBSTANCE ABUSE CONDITION

''SEC. 1636. (a) In the case of any individual eligible for benefits under this title by reason of disability who is identified as having a substance abuse condition, the Commissioner of Social Security shall make provision for referral of such individual to the appropriate State agency administering the State plan for substance abuse treatment services approved under subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–21 et seq.)

''(b) No individual described in subsection (a) shall be an eligible individual or eligible spouse for purposes of this title if such individual refuses without good cause to accept the referred services described under subsection (a).

(2) CONFORMING AMENDMENT.—Section 1614(a)(4) (42 U.S.C. 1382c(a)(4)) is amended by inserting after the second sentence the following new sentence: ''For purposes of the preceding sentence, any individual identified by the Commissioner as having a substance abuse condition shall seek and complete appropriate treatment as needed.''.

On page 126, line 10, strike ''c'' and insert ''(d)''.

On page 127, between lines 2 and 3, insert the following new subsection:

(e) SUPPLEMENTAL FUNDING FOR ALCOHOL AND SUBSTANCE ABUSE TREATMENT PROGRAMS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated to supplement State and Tribal programs funded under section 1933 of the Public Health Service Act (42 U.S.C. 300x–33), $50,000,000 for each of the fiscal years 1997 and 1998.

(2) ADDITIONAL FUNDS.—Amounts appropriated under paragraph (1) shall be in addition to any funds otherwise appropriated for allotments under section 1933 of the Public Health Service Act (42 U.S.C. 300x–33) and shall be allocated pursuant to such section 1933.

(3) USE OF FUNDS.—A State or Tribal government receiving an allotment under this subsection shall consider as priorities, for purposes of expending funds allotted under this subsection, activities relating to the treatment of the abuse of alcohol and other drugs.

On page 131, line 23, insert '', including such individual's treatment (if any) provided pursuant to such title as in effect on the day before the date of such enactment,'' after ''individual''.

On page 158, between lines 11 and 12, insert the following:

SUBTITLE F—RETIREMENT AGE ELIGIBILITY

SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS BASED ON SOCIAL SECURITY RETIREMENT AGE.

(a) IN GENERAL.—Section 1614 (a)(1)(A) (42 U.S.C. 1382c(a)(1)(A)) is amended by striking ''is 65 years of age or older,'' and inserting ''has attained retirement age.''.

(b) RETIREMENT AGE DEFINED.—Section 1614 (42 U.S.C. 1382c) is amended by adding at the end the following new subsection:

''Retirement Age

''(g) For purposes of this title, the term ''retirement age'' has the meaning given such term by section 216(*l*)(1).''.

(c) CONFORMING AMENDMENTS.—Sections 1601, 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381, 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended by striking ''age 65'' each place it appears and inserting ''retirement age''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to applicants for benefits for months beginning after September 30, 1995.

Mr. DOLE. Mr. President, I know there are some of our colleagues that want to make statements this afternoon on that. I would go over that just very quickly.

I think we agree on the child care, the first provision, with a set-aside in 1994 of $1 billion. Then we provide an additional $3 billion over 5 years for child care to be distributed among the States based on the funds for the title IV–A at-risk child care program.

Job training. I will get that agreement, which I think has been cleared by the Democratic leader, which will be handled under a separate freestanding agreement.

Mr. DASCHLE. Yes.

Mr. DOLE. The contingency grant fund. This is in addition to the loan fund. We keep the loan fund at $1.7 billion. The contingency fund is $1 billion over 7 years. Funds must be matched at Medicaid matching rates, and States must have maintained their 1994 level on spending on title IV–A and IV–F programs.

Limited additional funds are available for those States whose base years do not fully reflect subsequent adjustments related to emergency assistance. I understand that affects 12 States. I am not certain of the total cost of that provision, but I think around $900 million.

The hardship exemption has been increased from 15 percent to 20 percent.

There is $75 million per year for abstinence education.

Program evaluation authorizes $20 million per year for evaluation.

Food stamps. We worked out a provision which will save about $1.6 billion. In the food stamp program, the standard deduction for all food stamp recipients will be reduced from the original S. 1120. It stages from its current level of $134 in increments of $2 per year down to $124 in fiscal year 2000. This modification will reduce the standard deduction to $132 in fiscal year 1996, as in the original S. 1120, and then immediately down to $124 in 1997, where it remains through fiscal year 2002. CBO gives this change a preliminary savings estimate of $1.1 billion in additional savings.

SSI. The SSI provision is the one, $50 million per year for 2 years for treatment, funded under the substance abuse block grant, a matter of interest to Senator COHEN and Senator BINGAMAN.

I also ask unanimous consent to have printed in the RECORD at this point a letter from the National Governors' Association. As the Democratic leader knows, we received letters asking for more child care funding and contingency grant funding and a number of other things.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, September 13, 1995.

Hon. ROBERT DOLE,
U.S. Senate Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: As you consider legislation to block grant key welfare and child care programs, we urge you to keep in mind the lessons states have learned over the last decade of experimentation in welfare reform. As Governors we know what it takes to reform the welfare system because we are already doing it in our states—through state waiver initiatives and through implementation of the Family Support Act. Our experience tells us that three elements are crucial: welfare must be temporary and linked to work; both parents must support their children; and child care must be available to enable low income families with children to work.

Governors do believe that greater flexibility could aid significantly our efforts to reform the welfare system. We appreciate and support the changes that have been made recently to your bill to ensure that states have the ability to design their own welfare systems. These changes include a state option to count vocational educational training toward welfare-to-work participation rates and the ability to exempt families with very young children from work requirements.

As the Senate considers welfare reform legislation, we believe you should address several remaining key issues:

Child Care. Child care represents the largest part of the up-front investment needed for successful welfare reform. We appreciate the flexibility that Title I of S. 1120 provides for states to design child care services for families who are participating in welfare-to-work activities or who have left welfare for work, and the working poor. Further we are pleased that the mandate to provide child care to mothers with children under age six contained in the Senate Finance Committee bill has been removed.

We are concerned that unless adequate child care funding continues to be provided at the federal level, the work requirements in the bill could represent a significant unfunded mandate on the states. While Governors differ on the exact level of child care funding needed to implement the work requirements, we all agree that states will need substantially more funding than is currently in your bill.

We believe that if the following changes were adopted, the federal-state partnership could be preserved for meeting increased needs due to welfare work requirements and increased child care needs could be minimized:

Give states access to a limited amount of additional federal matching fund for child care. These funds would be available to states at the Medicaid match or 70 percent, whichever is higher. Only states that were maintaining their state levels of spending could qualify for these funds to ensure that federal funds do not supplant state spending. Funds would be allocated to states in the same way that At-Risk Child Care funds are currently distributed.

To ensure protection for child care funding, fund the Child Care Development Block Grant (CCDBG) as an entitlement to states and eliminate prescriptive earmarks that limit state flexibility in administering programs. Quality set-asides and mandated resource and referral programs detract from states' ability to provide needed child care services. Currently the CCDBG is a discretionary program. The CCDBG is a critical source of funds for child care assistance to poor families, particularly for the working poor, and states will need the assurance that these funds will be available at the level at which the program is authorized.

Give states the option of limiting required hours of work to 20 hours per week for families with children under age six. This would allow states to minimize the amount of child care assistance needed by families with young children and would allow states to set work expectations for low income mothers with young children that are consistent with what our society experts of other mothers with young children. The bill approved by the Finance Committee did not require more than 20 hours of work per week; S. 1120, however, mandates 35 hours per week by the year 2000. This is a major factor behind estimates that by the year 2000 states will have to spend several billion dollars annually, above and beyond current spending, to meet the costs of providing child care for welfare recipients.

Contingency Grant Fund. Economic downturns can derail welfare reform by sapping state revenues just when need for assistance is rising. The greater flexibility of block grant will allow states in normal economic times to control their own welfare costs through eligibility, benefit and work program decisions. We believe, however, that if a deep economic recession occurs, the need for economic assistance may well overwhelm the fiscal capacity of some states to respond to that need. We urge you to include a contingency grant fund that gives states that experience sharp increases in unemployment access to federal matching grants. Contingency funds would have to be matched at the Medicaid match rates and states would only have access to these grants if they have maintained their own level of state spending.

Restrictions on Aid. In the past federal restrictions on eligibility have served to contain federal costs given the open-ended entitlement nature of federal cash assistance funding. Governors believe that such restrictions have no place, however, in a block grant system where federal costs are fixed, regardless of the eligibility and benefit choices made by each state. Accordingly we oppose any provisions that prohibit states from aiding such groups as legal aliens, teen parents, or additional children born to welfare recipients. These decisions are most appropriately made at the state level.

Direct Funding to Tribes and Localities. Under current law, federal welfare funds flow through state governments which, in turn, add state matching funds and send the combined state and federal funds to localities, including countries and tribal reservations. S. 1120 would change this system by allowing tribal governments to apply for direct federal assistance, bypassing any state role. In addition, we understand a floor amendment will be offered that would similarly allow counties to bypass the state government. We believe any direct funding to tribes or localities would be a serious mistake. First, by eliminating the state role, it is likely to lead to the end of future state funding to those tribes and localities receiving direct federal funds. Second, in the case of tribal families, it would be very difficult to sort out who is responsible for serving families in areas outside of reservations where tribal and nontribal families live interspersed. Third, direct funding to localities will prevent states from undertaking statewide reforms.

State Penalties. As Governors we expect to be held accountable for the use of any federal block grant funds, and are fully committed to repaying any funds that the federal government determines to have been misspent. We are concerned, however, about the punitive nature of the penalties in S. 1120. It goes beyond requiring states to repay any misspent funds by creating a three-tier penalty which 1) requires repayment of misspent funds; 2) imposes a five percent reduction in a state's block grant allotment; and 3) requires states to pay the five percent penalty out of state general revenues rather than through any reduction in program spending. These provisions should be modified.

Performance Bonuses. Whether or not final welfare reform legislation includes state penalties, we believe that it should include bonuses for states with exceptional performance. We support the proposal to give states performance bonuses for each recipient they place in work. States that have been successful in putting welfare recipients to work should be rewarded and allowed to use such bonuses for additional investments in child care for the working poor and welfare-to-work programs.

Thank you for your consideration of our views.

Sincerely,

GOVERNOR TOMMY G. THOMPSON,
State of Wisconsin.
GOVERNOR BOB MILLER,
State of Nevada.

Mr. DOLE. Before I yield—if I could get this—I ask as part of the unanimous consent that when the Senate proceeds to consideration of S. 143, Calendar No. 153, that it be considered under the following time limitation: The committee-reported amendment be withdrawn, the managers be allowed to offer a substitute amendment; further, that the debate time be limited to a total of 9 hours equally divided between the two managers, with the only amendments in order to the bill be the following first-degree amendments, with no second-degree amendments in order, and that each amendment be limited to 45 minutes in the usual form.

The amendments are: An amendment to strike the repeal of trade adjustment assistance; a Specter amendment regarding Job Corps; a Breaux amendment regarding dislocated workers; a Jeffords-Pell amendment regarding adult education; a Dodd amendment regarding national set-asides for migrant workers, dislocated workers, and others; five relevant Kassebaum amendments; and five relevant Kennedy amendments.

This agreement was worked out with my colleague from Kansas, Senator KASSEBAUM, and the Senator from Massachusetts, Senator KENNEDY.

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

Mr. DOLE. I ask unanimous consent that the summary of the leadership amendment, the Dole-Daschle amendment, be printed in the RECORD. I stated just briefly what the summary entails.

And there will be a record vote on this amendment; is that right?

Mr. DASCHLE. Yes.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

LEADERSHIP AMENDMENT

1. CHILD CARE

a. Set aside 1994 Title IV–A child care federal amount (approximately $1 billion) annually to be used for child care as currently provided in bill (as modified by Kassebaum). Allocate based on state's 1994 spending on Title IV–A child care.

b. Provide additional $3.0 billion over 5 years for child care. To be distributed among the states based on the funds for the Title IV–A at-risk child care program. To be eligible, state must have maintained 1994 Title IV–A spending on child care. Must match under the medicaid matching formula.

c. At state option, single parents with children age 5 and under may not be required to work more than 20 hours per week.

2. JOB TRAINING

Free standing bill under agreed upon time agreement.

3. CONTINGENCY GRANT FUND

(This is in addition to loan fund not in lieu of.)

Over 7 years, provides $1 billion in grant fund to be available to states under the following conditions.

a. Funds must be matched at medicaid matching rates.

b. States must have maintained their 1994 level of spending on Title IV–A and IV–F programs.

Limited additional funds available for those states whose base year does not fully reflect subsequent adjustments related to emergency assistance.

4. HARDSHIP EXEMPTION

Increase current hardship exemption in the bill from 15 percent to 20 percent.

5. ABSTINENCE EDUCATION

Increase funding for Title V Block Grant by $75 million per year to be earmarked for abstinence education.

6. PROGRAM EVALUATION

Authorize $20 million per year for evaluation.

7. FOOD STAMPS

In the Food Stamp Program, the standard deduction, a deduction from income given to all food stamp recipients, was reduced, in the original S. 1120, in stages from its current level of $134 in increments of $2 per year down to a level of $124 in FY2000. This modification would reduce the standard deduction to $132 in FY1996 (as in the original S. 1120) and then immediately down to $124 in FY1997 where it would remain through FY2002. CBO gives this change a preliminary savings estimate of $1.1 billion in additional savings.

8. SSI

1. All recipients identified with substance abuse problem must be referred for treatment.

2. $50 million per year for 2 years (97–98) for treatment. Funded under Substance Abuse Block Grant.

3. For the next year, current recipients enrolled with RMAs will continue with RMA.

4. Conform age for eligibility to social security retirement age.

Mr. DOLE. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The distinguished minority leader.

Mr. DASCHLE. Let me thank the majority leader for his cooperation in bringing us to this point. Obviously, this was a matter of a great deal of discussion over the last several days, and I think it represents our best effort at attempting to reconcile a number of issues for which there is interest on both sides.

Obviously, child care was the most significant. As the distinguished leader indicated, this bill provides for $3 billion over 5 years for childcare services to be provided by the States. That is in addition to the $5 billion over the next 5 years that was originally contemplated in the original Dole bill as well as the Democratic bill that we voted upon earlier.

So it represents, in my view, the most significant commitment the Senate has made thus far to the realization that there is a very important investment required in child care if, indeed, we want the recipients of welfare ultimately to find work and to obtain the job skills necessary to work.

In my view, as many of us have indicated, this is the linchpin to making welfare work better. Good child care means better participation, means greater success at what it is we are trying to do. So this is really the key of this amendment as well. Not only is it the key of the bill, but it was critical to finding some resolution to the issue. And as a result of a good deal of discussion and negotiation on both sides, we have now come to this point.

I am very pleased that we can say with some satisfaction that we are providing States with resources that will be critical to their success in making welfare work.

In addition, of course, we have had a good debate about what ought to be the level of maintenance that will be required of States over the next 5 years, what will be required of them, not just what will the Federal Government do, but what will the States do.

We offered an amendment for which there was a very close vote in recognition of the need to require States to do a certain level of responsibility. We have agreed that an 80-percent real maintenance of effort is something that is prudent and something for which there ought to be strong bipartisan support.

We also, as we have just indicated with this unanimous-consent agreement relating to job training, taken out those segments of the original Dole bill that would have authorized job training outside of the welfare context.

Our view is that it is important for us to find ways to ensure that people who are not on welfare have good job training, people who have lost jobs who otherwise would be productive citizens may need to be skilled in new jobs. This whole section of the bill is designed to provide opportunities for that to happen. But it is not a welfare program, so we do not want to give it that welfare connotation.

That is really, in essence, what this agreement does. It allows us to separate out job training and provide for the necessary legislation, as soon as we dispose of this bill and the appropriations bills, to return to job training and allow us to do that.

Fourth, and just as importantly, we recognize that States on many occasions will find that the current allotment is not going to work. I am very concerned about whether the provisions in this bill will allow that to be addressed adequately. We provide $1 billion over 5 years. I recognize we are working under constraints in resources, but I am concerned that we may have to revisit this issue at some point in the future. But $1 billion is better than none at all. States have indicated they need it. This provides it.

So we also, in a bipartisan way, I think, recognize that there will be emergencies, and this fund will allow us to deal with them in a meaningful way.

It also provides a change in the time limits that are provided under the exemption. The original Dole bill allowed Governors a 15-percent exemption. This raises it to 20 percent. We provide $75 million per year in abstinence education and then, finally, at least $50 million over the next 4 years each year for substance abuse treatment. That was the Cohen amendment.

Mr. President, this is a good compromise, a good amendment. I hope that it enjoys broad support next Tuesday when we have the opportunity to vote on it. I propose we have a little bit of time to revisit the issue, maybe 10, 15 minutes on a side prior to the point we vote on final passage and on this amendment. It is worthy of our support, and I appreciate the cooperation of Senators on both sides of the aisle who brought us to this point this afternoon.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I want to compliment the two leaders for their leadership in helping to bring about this agreement. I hope everybody will support the leadership amendment. Not everybody is pleased. That is what compromises are all about. But I have to tell you, a lot of people felt when we started this debate that it would drag out for weeks; that there would be no effective resolution; that we could not bring both sides together, because there are too wide viewpoints: One side wants more and more for welfare and wants it for the best of reasons. The other side believes balanced budgets are the prime effort that we should be taking at this time, because if we do not, the moneys we have will not be worth anything anyway.

If we go to $10 trillion in the national debt, who cares what is going to happen. What happened here because of the two leaders is we have been able to work together and bring together a package that is going to make a whale of a difference for the whole society. It is a savings package, a compassionate package. In other words, it is a package that points toward a balanced budget in a reasonable period of time by the year 2002.

In particular, I want to talk a second or two about our majority leader. This has been one of the more difficult problems that I have seen on the floor. There are so many varying beliefs, so many varying difficulties in managing this bill. It has taken great patience, great tolerance, sometimes pretty tough talk, and an awful lot of leadership to bring this bill to this point where next week we are going to pass it, one way or the other, and we are going to pass it with this leadership amendment.

There are a lot of very, very important parts of this bill. You cannot really say any one part was the linchpin or the only key part that really made this bill possible. We have had everything ranging from abstinence education to food stamps to program evaluation to SSI. Job training has been set apart, mainly because we know it is a very hot issue and a very difficult one to resolve with 150 different job training programs in the Federal Government. What is being done here is trying to consolidate them to make them work better, more efficiently and give the States a little more leeway to be able to solve some of these problems.

On child care, let me tell you something, without the effective work of the majority leader, that would not have been brought about. He had it within his power and was pushed at one time to stop it, to cut out additional

funds for child care above the $5 billion originally in the bill. But he worked with both sides, cajoled both sides, tried to resolve the problems and, ultimately, we have done what really is right here.

We provided an additional $3 billion for child care. First of all, we set aside the 1994 title IV–A child care Federal amount, which is approximately $1 billion, so that it will be used for child care as it should be. That was something that had to be solved. That was an amendment that I pushed very hard.

The distinguished Senator from Kansas displayed a significant—both Senators from Kansas, but I am talking about, in this case, the distinguished chairman of the Labor and Human Resources Committee. Without her, we would not be anywhere near having a child care bill that is the integral part of this bill. She has done a terrific job, along with Senator SNOWE from Maine, and others, that I would like to mention, but for want of time will not.

I have to compliment the distinguished Senator from Connecticut, Senator DODD, and Senator KENNEDY from Massachusetts. These Senators wanted more money. They wanted to do more in this area, but they also had to recognize that there is a limit, that there are not the moneys there and that it is really wrong, basically and fundamentally wrong, to promise to the American people, especially those single heads of household who depend on child care, that there is going to be another $10 billion of child care there, when we are only talking about an authorization and there is no way to get that kind of money. It would have sent out a signal and sent out a message and would have demoralized a lot of people.

What happened is we brought it all together under the leadership of Senator DOLE. I have to say to my good friend from South Dakota as well, the distinguished minority leader, what a tremendous job these two leaders have done. As usual, the majority leader has consistently taken these tough, hard issues day after day, week after week, sometimes having more trouble on our side, but always having plenty of challenge on the other side and getting it done.

In this case, I just cannot compliment these two leaders enough. I would feel badly leaving here today without at least expressing my fondness and my regard for them and their leadership.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, let me also commend and congratulate the Senator from Utah, Senator HATCH, because we were in some very tense discussions yesterday. And we have tense discussions around here from time to time. It was over how do we do the right thing and still save enough money and change the system. I think we ended up right on track in all three areas. Much of it was due to the efforts of Senator HATCH working with Senators on the other side and working with a number on this side of the aisle and working with the majority leader. I, in turn, went to the Democratic leader, and we were able to come together after a little misunderstanding late in the afternoon about whether it was $2 or $3 billion.

In any event, we have now accomplished that, and I think we will have a little debate on Tuesday before the vote. I hope that the two leaders will have 5 minutes each so we can make a closing statement on the bill.

I would expect broad bipartisan support. We have had 95 hours, I think, on this bill, and 38 votes, tough votes. There were a lot of votes today. In fact, there were 10 today. I think we have had a good debate. Everybody has had an opportunity to express their views. I believe when a final vote is taken, there will be a strong bipartisan support for changing welfare as we know it, giving power back to the States. I think that is a big step in the right direction.

There are a number of amendments that have been cleared, and I will offer those at this time.

I ask unanimous consent to temporarily set aside amendment No. 2683 so that I may offer these amendments.

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

AMENDMENTS NOS. 2552; 2567; 2499; 2580, AS MODIFIED; 2585, AS MODIFIED; 2544; 2486, AS MODIFIED; AND 2684

Mr. DOLE. Mr. President, I ask unanimous consent to consider and adopt the following amendments, en bloc, that any amendment be considered as modified where noted with the modifications I send to the desk, and that any statements accompanying these amendments be inserted at the appropriate place in the RECORD as if read. Those are as follows:

A Bryan amendment No. 2552; a Graham of Florida amendment No. 2567; a Bond amendment No. 2499; a Grams of Minnesota amendment No. 2580, as modified; a Stevens amendment No. 2585, previously agreed to, now as modified; a McCain amendment No. 2544; a Levin-Dole amendment No. 2486, previously agreed to, as modified; and an Abraham-Jeffords amendment. I send them all to the desk.

The PRESIDING OFFICER. Without objection, the amendments are agreed to, en bloc.

The amendments (Nos. 2552; 2567; 2499; 2580, as modified; 2585, as modified; 2544; 2486, as modified; and 2684) were agreed to.

The modified amendments and amendment No. 2684 read as follows:

AMENDMENT NO. 2580, AS MODIFIED

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

''(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i)(I) and 2(B)(i) of subsection (b), not more than 25 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

AMENDMENT NO. 2585, AS MODIFIED

On page 16, beginning on line 13, strike all through line 17, and insert the following:

''(4) INDIAN; INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(B) IN ALASKA.—For purposes of making tribal family assistance grants under section 414 on behalf of Indians in Alaska, the term 'Indian tribe' shall mean only the following Alaska Native regional nonprofit corporations:

''(i) Arctic Slope Native Association.

''(ii) Kawerak, Inc.

''(iii) Maniilaq Association.

''(iv) Association of Village Council Presidents.

''(v) Tanana Chiefs Conference.

''(vi) Cook Inlet Tribal Council.

''(vii) Bristol Bay Native Association.

''(viii) Aleutian and Pribilof Island Association.

''(ix) Chugachmuit.

''(x) Tlingit Haida Central Council.

''(xi) Kodiak Area Native Association.

''(xii) Copper River Native Association.

On page 75, between lines 6 and 7, insert the following:

''(i) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State Alaska that receives a tribal family assistance grant under this section shall use such grant to operate a program in accordance with the requirements applicable to the program of the State of Alaska funded under this part.

''(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

AMENDMENT NO. 2486, AS MODIFIED

On page 12, between lines 22 and 23, insert the following:

(G) COMMUNITY SERVICE.—Not later than 2 years after the date of the enactment of this Act, consistent with the exception provided in section 404(d), require participation by, and offer to, unless the State opts out of this provision by notifying the Secretary, a parent or caretaker receiving assistance under the program, after receiving such assistance for 6 months—

''(i) is not exempt from work requirements; and

''(ii) is not engaged in work as determined under section 404(c),

in community service employment, with minimum hours per week and tasks to be determined by the State.

On page 51, strike the matter inserted between lines 11 and 12 by the modification submitted on September 8, 1995, and 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) an amount equal the product of $25 multiplied by the number of children in the

State in families with incomes below the poverty line, according to the most recently available Census data, if—

''(i) the illegitimacy ratio of the State for the most recent fiscal year for which such information is available is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995 (or, if such information is not available, the first available year after 1995 for which such data is available); and

''(ii) the rate of induced pregnancy terminations for the same most recent fiscal year in the State is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995 (or, the same first available year); or

''(B) an amount equal the product of $50 multiplied by the number of children in the State in families with incomes below the poverty line, according to the most recently available Census data, if—

''(i) the illegitimacy ratio of the State for the most recent fiscal year for which information is available is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995 (or, if such information is not available, the first available year after 1995 for which such data is available); and

''(ii) the rate of induced pregnancy terminations in the State for the same most recent fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995 (or, the same first available fiscal year).

''(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 or, where appropriate, the first available year after 1995 for which such data is available, 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 or the appropriate fiscal year 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) POVERTY LINE.—For purposes of this subsection, the term 'poverty line' has the meaning given such term in section 403(a)(3)(D)(iii).

''(5) 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.

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

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

The motion to lay on the table was agreed to.

Mr. DOLE. There were 39 votes and there will be three more, so that is 42 votes before we complete action.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate reconvenes at 2:15 p.m. on Tuesday—and we will be here Monday, but this is after the policy lunch Tuesday—the Senate proceed to 30 minutes of debate to be equally divided in the usual form, to be followed immediately by a vote on the Gramm amendment No. 2615, to be followed by a vote on the Dole modification, to be followed by adoption of the Dole amendment No. 2280, third reading and final passage of H.R. 4, as amended, with 2 minutes for debate between the second and third votes, to be equally divided in the usual form.

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

Mr. DOLE. For the information of all Senators, at 2:15 p.m., there will be 30 minutes for debate, under the control of the leaders or their designees, for wrap-up statements with respect to the welfare bill, and then the Senate will proceed to three back-to-back votes on the Gramm amendment No. 2615, the Dole modification, and final passage of H.R. 4.

Mr. DASCHLE. If the majority leader will yield, just for the information of Senators, is it still the majority leader's intention to bring up the Agriculture appropriations bill on Monday?

Mr. DOLE. If there is no objection, we would like to proceed to that. In fact, I think I have it here. At the hour of 10 a.m. we will proceed to calendar No. 186, H.R. 1976, the Agriculture appropriations bill.

Mr. DASCHLE. The unanimous-consent agreement does include a reference to when votes will take place?

Mr. DOLE. Not prior to the hour of 5:15.

Again, candidly, I know some of our Senators have official business on Monday. So we are trying to accommodate their wishes. We are also trying to finish that bill by Tuesday. I have talked to Senator COCHRAN, the committee chairman. He believes it can be done. There is one particular amendment that will take 2 hours of debate on Tuesday morning, concerning chickens, chilled chickens. It is a matter involving three different States. Kansas is not one of them. It will be interesting.

I hope we can complete action on that following final action on the welfare bill. We had hoped to go to the State, Justice, Commerce Department appropriations bill today. I do not believe we can do that now. I assume we will take that up following the Agriculture bill.

ORDERS FOR MONDAY, SEPTEMBER 18, 1995

Mr. DOLE. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. Monday, September 18, 1995; that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, that there be a period for the transaction of routine morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

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

ORDER TO PROCEED TO H.R. 1976

Mr. DOLE. Mr. President, I ask unanimous consent that at the hour of 10 o'clock the Senate proceed to calendar No. 186, H.R. 1976, the Agriculture appropriations bill, and that no votes occur on Monday prior to the hour of 5:15 p.m.

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

Mr. DOLE. For the information of all Senators, we are going to begin the Agriculture appropriations bill at 10. So we hope Members will offer amendments on Monday, and we can complete action by the lunch recess on Tuesday. Also, by previous consent, three rollcall votes will occur on Tuesday, at approximately 2:45, with respect to the welfare reform bill.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 3:30 p.m., and Members be permitted to speak for 5 minutes each.

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

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, it does not take a rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that ''Reagan ran up the Federal debt'' or that ''Bush ran it up,'' bear in mind that the Founding Fathers, two centuries before the Reagan and Bush Presidencies, made it very clear that it is the constitutional duty of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,968,803,366,390.98 as of the close of business Thursday, September 14. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,861.66 for every man, woman and child in America.

COMMENDING OSEOLA MCCARTY

Mr. LOTT. Mr. President, I rise today to commend a Mississippi woman who is a role model for all Americans, Ms.

Oseola McCarty. Ms. McCarty, of Hattiesburg, has spent her life as a laundress. Due to her compassionate nature, she quit school in the sixth grade to take care of her ill aunt who was unable to take care of herself. At that time she began to wash and iron clothes for people in the Hattiesburg community and began to put money in the bank, dollar by dollar. But she was not thinking of herself. She only took one vacation as a young woman to Niagara Falls and, despite the heat of summer in Mississippi, she just recently purchased a window air-conditioning unit for the home she has lived in for most of her life. She only made the purchase at the insistence of her friends at the bank.

She is no longer able to iron clothes due to her arthritis, but she has given the University of Southern Mississippi $150,000 in order to set up a scholarship for needy black students in her name so someone will have the education she had to give up. She made the statement, ''I just want it to go to someone who will appreciate it and learn. I'm old and I'm not going to live always.'' She gave 60 percent of her savings to the university near her home. The business community in Hattiesburg is overwhelmed with her generosity and has come together to match her donation. Ms. Oseola McCarty has been recognized by local and national media alike, and I am proud to have this opportunity to share this remarkable story of generosity with everyone here today.

Not only should we commend Ms. McCarty, but also her community. At this time of budget cuts and welfare reform, we should use the people of Hattiesburg as a model for our future. Yes, it is going to be tough to bring our Nation to fiscal order, but if we all pool our efforts we can do great things for those who need help. Ms. McCarty lived a frugal existence so that she could give to others. What a wonderful example for us all.

THE PEACE INITIATIVE IN BOSNIA AND HERZEGOVINA

Mr. BIDEN. Mr. President, I rise today both to congratulate the Clinton administration for having taken the lead in the search for peace in the former Yugoslavia and, at the same time, to offer words of caution, even warning.

Mr. President, Benjamin Franklin once wrote. ''There never was a good war or a bad peace.'' These sentiments are indeed seductive, for no one who has seen the carnage of war could wish for anything more fervently than an end to the bloodletting.

Yet, for all his wisdom, Franklin was ultimately wrong. There are good wars. The American Revolution that gave birth to our country was but one example. And there are bad peace settlements. Most historians agree that the Versailles Treaty that ended World War I was fatally flawed and was one of the fundamental causes of World War II.

The point obviously is that a good, sensible peace settlement that eliminates the root causes of conflict—or at least ameliorates the worst injustices—can prevent future war.

Conversely, a peace settlement unduly influenced by important, but secondary considerations such as perceived world opinion, a passionate yearning for an end to hostilities, or deference to sensibilities of allies or even enemies, all at the expense of hard realities, will only temporarily halt the fighting and postpone the attainment of a lasting peace.

Mr. President, it is profoundly unfortunate that for more than 4 years, two administrations abdicated this country's leadership in solving Europe's bloodiest crisis since 1945.

The dismal series of broken promises, aborted cease-fires, and ongoing atrocities in the former Yugoslavia attests to the stark fact that unless the United States takes the lead, no foreign and security problem will be solved in Europe. I do not say this to brag; this is a simple fact echoed by many Europeans.

So I applaud President Clinton for having broken the Balkan logjam this summer through an energetic combination of military action and diplomacy.

Let us recall, however, that in this effort we have paid a grievous price. I take this opportunity to pay tribute to the memory of three immensely talented and patriotic Americans—Joseph Kruzel, Robert Frasure, and Nelson Drew—who last month gave their lives on the Mount Igman Road near Sarajevo in the pursuit of peace.

And now, thanks to the efforts of these men, and to the labors of Assistant Secretary of State Richard Holbrooke and his new team, we are on the brink of another Bosnian cease-fire. This one is being praised:

For having secured a promised withdrawal of Bosnian Serb heavy weapons around Sarajevo and for opening land and air routes into the city—in return for a halt in the NATO bombing campaign.

For thereby having prevented a split in the Atlantic Alliance that reportedly was developing because of the bombing campaign.

For having put a stop to a potentially dangerous confrontation with Russia.

For allowing a framework for a peace settlement to be fleshed out.

And yet, Mr. President, despite the apparent merits of this agreement and of the peace framework, I am worried.

I am worried precisely because I fear that too much attention has been given to secondary considerations at the expense of primary ones.

I am worried because fundamental principles appear to have been sacrificed for short-term gain.

In other words, I am worried that we may be seeing the beginnings of what Benjamin Franklin could not envisage—a bad peace that will inevitably lead to another bad war.

More specifically, I am worried that Assistant Secretary Holbrooke has misjudged the character of the Serbian strongman Milosevic and has unnecessarily and unwisely involved, or even considered involving, Russian troops in the most delicate aspect of the proposed agreement.

Finally, I fear that the administration has seriously overestimated the willingness of this Congress to support the emerging settlement with massive development aid and the commitment of American troops to the former Yugoslavia as peacekeepers.

The joint statement issued on September 8, in Geneva, despite vigorous denials by Assistant Secretary Holbrooke, manifestly abandons the ideal of a multiethnic, multireligious, democratic Bosnia.

Instead, the so-called Republika Srpska, of Karadzic and Mladic—two indicted war criminals—is accorded status equal to the legitimate Government of the Republic of Bosnia and Herzegovina, whose territory must be divided between the Pale Serbs and the Moslem-Croat federation. This, Mr. President, is a huge concession.

And what is gotten in return? The Bosnian Serbs agree to only 49 percent of the territory of Bosnia and Herzegovina. This acceptance has been trumpeted as a major concession on their part, usually described as sacrificing one-third of the territory they currently occupy.

In actuality, however, it has been weeks since the Bosnian Serbs have controlled 70 percent of Bosnia and Herzegovina despite the persistence of the media in erroneously describing it as such.

At the time of the Geneva signing they controlled perhaps 62 percent; this week they lost another 6 or 7 percent.

In short, Mr. President, the military fortunes of the Bosnian Serbs have been on the wane. The NATO bombing campaign has contributed marginally to their difficulties by disrupting their communications, but the Bosnian Serbs' problems run much deeper.

The Serbs' capture of the supposedly safe U.N. areas of Srebrenica and Zepa in July was actually a desperate gamble by General Mladic and his Serbian patron Milosevic to halt their military reverses. The Bosnian Serb Army is outmanned and is plagued by rapidly sinking morale. In the west and north it has lost is allies with the ouster of the Krajina Serbs by the Croatian Army.

The Bosnian Serb Army retains a strong base in Eastern Bosnia and, of course, the capability to indulge in its favorite maneuver, lobbing artillery and mortar shells at defenseless civilians, as shown by the latest massacre in the Sarajevo market.

So it is highly probable that within the near future the situation on the ground would have dictated a willingness of the Bosnian Serbs to sue for

peace—without our offering the formal recognition which they have craved for so long.

Now we face the prospect of a recognized, ethnically cleansed Bosnian Serb entity in a shotgun marriage with the part of Bosnia and Herzegovina that is struggling to maintain the ideals of multiethnic tolerance and compromise. Can one blame the citizens of Sarajevo, Moslems, Croats, Serbs, Jews, and other nationalities, for feeling betrayed?

What is the lesson that other potential ethnic cleansers will learn from this carve-up?

Assistant Secretary Holbrooke was quoted in the New York Times as worrying about the implementation of the details of this strange and contradictory government structure. And well he should worry. But it is the violence done to fundamental principles of decency and democracy that is the real tragedy, not how the mugging is accomplished.

In conceiving both the peace framework and the latest cease-fire, Assistant Secretary Holbrooke has relied on Milosevic to deliver. According to the same New York Times article, Mr. Holbrooke praised the Serbian strongman as a peacemaker.

Mr. Holbrooke is, of course, entitled to his opinion, which is no doubt well-informed. However, I also have dealt personally with Mr. Milosevic, and I much prefer the portrayal of him given by our former Ambassador to Yugoslavia, Warren Zimmerman: A habitual liar who condoned and organized unspeakable atrocities.

Mr. President, these are not just harmless differences of opinion. Rather, they impact directly on the chances for the cease-fire and the peace settlement succeeding.

Because I consider Milosevic to be a liar and a war criminal, I am not at all surprised that he has continued to support the Bosnian Serbs with weapons, training, and vital infrastructural assistance—even during the NATO bombing campaign of the last 2 weeks—all the while assuring us that he has abandoned Karadzic and the Bosnian Serbs in Pale.

I would ask, what is the next step? Are we to reward Milosevic's brazen duplicity with further sanctions of relief for Serbia?

Assistant Secretary Holbrooke was quoted as saying that we did not sell out the Bosnian Moslems. ''They wanted this agreement,'' he assured the New York Times. ''They knew this was a good deal.''

Well, I hope so, but pardon my skepticism. Other than having to abandon their ideal of a unitary, multiethnic State, the Moslem-led Bosnian Government has had to put up with criticism this past week for having had the nerve to launch an offensive with their Bosnian Croat allies to try to liberate parts of western Bosnia that were ethnically cleansed of Moslems and Croats in 1992.

And we certainly do not want to offend the Russians. These are the people who this week accused NATO of genocide for its bombing campaign specifically targeted to avoid civilian areas, even when it meant sparing legitimate military targets.

Other than desecrating the memory of millions of people who really did die as a result of genocide, the Russians with their apoplectic rhetoric and big lie techniques make even the most well-disposed American wonder if much has changed since the bad, old days of Soviet rule in the Kremlin.

So what do we do? If one is to believe press reports, we contemplate a deal that puts Russian forces around Sarajevo to enforce the withdrawal of the Bosnian Serbs' heavy weapons.

This would be a master stroke! We would now put the fate of the long-suffering citizens of the Bosnian capital in the hands of people for whom Bosnian Serb war crimes are allegedly part of a people's struggle for existence.

Suppose, just suppose, that the unthinkable happens and the Bosnian Serbs cheat on the deal and the Russians back them up. Now instead of having the option of resuming the bombing of the Bosnian Serbs, we would have to worry about hitting Russian soldiers.

Mr. President, this reported part of the deal is so incredible that at first I could only believe that it was some sort of a trial balloon. This morning the White House told my staff that it may have been a deliberate piece of disinformation by the Russians. I hope so, because the idea is a nonstarter.

What is the role of Congress in this peace process? In order to cement the bargain the Congress apparently will be asked to pony up half-a-billion dollars as a downpayment on an even larger aid package to follow.

And, as the final stroke, we will be asked to send American soldiers to Bosnia and Herzegovina as apartheid cops to enforce the destruction of the unitary, multiethnic State.

Well this Senator is frankly revolted at the whole thing. Will we be asked to bankroll the fiefdom of the war criminals Mladic and Karadzic who orchestrated vile ethnic cleansing, mass rapes, and mass murder all across Bosnia?

Moreover, now that our pilots have bombed the Bosnian Serbs—as they rightfully have done—does anyone seriously think that Americans would be treated by the Bosnian Serbs as just any old neutral peacekeepers?

Mr. President, I realize that Mr. Holbrooke and his team have worked long and hard and in good faith. I also understand that we are describing work in progress.

But let these concerns that I have raised today be viewed unambiguously as a shot across the bow of the administration's Bosnian peace flotilla: Do not come to Congress with a bad peace to end a bad war.

It has not worked in the past. It cannot work in the future. And Congress, I am confident, will not approve it this time.

FOREIGN RELATIONS COMMITTEE STAFF REPORT ON TURKEY

Mr. PELL. Mr. President, during the August recess two members of the Foreign Relations Committee minority staff traveled to Turkey at my direction to assess a range of issues related to United States-Turkish bilateral relations. Turkey, one of the largest recipients of United States military assistance, is an important United States ally in a dangerous and unstable region. It is therefore, incumbent upon us to take a close look at what is occurring in Turkey—the threats to its security, its political struggles, and its human rights situation. In particular, I asked my staff to focus on Turkey's Kurdish problem, which has broad implications for regional stability, as well as Turkey's relations with the West.

Among the staff's findings is that the Kurdistan Workers' Party [PKK] poses a grave threat not only to Turkey, but to regional stability as well. At the same time, the Government of Turkey is unable—or unwilling—to distinguish the genuine threat posed by the PKK from the legitimate rights and aspirations of the Kurdish people. Turkey is responding with a heavy-handed, indiscriminate military campaign against the Kurds, even as it shuts off opportunities for nonviolent, Kurdish political expression. Consequently, Turkey may be fomenting, rather than preventing Kurdish separatism.

I believe this report makes an important contribution to the Congress' consideration of the United States approach toward Turkey. I ask unanimous consent that the ''Summary of Key Findings'' be placed into the RECORD at this point, and would commend the full report, which is a available at the Foreign Relations Committee office, to my colleagues' attention.

SUMMARY OF KEY FINDINGS

Turkey, which places a high priority on good relations with the West in general and the United States in particular, is an important U.S. ally in a dangerous and unstable neighborhood: Three of its immediate neighbors—Iran, Iraq, and Syria—are on the U.S. list of state sponsors of terrorism; it is engaged in an economic and political competition with Russia for influence in and access to the resources of Central Asia and the Caucasus; there is ongoing conflict to Turkey's north—in Georgia and between Armenia and Azerbaijan. Turkey is not, however, a disinterested in neutral party, it is openly sympathetic to Azerbaijan's position, and although it has opened an air corridor to Armenia, Turkey maintains a road and rail blockade; it continues to spar with Greece over Cyprus and other issues, in particular, a dispute over maritime boundaries in the wake of Greece's ratification of the Law of the Sea treaty threatens to bring Turkey and Greece into outright conflict.

The Kirdistan Workers' Party (PKK) poses a grave threat not only to Turkey, but to regional stability as well. The PKK—which employs deadly terrorist tactics against innocent noncombatants in Turkey and

against innocent civilians elsewhere in the Middle East and Europe—bears direct responsibility for much of the tensions in southeast Turkey and for prompting the recent Turkish invasions of Iraq.

Operation Provide Comfort, the allied humanitarian and security operation in Northern Iraq, is a critical element of U.S. and Western strategies with regard to Iraq, and may be the only thing preventing tens of thousands of Kurds from pouring into southeastern Turkey. Although some Turkish officials recognize these facts and military officials at Incirlik have provided splendid cooperation to their British, French and American counterparts, other Turkish military and political officials (including parliamentarians) argue that Provide Comfort offers the PKK protection and cover in Northern Iraq. This rather schizophrenic view of Provide Comfort makes Turkey appear a relucant participant in the allied effort, which Turkey has exploited to its advantage in dealings with its allies.

In keeping with traditions established during the days of Mustafa Kemal Attaturk, Turkey has an almost paranoid fear of losing its Turkish identity. The government of Turkey accordingly is unable—or unwilling—to distinguish the genuine threat posed by the PKK from the legitimate rights and aspirations of the Kurdish people. As a result, Turkey refuses to engage in a political dialogue with nonviolent Kurdish representatives, and is executing a heavy-handed, indiscriminate military campaign to eradicate what it views as a monolithic threat to the unity of the country.

The city of Diyarbakir, which symbolizes the ethnic difficulties that persist within Turkey, has become a haven for rural Kurds forced to evacuate neighboring towns and villages destroyed by the Turkish military. By some estimates, the city's population has grown from roughly 300,000 to more than 1,500,000 during the past five years. Although Turkish officials, local residents, and some independent observers suggest that tensions have subsided during the past two years, it is evident that any existing calm is tenuous and the result of Turkey's overwhelming—and at times oppressive—security presence, which has exacted a high cost in terms of human rights violations.

Turkey's government refuses even to acknowledge that there is a ''Kurdish problem,'' and thereby is ignoring the real issue. By equating all Kurdish aspirations with the terrorist designs of the PKK, Turkey effectively has eliminated outlets for nonviolent Kurdish political or cultural expression. As a consequence, Turkey unintentionally may be contributing to the PKK's appeal.

Turkey desperately wants to join the European Union's Customs Union, and is making some effort to meet the European Parliament's minimum demands regarding democratization and human rights in order to achieve membership. It may even make some modifications to Article 8 of the Anti-Terror law (which prohibits the advocacy of separatism). Turkey will not, however, take any action which it perceive as comprising the Turkish identity, so there are limits to the amount of genuine change it will make to gain membership in the Customs Union. It is equally unclear that the West would have much impact on Turkish behavior by withholding benefits such as Customs Union membership.

Despite claims that it regards fundamentalism as a threat to its secular heritage, the government of Turkey appears to be encouraging and even sponsoring Islamic activities in an attempt to bind the country together and defuse separaist sentiment. Such a strategy—which parallels efforts of governments in the Near East seeking to counter radical lefist groups during the 1970s and early 1980s—could backfire and inadvertently provide a foothold for Islamic extremists.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

1441. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

1442. A communication from the Associate Attorney General, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

1443. A communication from the Associate Attorney General for Legislative Affairs, transmitting, pursuant to law, the report on the activities and operations of The Public Integrity Section for calendar years 1992 and 1993; to the Committee on the Judiciary.

1444. A communication from the Inspector General of the Railroad Retirement Board, transmitting, pursuant to law, the report of the budget request for fiscal year 1997; to the Committee on Labor and Human Resources.

1445. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the Council on Alzheimer's Disease for fiscal year 1994; to the Committee on Labor and Human Resources.

1446. A communication from the Secretary of Health and Human Services, transmitting pursuant to law, the report entitled, ''Alcohol and Other Drug Abuse Prevention: The National Structured Evaluation''; to the Committee on Labor and Human Resources.

1447. A communication from the Director of Health Care Delivery and Quality Issues, the General Accounting Office, transmitting, the report entitled, ''VA Health Care: Need for Brevard Hospital Not Justified''; to the Committee on Veterans' Affairs.

1448. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report on veterans' employment in the Federal Government for fiscal years 1993 and 1994; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Appropriations, without amendment:

S. 1244. An original bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–144).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS:

S. 1244. An original bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. BOND, Mr. COCHRAN, Mr. DEWINE, Mr. HATCH, Mr. INHOFE, Mr. KYL, Mr. MCCAIN, Mr. SIMPSON, Mr. THURMOND, and Mr. GRAMM):

S. 1245. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hard-core juvenile offenders and treat them as adults, and for other purposes; to the Committee on the Judiciary.

By Mr. WARNER:

S. 1246. A bill to amend titles 5 and 37, United States Code, to provide for the continuance of pay and the authority to make certain expenditures and obligations during lapses in appropriations; to the Committee on Governmental Affairs.

By Mr. GRASSLEY (for himself, Mr. KYL, and Mr. NICKLES):

S. 1247. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan; to the Committee on Finance.

By Mr. WELLSTONE (for himself, Mr. PRESSLER, Mr. HARKIN, Mr. KERREY, Mr. CONRAD, and Mr. DORGAN):

S. 1248. A bill to amend the Internal Revenue Code of 1986 to allow the alcohol fuels credit to be allocated to patrons of a cooperative in certain cases; to the Committee on Finance.

By Mr. FRIST:

S. 1249. A bill to amend the Internal Revenue Code of 1986 to establish medical savings account, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE:

S. Res. 172. A resolution providing for severance pay; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. BOND, Mr. COCHRAN, Mr. DEWINE, Mr. HATCH, Mr. INHOFE, Mr. KYL, Mr. MCCAIN, Mr. SIMPSON, Mr. THURMOND, and Mr. GRAMM):

S. 1245. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to identify violent and hard-core juvenile offenders and treat them as adults, and for other purposes; to the Committee on the Judiciary.

THE VIOLENT AND HARD-CORE JUVENILE OFFENDER REFORM ACT OF 1995

Mr. ASHCROFT. Mr. President, along with Senators ABRAHAM, BOND, COCHRAN, DEWINE, HATCH, INHOFE, KYL, MCCAIN, SIMPSON, and THURMOND, I am pleased to introduce the Violent and Hard-Core Juvenile Offender Reform Act of 1995. The crime epidemic sweeping across our country—growing with each passing year—can be attributed,

in significant part, to the steady increase in serious and violent crimes committed by juveniles.

Between 1988 and 1992, juvenile arrests for violent crimes increased by 47 percent, while adult violent crime arrests increased by 19 percent. Specifically, juvenile murders increased 26 percent, forcible rapes increased 41 percent, robberies increased 39 percent, and aggravated assaults increased 27 percent. These statistics are alarming. But in order for Congress to provide a real solution, it must first understand the nature of the problem. Until that occurs, legislative initiatives coming out of both Houses of Congress will continue to miss the mark.

Just last year, Congress passed the Omnibus Violent Crime Control and Law Enforcement Act, a bill intended to control crime. Although the bill contained some provisions directed at youth violence, they were amendments to the Federal criminal code. The reality is that a very small number of juveniles are tried in Federal proceedings. In 1990, there were 197 such proceedings; in 1991, 166; in 1992, 109; in 1993, 64; and in 1994, 92. Therein lies the major weakness in the 1994 crime bill. Any amendments strengthening the federal criminal code regarding juveniles are limited to those offenders, a minute number, who happen to find themselves in federal juvenile proceedings. If the goal is to reduce juvenile crime, then fundamental changes must occur at the state level. This is because States and local governments handle the vast majority of juvenile offenders.

The problem of juvenile violence is occurring everywhere in the United States.

In Rockland, MA, four teenagers beat a man to death with a baseball bat and bottle while he was waiting for his girlfriend. The assault followed the death of two men who were shot by a teenager for a leather jacket.

In Jacksonville, FL, when the victim could find only $5 in his pocket to appease the two 16 year olds robbing him in 1994, he asked: ''You're not going to shoot me over $5, are you?'' They did, and he died.

In St. Louis, MO, two female college students were out on a weekend night when they were abducted by two suspects, ages 16 and 19. The lone survivor was raped, shot in the face three times, and abandoned. The other, Melissa Aptman, who pleaded with the teenagers not to hurt them, was shot and killed. Both suspects had previous criminal records. In fact, the 16 year old was on probation at the time of the abduction.

In Washington, DC, 11 blocks from the Capitol, a 14 year old stopped a young man during rush hour who he thought had stolen his jacket a few days before. He whipped out a pistol and blazed away. One bullet killed a father of two. The teenager got the maximum sentence: 2 years in the District of Columbia detention center.

In Detroit, MI, six teenagers decided to carjack a motorist by dragging a tree across a road. When the driver tried to run their blockade, one of the thugs shot him dead. The gunman, a 16 year old, was sentenced as a juvenile, and, unless the prosecutor's wins an appeal, he will go free at 21. The judge was quoted as saying, ''I'm not concerned about whether or not this makes anybody safer.''

Law and order in our neighborhood communities have yielded to crime and disorder. For its part, the current juvenile justice system reprimands the crime victim for being at the wrong place at the wrong time, and then turns around and hugs the young criminal, whispering ever so softly into his ear, ''Don't worry, the State will protect you.'' The critical question facing us Americans, as asked by the late FBI Director J. Edgar Hoover, is: ''Are we to stand idly by while fierce young hoodlums—too often and too long harbored under the glossy misnomer of juvenile delinquents—roam our streets and desecrate our communities?'' We cannot afford to stand idly by, not when the homicide rate committed by teens ages 14–17 has more than doubled, increasing 165 percent from 1985 to 1993; not when juvenile arrests for weapons law violations increased 117 percent between 1983 and 1992; not when one out of every 13 juveniles reported being a victim of a violent crime in 1992; and not when the number of juvenile violent crime arrests is expected to double by the year 2010. We must challenge this culture of violence and restore the culture of personal responsibility.

Having examined the juvenile justice system, having analyzed the efficacy of different philosophical approaches, having had conversations with representatives from school districts, law enforcement, and citizens' organizations, I have devised a comprehensive approach that will control violent juvenile crime by encouraging States to enact sweeping reforms. This legislation provides Federal funds to States and local governments to assist them in reforming their juvenile justice systems. The bill identifies violent and hard-core criminals, imposes stiffer penalties, and deters crimes.

First, serious, violent, and chronic juvenile offenders would be held accountable.

The juvenile justice system's primary goal is to rehabilitate the juvenile offender. Such a system can handle runaways or school truants, but is ill-equipped to deal with chronic, serious offenders. Even the National Council of Juvenile and Family Court Judges, a membership organization for juvenile justice professionals, is hard-pressed to admit: Rehabilitation has been remarkably successful for most juvenile offenders. It has not been successful for the small number of chronic and serious offenders. For them, strict accountability appears necessary. Studies have found that a small percentage of juveniles are responsible for the vast majority of serious offenses committed by juveniles. The bill identifies this group of juvenile offenders.

Traditionally, the juvenile court judge decides whether to transfer a juvenile to adult criminal court. In making this decision, the juvenile judge has broad discretion. Thus, the judge is able to abuse his discretion. The bill would replace the subjectivity of the juvenile court judge with the objectivity of the seriousness of the crime committed and the age of the offender. The bill would encourage States to prosecute juveniles, age 14 and older, who commit: First, murder; second attempted murder; third, forcible rape, fourth, serious drug offenses—as defined by Federal law, or fifth, serious offenses while armed with a dangerous or deadly weapon, namely, robbery, assault and battery. Such a system is not a radical idea. In fact, more than 25 States legislatively exclude certain serious offenses from the juvenile court's jurisdiction. Those States include Delaware, Illinois, Indiana, and Maryland. Moreover, the automatic referral of certain serious cases to the criminal justice system will free up limited resources in the juvenile court system.

The criminal justice system, not the juvenile justice system, can emphasize that adult criminal acts have real consequences. The purpose of the criminal justice system is to punish, that is, to hold defendants accountable. Studies show repeatedly that punishment reduces both frequency and seriousness of offenses by young criminals and is most effective when it is consistently imposed for every offense, according to University of Southern California psychologist Sarnoff Mednick. Therefore, since research studies have confirmed that criminal punishment of young offenders will reduce further criminal activity, then serious offenders should face adult prosecution.

In addition, the bill contains what I like to refer to as the ''three-strikes-and-you're-out'' provision for chronic offenders. It provides that juveniles, who have two prior felony adjudications, will be subject to transfer to adult criminal court on their third, subsequent charge for a felony offense. A 1988 study on the court careers of juvenile offenders found that juveniles referred to juvenile court for a second time before age 15 are likely to continue their law-violating behavior. The study further found that juveniles who committed a violent offense were the most likely to return to court charged with a subsequent violent offense. The legislative proposal draws from these findings. The bill seeks to intervene early in the lives of the hardened career criminal and places them in the criminal justice system.

Second, States would create and maintain juvenile criminal records.

The U.S. Supreme Court, in the 1967 landmark decision, In re Gault, said: ''The summary procedures of juvenile courts are sometimes defended by a statement that it is the law's policy to hide youthful errors from the full gaze

of the public and bury them in the graveyard of the forgotten past. This claim of secrecy, however, is more rhetoric than reality.'' In other words, in rhetoric we are protecting juveniles from the stigma of a record but in reality we are coddling criminals. We must divorce the rhetoric from reality by lifting the veil of secrecy. The bill encourages States to create and maintain records on juveniles, age 14 and older, for offenses that if committed by an adult would be classified as a felony. And, juveniles under age 14 adjudicated delinquent of any of the enumerated crimes I mentioned earlier will have their conviction recorded and made available to necessary parties. The bill would also encourage States to transmit juvenile criminal records to the Federal Bureau of Investigation for inclusion in the criminal identification database. That way, when young criminals and gangs move from State to State, their records will follow them. The juvenile records would be made available to law enforcement agencies, school officials, and judges.

Third, juvenile criminal records would be made available to adult courts for purposes of adult sentencing.

According to the 1991 Survey of Inmates in State Correctional Facilities, nearly 40 percent of prison inmates had a prior record as a juvenile. That is approximately four in 10 prison inmates. The significance of this statistical information is illustrated in Armstrong Williams' book ''Beyond Blame'' in which he writes about the real-life experience of a 29-year-old former drug dealer named ''Brad Howard.'' Mr. Williams gives a vivid description of how society suffers the consequences when the criminal justice system fails to hold criminals accountable:

> Brad, staring at a sentence of thirty to sixty years in prison for violating Federal drug trafficking laws, used his drug money and the help of his parents to hire a good lawyer. He was able to beat the charge. The judge, Brad explains, looked favorably on his story to such an extent that even Brad is surprised that he got off. Obviously, the judge thought that Brad was just another young man who inadvertently ended up on the wrong end of the system—probably for lack of real opportunity. In a sense, you can't blame the judge. Brad did not have a criminal record as an adult, since his youthful encounters with the law were hidden from the legal system under rules that prevent juvenile criminal history from being reopened once the person turns eighteen. . . . After the trial was over, Brad returned to the streets.

This is a typical problem with many State statutes that seal juvenile criminal records. Our laws view juveniles through the prism of kids gone astray. When in fact those juveniles who commit serious and violent crimes are criminals who happen to be young. Young criminals know what Brad Howard knew in his former life as a street hustler—that they can commit crimes repeatedly as juveniles because their juvenile records are kept hidden under the veil of secrecy. These young criminals know that when they reach 18 years of age they can begin their second career as adult criminals with an unblemished criminal record. The time has come to discard the anachronistic idea that crimes, no matter how heinous, by juveniles must be kept confidential. Under the bill introduced today, the Brad Howards in this nation would be held accountable for their criminal acts. The Brad Howards would be held accountable in their juvenile years because they would be tried as adults for selling illicit drugs. The Brad Howards would be held accountable in their adult years because their previous juvenile court records would be made available to State and Federal courts at adult sentencing. No longer will the Brad Howards of this country be able to act like neophytes to the criminal justice system. Our message will be clear, cogent, and convincing: Serious acts have serious consequences.

Fourth, school officials would have access to juvenile criminal records.

This past spring, I received a letter from a seventh grader who wrote ''Sometimes I wonder what people think crime really is. It's much worse than that. My definition is bringing drugs and guns to school so that other classmates wake up with the question: Will I be safe today?''

Following receipt of this letter, I met with school officials to discuss school violence. A school teacher recalled an actual incident in which a student came to school with an electronic ankle bracelet and no one had any knowledge of what that a student had done and, more important, no way of finding out.

Students and teachers spend the greater part of their day at school. Students and teachers have a right to a safe, educational environment. Yet students are challenged to learn in an environment in which chronically violent students roam the halls terrorizing them during class exchange periods and after school. Teachers are challenged to carry out their duties and responsibilities in a seriously disruptive work environment. Under my bill, school officials would have access to juvenile criminal records to assist them in looking out for the best interests of all students. If schools know the identity of a violent juvenile, they can respond to misbehaviors by imposing stricter sanctions, assigning particular teachers, or having the student's locker near a teacher's doorway entrance so that the teacher can monitor his conduct during the changing of class periods. In short, this bill would allow schools to take measures to prevent violence.

Fifth, the sharing of juvenile records would assist law enforcement Agencies.

The bill would assist law enforcement agencies in criminal investigations and apprehension. It encourages States to share juvenile record information within their subdivisions and with other States. While visiting with several law enforcement officers I heard the same recurring problem—when police officers arrest juveniles they have no idea with whom they are handling because the records are kept confidential. This veil of secrecy undermines law enforcement efforts. Law enforcement agencies need to know the prior records of individuals who are subsequently arrested. Under the bill, if a juvenile is arrested, the police will be able to access other state criminal history records. With more information, law enforcement officials will be able to make more intelligent decisions, like whether to detain or release a juvenile arrested for a serious crime.

Additionally, the interstate sharing of accurate and up-to-date records would assist police departments in criminal investigations. For example, suppose a young offender is found guilty of burglary in Oklahoma. The court sentences him to 7 months in a detention center. Following his release, he travels to Texas where he robs an elderly lady who upon being accosted refuses to give away her purse. Angered by her refusal the young offender stabs her to death. He opens her purse, takes the wallet, and flees the crime scene. Assume further there are no eyewitnesses to the murder. The police, however, are able to lift fingerprints from the purse. If the bill were enacted, the Texas police would be able to identify the assailant because the juvenile would have been fingerprinted and photographed immediately following his conviction for burglary in Oklahoma.

Sixth, school officials would be able to treat all students equally.

Consider the case of Morgan versus Chris L.: In May 1992, Chris L. was diagnosed as suffering from attention deficit hyperactivity disorder. As a result, he was being treated with prescription medication. Throughout the 1992–93 academic year, his behavioral problems continued. On May 11, 1993, Chris allegedly kicked a water pipe in the school lavatory until it burst—a crime against public property. The Knox County School District filed a petition in juvenile court. Chris' father filed for a due process hearing under the Individuals with Disabilities Education Act [IDEA] to review the filing of the petition in juvenile court. The hearing officer concluded that ''[t]he filing of a petition in Juvenile Court shall be considered as the initiation of a change in placement and/or a disciplinary action commensurate with expulsion or suspension for more than 10 days. * * * [B]efore a school files a petition against a child in Juvenile Court, it must follow the same procedures as for expulsion or suspension for more than 10 days.'' A Federal district court judge upheld the hearing officer's conclusion of law. IDEA is a grant funding statute that contains special due process procedures for children with disabilities. The problem is that the special due process procedures for disabled students take several months, and sometimes a year, to complete.

The practical effect of the judge's ruling is that schools, as a matter of law, cannot unilaterally refer disabled children to juvenile court unless parents consent to the filing of the juvenile court petition. The bill makes it clear that those disabled students who commit criminal acts on school property are not protected under IDEA's special due process procedures.

Seventh, the Office of Juvenile Justice and Delinquency Prevention would provide assistance to States to implement serious habitual offender comprehensive action programs.

The bill would allow State and local governments to use Federal funding to implement serious habitual offender comprehensive action programs [SHOCAP]. SHOCAP is a multiagency program that is intended to improve the effectiveness of jurisdictions in handling serious habitual juvenile offenders. The program enlists police, schools, prosecutors, probation officers, juvenile courts, family and youth services, detention and corrections officials to collaborate more effectively and utilize their collective resources to identify serious, violent habitual juvenile offenders. SHOCAP targets the top 2 to 3 percent of the most serious habitual offenders and puts them under intense supervision.

The Office of Juvenile Justice and Delinquency Prevention, a division of the U.S. Department of Justice, conducted five test pilots of SHOCAP. Oxnard, CA was of the selected sites. SHOCAP was implemented in 1983. Four years later, Oxnard's violent crime dropped 38 percent. By 1989, rape decreased 30 percent; robbery decreased 41 percent; and murder decreased 60 percent. The statistics demonstrate that SHOCAP can effectively control juvenile crime.

SHOCAP is also instrumental in apprehending young criminals. Take, for example, the murder of the British tourist in Monticello, FL. If you recall, four teenagers age 13–16 were charged with murder in the 1993 slaying of a British tourist at a highway rest stop and attempted murder of his companion. The killing occurred while the juveniles were riding around in a stolen car. Because 3 of the 4 teenagers were serious habitual offenders, they were arrested within a matter of days. What is more, the 13-year-old reportedly had more than 50 offenses on his record.

SHOCAP works, and through word of mouth in the law enforcement community: 16 States have at least one experienced site implementing the SHOCAP process; 150 sites have been reported as implementing SHOCAP based on the technical assistance provided by experienced SHOCAP sites; 5 States (Florida, Virginia, Oklahoma, California, & Illinois); and 3 States are reportedly considering SHOCAP legislation.

The bill would make support for SHOCAP available in all jurisdictions.

CONCLUSION

Mr. President, if enacted, the Violent and Hard-Core Juvenile Offender Reform Act of 1995 will effectively address the problem of juvenile violence.

By Mr. WARNER:

S. 1246. A bill to amend titles 5 and 37, United States Code, to provide for the continuance of pay and the authority to make certain expenditures and obligations during lapses in appropriations; to the Committee on Governmental Affairs.

THE FURLOUGH PROTECTION ACT OF 1995

● Mr. WARNER. Mr. President, I offer legislation to safeguard Federal and military pay in the event of a Government shutdown due to an appropriations funding lapse. This bill is titled ''The Furlough Protection Act of 1995.''

Mr. President, during the past several weeks, hundreds of civilian and uniformed personnel of the Federal Government have contacted my office to express their dismay over prospects of a budgetary train wreck and possible employee furloughs.

While I am a strong supporter of the balanced budget resolution and the reconciliation process, I am deeply concerned that the Federal employees could potentially be held hostage to the politics of the budget process as Congress and the administration work out their respective differences in the appropriations process.

The most recent furlough of Federal employees occurred over the Columbus Holiday weekend of 1990. President Bush vetoed a continuing resolution to provide stopgap funding for Government operations. This action was the result of the President's dissatisfaction with congressional progress on the fiscal year 1991 budget.

After the furlough, several Members of Congress asked the General Accounting Office [GAO] to examine the taxpayer costs of the 1990 Columbus Day weekend shutdown. The GAO's findings were published in a 1991 report titled, ''Government Shutdown: Permanent Funding Lapse Legislation Needed.'' The GAO found that of the 22 executive branch agencies surveyed, 7 reported significant shutdown costs totaling about $3.4 million.

The GAO report states that the costs and disruptions of a Government shutdown would have been much more severe if the furlough had occurred during a normal workweek. Twenty of the twenty-two agencies estimated that an average of 506,500 Federal employees would be furloughed daily during a funding lapse. The GAO report goes on to state that the total cost of such a 3-day workweek shutdown would range from $244.6 to $607.3 million. Mr. President, in this time of tight budgetary constraints, such irresponsible actions do not make for good public policy.

Our Nation's dedicated civilian and uniformed personnel should not be penalized for the inability of Congress and the administration to agree on spending priorities. Consequently, I am offering legislation to ensure that uniformed and civilian Federal employees will continue to be compensated during a funding lapse.

Mr. President, my intent in offering this legislation is to provide some measure of financial reassurance for the hundreds of thousands of Federal employees and their families that would be affected by a Government shutdown. It is my hope that Congress and the administration will work together to resolve our respective differences without holding Federal employees hostage to the politics of the budget process. In the best of all worlds, Congress and the President will agree to a continuing resolution to provide limited funding for continued Government operations, however, if an agreement cannot be reached and a funding lapse occurs, my legislation will protect our Nation's dedicated civilian and uniformed personnel and their families from undue financial hardship.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1246

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Furlough Protection Act of 1995''.

SEC. 2. CONTINUANCE OF CIVILIAN PAY DURING PERIODS OF LAPSED APPROPRIATIONS.

(a) CONTINUANCE OF PAY.—Subchapter III of chapter 55 of title 5, United States Code, is amended by redesignating section 5527 as section 5528 and inserting after section 5526 the following:

''§ 5527. Continuance of pay during periods of lapsed appropriations

''(a) For purposes of this section—

''(1) the term 'period of lapsed appropriations', when used with respect to an employee, means any period during which appropriations are not available due to the absence of the timely enactment of any Act or joint resolution appropriating funds for the employing agency of the employee;

''(2) the term 'employee' means an individual employed (or holding office) in or under an agency;

''(3) the term 'agency' means—

''(A) an Executive agency;

''(B) the judicial branch;

''(C) the Library of Congress;

''(D) the Government Printing Office;

''(E) the legislative branch (excluding any agency otherwise referred to in this paragraph); and

''(F) the government of the District of Columbia;

''(4) the term 'pay' means—

''(A) basic pay;

''(B) premium pay;

''(C) agency contributions for retirement and life and health insurance; and

''(D) any other element of aggregate compensation, including allowances, differentials, bonuses, awards, and other similar cash payments; and

''(5) the term 'furlough' means the placing of an employee in a temporary status without duties and pay because of lack of work or funds or other nondisciplinary reasons.

''(b) For any period of lapsed appropriations, there are appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the pay of any employee who—

''(1) performs service as an employee during the period of lapsed appropriations; or

''(2) is prevented from serving during such period by reason of having been furloughed due to a lapse in appropriations.

''(c)(1) Notwithstanding section 1341 of title 31, any employee who is furloughed due to a lapse in appropriations shall be paid for the period during which such employee is so furloughed.

''(2) For purposes of paragraph (1), the pay payable to an employee for any period during which such employee is furloughed shall be the pay that would have been payable to such employee for such period had such employee not been furloughed.

''(d) For purposes of carrying out section 5528 with respect to this section, any reference in section 5528(b) to an agency outside the executive branch shall be construed based on the definition of 'agency' under subsection (a).

''(e) Expenditures made for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever the regular appropriation bill becomes law.

''(f) This section shall take effect on October 1, 1995, and shall terminate on September 30, 1996.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The heading for subchapter III of chapter 55 of title 5, United States Code, is amended by striking ''AND ASSIGNMENT'' and inserting ''ASSIGNMENT, AND CONTINUANCE''.

(2) The table of sections at the beginning of chapter 55 of title 5, United States Code, is amended by striking the item relating to section 5527 and inserting the following:

''5527. Continuance of pay during periods of lapsed appropriations.
''5528. Regulations.''.

(3) The table of sections at the beginning of chapter 55 of title 5, United States Code, is further amended by striking ''AND ASSIGNMENT'' in the item relating to subchapter III and inserting ''ASSIGNMENT, AND CONTINUANCE''.

SEC. 3. CONTINUANCE OF MILITARY PAY DURING PERIODS OF LAPSED APPROPRIATIONS.

(a) CONTINUANCE OF PAY.—Chapter 19 of title 37, United States Code, is amended by adding at the end the following:

''§ 1015. Continuance of pay during periods of lapsed appropriations

''(a) For the purposes of this section—

''(1) the term 'pay', with respect to a member of a uniformed service, means the pay and allowances of such member; and

''(2) the term 'period of lapsed appropriations', when used with respect to any member, means any period during which appropriations are not available due to the absence of the timely enactment of any Act or joint resolution appropriating funds for the uniformed service of that member.

''(b) For any period of lapsed appropriations, there are appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for the pay of any member serving as a member of a uniformed service during the period of lapsed appropriations.

''(c) Expenditures made for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever the regular appropriation bill becomes law.

''(d) This section shall take effect on October 1, 1995, and shall terminate on September 30, 1996.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 19 of title 37, United States Code, is amended by inserting after the item relating to section 1014 the following:

''1015. Continuance of pay during periods of lapsed appropriations.''.●

By Mr. GRASSLEY (for himself, Mr. KYL, and Mr. NICKLES):

S. 1247. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan; to the Committee on Finance.

THE FAMILY MEDICAL SAVINGS AND INVESTMENT ACT

● Mr. GRASSLEY. Mr. President, last year we had a long, controversial, debate about health care reform. When the dust had settled, a number of things were clear. The American people want health care cost containment. They want to choose their own physician. They want portable health insurance. They don't want to worry about losing their health insurance if they lose or change their jobs. Finally, they want more equitable treatment under the tax code. Mr. President, today I am introducing a medical savings account [MSA] bill which can help achieve each of these goals.

The basic MSA concept is simple and straightforward, and similar to individual retirement accounts: Reduce premium costs by selecting a catastrophic, high-deductible policy. Use the premium cost savings to establish special medical savings accounts. Pay medical costs below the deductible amount from the medical savings account. And provide favorable tax treatment of these accounts.

Wider use of medical savings accounts would reduce health care costs. It would do so by reducing administrative costs. Those with MSA's would pay most of their low dollar, under $3,000, health care claims from these accounts. The administrative cost of such claims would be negligible.

It would do so also by making consumers more selective in the use of optional health care services.

Most importantly, it would cause them to be more selective in choosing competing providers. This competition among providers for the business of those who hold MSA's should reduce the prices they charge for their services.

It is true, as critics of medical savings accounts have charged, that a relatively small percentage of people spend a majority of the health care dollars. By implication, since MSA's would pay only for relatively low dollar claims, they will not have a major impact on health care costs. However, it is the case that substantial sums are spent for relatively low dollar claims under $3,000. Thus, wider use of MSA's does offer the potential of lower health care costs.

Second, MSA's put the patient back into the health care equation. Patients will make more cost-conscious decisions for routine health care expenses. Those who hold medical savings accounts would be able to chose their own physicians for routine medical expenses under the deductible limit. Since the money they spend for health care up to the deductible would be their own, no one else could tell them what physician they could see, or what services they could pay for. It should also be clearer, in an MSA context, that the money spent for the catastrophic health plan is the individual consumer's money. Organizations providing health care through the catastrophic coverage policy necessarily will have to orient themselves toward satisfying the individuals purchasing those policies.

Third, wider use of medical savings accounts would make health care coverage more dependable. Individuals with MSA's would no longer have to worry about losing insurance when changing jobs or when experiencing temporary unemployment. Their MSA's would follow them to their new jobs, or would continue to protect them when they become unemployed.

Fourth, it follows that medical savings accounts should increase health care coverage. Fully half of the approximately 40 million Americans who are uninsured at any given time are uninsured for 4 months or less. Only 15 percent are uninsured for more than 2 years. For most, these uninsured periods occur between jobs. Widespread use of medical savings accounts would reduce the number of uninsured, since individuals would be able to pay health expenses during periods of unemployment from those accounts.

Fifth, wider use of medical savings accounts would promote personal savings. Since pre-tax moneys are deposited in medical savings accounts, there is a strong tax incentive to use them.

Finally, it would make the tax treatment of health insurance more equitable. Currently, the tax system allows employers who pay for health insurance for their employees to deduct it from the income on which they pay Federal taxes. It permits the employees who receive such an employer-provided benefit to exclude its value from their taxable income. The better paid the employee and the richer the benefit provided by the employer, the bigger the tax benefits to employer and employee. In contrast, smaller employers who do not offer health insurance and their employees, the self-employed, and the unemployed receive no tax benefit. This is manifestly unfair.

This bill, if enacted, would help to correct that situation. Any individual capable of contributing to a medical savings account would receive favorable tax treatment. Amounts contributed by individuals to an MSA could deduct those contributions from income for Federal tax purposes. Or, if their employer contributes to an MSA

on their behalf, the employee can exclude the contributed amount from income for Federal tax purposes.

The medical savings account bill I am introducing today is a revision of H.R. 1818, the Family Medical Savings and Investment Act of 1995, introduced by Congressman ARCHER on June 13 of this year.

This bill would permit individuals to maintain a medical savings account. They could do so if they are covered at the same time by a catastrophic health plan. Contributions to the medical savings account would be excludable from gross income if made by an employer on behalf of an employee. They would be tax deductible if made by the individual. The total amount that could be excluded or deducted from income would be the lesser of the deductible amount under the catastrophic policy, or $2,500 for an individual and $5,000 for a family.

An individual could withdraw from this medical savings account to pay for qualified medical expenses. Such withdrawals would be excludable from gross income for tax purposes.

Mr. President, the medical savings account bill I am introducing today, if enacted, would achieve a number of the most important health care reform goals the American people desire.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE GRASSLEY FAMILY MEDICAL SAVINGS AND INVESTMENT ACT

How The Grassley Bill Works: It would allow MSAs equal tax treatment with other types of employer-provided health insurance, and it would allow individuals and the self-employed the ability to contribute to a Medical Savings Account (with certain restrictions) and receive a 100% deduction for their contribution. The Grassley bill will end the current tax-code discrimination against MSAs by ending the taxation on MSA deposits. Interest build-up in MSAs, however, would be taxed as ordinary income.

How MSAs Work: MSAs are flexible, and could work like this: an employer would create the option for employees to choose an MSA by purchasing a high-deductible policy. The employer would then deposit funds in the MSA. The amount of the deposit in the MSA under Grassley is limited to the lesser amount of either the deductible amount of the insurance policy, or to $2,500 for an individual, or $5,000 for a family. Below is a chart which explains the changes the Grassley bill makes in current law.

Insured premium	MSA contribution	High-deductible
Employees with Employer-Provided Insurance.	Allows deposits of up to $5,000 for families and $2,500 for individuals and excludes deposits from taxes.	Retains current law: premium costs are 100% excluded from taxes.
Self-Employed	Allows deposits of up to $5,000 for families and $2,500 for individuals. 100% tax deductible for qualified medical expenses.	Retains current law: 30% deduction for self-employed for premium costs.
Individuals	Allows deposits of up to $5,000 for families and $2,500 for individuals. 100% tax deductible for qualified medical expenses.	Retains current law: allows deduction for medical expenditures if they exceed 7.5% of gross income.

Roll Over of Funds: The money in the account is the family's money, and they have complete control over it. The account is portable, and accessible for any medical expense. The funds in the MSA roll over from year to year for future medical expenses or for retirement needs.

Long-Term Care: The Grassley bill allows individuals and families to pay for long-term care premiums from the account. Over the longer term significant portions of the population will use funds from the MSAs to purchase private insurance for long-term care coverage. This coverage will in turn decrease the demand on the Federal government for such services, as will the savings that build up in MSA over time which can be used for health care and other retirement costs.

Cost: The House companion bill, Archer-Jacobs, has been scored by the Joint Committee on Taxation as costing $1.8 billion over seven years.

Support for the 10% Penalty on Non-Medical Withdrawals: In addition to taxing these funds as income, the Archer bill imposes a 10 percent penalty for non-medical withdrawals. The Business Coalition strongly supports the 10 percent penalty since we believe it will encourage savings and discourage frivolous consumption. One of the key indirect effects of MSAs will be to increase our nation's abysmally low savings rate, which in turn will help lower interest rates.

MSAs Have a Strong Appeal to Low-Income Wage Earners: Companies that have MSAs have found MSAs are most popular among lower income employees. Under conventional insurance plans, low-income employees would have to meet their $250 or $500 deductible with after-tax dollars before they could access their insurance. A single mother earning $14,000 or $15,000 a year may find it difficult to meet the deductible when rent, transportation, taxes, grocery bills and other needs for her children are pressing. An MSA allows these low income earners first dollar coverage, permitting them to get medical care when they or their children need it.

MSAs Enhance Portability: Should an employee change jobs or be laid off or fired, the money in his MSA goes with him. This feature of MSAs allows the individual to continue to pay for his health care premium until he finds another job or is accepted into his new employer's health care plan. Indeed, according to the above cited article in the Journal of American Health Policy, ''forty-one percent of persons losing private health insurance have an uninsured spell that ends within one to three months, and 71 percent have a spell that ends within four months.'' MSAs are a perfect tool to help bridge this gap.

MSAs Allow Total Freedom of Choice of Doctor: MSAs allow patients to shop around, choose their own doctors, and tailor their health care expenditures to suit their own needs.

MSAs Encourage Savings for Retirement Care Costs: According to the U.S. Census Bureau, the number of Americans most likely to need long term care (85 years and older) will double in the next 25 years, and the number of Americans over 90 will triple. Allowing individuals in their late thirties and early forties to have an MSA in which they could build up two or three decades of savings, would give these individuals the funds to pay for drug therapies, nursing home care, and in-home care.

MSAs Will Stimulate Administrative Savings: When paying for routine health care costs, the MSA patient has no forms to fill out or claim forms to file. The patient would simply write a check to the provider from his MSA, or the doctor would bill the employer or insurance company, depending on how the MSA patient's plan is administered. In most cases, the doctor receives payment immediately. The patient's insurance company would not have to incur the cost of adjudicating a small, say, $30 claim.

SIGNIFICANT CHANGES TO THE ARCHER-JACOBS BILL AS INTRODUCED BY SENATOR GRASSLEY

The Grassley MSA bill incorporates six significant improvements to the Archer bill.

FEHBP Employees Are Eligible: The Grassley bill allows federal employees in the Federal Employee Health Benefit Plan (i.e. Hill staff, Senators, and Representatives) to have an MSA. Legislation is needed to make this possible.

Withdrawal at 59½ years old: Retirement withdrawal at 59½ years old is provided for in the Grassley bill, and the provision for withdrawal is similar to the current rules for IRAs. This provision was not in the original Archer-Jabobs bill because of the uncertainty of how MSAs would be structured for Medicare.

One Family MSA Per Family: $300 million will be knocked off the official score of the bill by restricting one family to only one $5,000 MSA. The Archer bill as written could have allowed one family a $10,000 MSA.

Hundreds of Millions of Dollars in Savings from Changes in the treatment of Flexible Spending Accounts (FSAs): Several hundred million dollars will be saved by not allowing the FSA to rollover into an MSA during the first year of this MSA legislation.

Total Cost Savings for Grassley Bill: With the restriction of one MSA per family, and with the change in the treatment of FSAs in the Grassley bill, the cost of the bill will be $500 million cheaper than the Archer-Jacobs bill. The Grassley bill score will be about $1.8 billion over 7 years.

New Minimum Deductibles for High Deductible Policies: The minimum high-deductible policy in the Grassley bill is $1,500 for individuals, and $3,000 for families, as opposed to $1,800 for individuals and $3,600 for families in the Archer-Jacobs bill.

No spending from the MSA for high-deductible health care premiums: Unless an employee is laid off, MSAs will not be used to pay for health care premiums for working employees. The MSA was never designed to operate as a fund for the high-deductible premium, only as a source of funds for medical costs below the deductible level of the high-deductible policy.

Note: The bill Senator Grassley will introduce in the Senate will include these changes. The above changes to the Archer-Jacobs bill will likely be made to the Archer-Jacobs bill in mark-up since Senator Grassley's office worked closely with the House Ways and Means Committee staff and the Joint Committee on Taxation in making these changes.●

By Mr. WELLSTONE (for himself, Mr. PRESSLER, Mr. HARKIN, Mr. KERREY, Mr. CONRAD, and Mr. DORGAN):

S. 1248. A bill to amend the Internal Revenue Code of 1986 to allow the alcohol fuels credit to be allocated to patrons of a cooperative in certain cases; to the Committee on Finance.

ALCOHOL FUELS CREDIT LEGISLATION

● Mr. WELLSTONE. Mr. President, on behalf of myself and Senators PRESSLER, HARKIN, KERREY, CONRAD, and DORGAN, I am introducing a bill to correct a discrepancy in the Tax Code which acts to discriminate against a type of enterprise that Federal policy should actually be encouraging: small, cooperatively owned ethanol plants.

The bill would allow these plants to utilize the existing small ethanol producers credit by passing the credit through to their owner/members.

I am confident that it was never the intention of Congress to preclude cooperatives from making full use of this credit. Rather, the current obstacle facing co-ops is a result of legislative oversight at the time the original small producers credit was passed. Farmer-owned cooperatives simply were not a prominent part of the ethanol industry landscape in 1990, whereas today they certainly are.

Indeed, I am extremely pleased that Minnesota leads the Nation in small, cooperatively owned ethanol plants. We have two already in operation, and four more under construction in our State. Still another Minnesota cooperative ethanol plant has been so successful that it has expanded in our State beyond what the small producers credit considers a small plant, and its owner/members have even constructed an additional cooperative plant in Nebraska.

These plants produce a clean fuel which is essential to the achievement of Clean Air Act objectives in American cities. They create jobs in rural communities. By utilizing agricultural commodity crops, they bolster the price of those crops and thus reduce the cost of Federal farm programs. And because they are owned by farmers, small ethanol-producing cooperatives allow farmers to do what is becoming more and more necessary: Move up the food chain and capture the value-added dollars in processed agricultural products.

Not only farmers benefit from this retention of value-added processing dollars; entire rural communities do. Farmer-owned cooperatives help make sure that precious renewable resources contribute to the local rural economy and are not merely removed for a low price and processed in other locations.

Mr. President, Congress has recognized the importance of promoting the development of domestically produced, renewable clean fuels. In addition to the economic and environmental benefits I have mentioned, we in Congress also consciously have decided for energy-security reasons to promote domestic renewables. The relatively young ethanol industry has received needed assistance. That assistance is especially justified in view of the decades of assistance and preference that the Federal Government has provided for the nonrenewable fossil fuels industry, much of whose product today is imported.

The assistance we have provided to the ethanol industry is paying off. It is allowing the industry to grow, and it is making the industry better. It has helped the ethanol industry become more economically efficient and more energy efficient. A study released by the Department of Agriculture this summer concludes that ethanol yields nearly 25 percent more energy than is used in the growing, harvesting, and distilling of the corn that is the feed stock for most American ethanol plants—plants which convert that corn to a premium liquid fuel. USDA's study found that each gallon of domestically produced ethanol displaces 7 gallons of imported oil. That is a remarkably positive statistic.

One criticism of Federal support for ethanol is that the industry has in its recent history been dominated by a single large corporation. The small producer credit and the extension of that credit to cooperatively owned plants acts directly to address that concern. In Minnesota, cooperatively owned plants are the leading ethanol producers. That trend can and should be further encouraged.

The existing small ethanol producer credit allows ethanol plants which produce fewer than 30 million gallons annually to collect a 10-cent-per-gallon tax credit for the first 15 million gallons of their production. Unfortunately, the Internal Revenue Service has judged that the way the provision of the Tax Code is currently written, cooperatives cannot pass the credit through to their patrons. Thus, a co-op which distributes all income to patrons in the form of dividends cannot utilize the nonrefundable credit because it lacks taxable income to which the credit can be applied. Farmer-owners, who are taxed on their share of the cooperative's income, are denied the credit. The bill would correct this unintentional negative outcome by explicitly authorizing the passthrough of the credit to patrons of a cooperative. Those few cooperatively owned ethanol plants which retain income at the cooperative level, usually due to the business' relationship to another cooperative business, could continue to collect the credit at the cooperative level.

Mr. President, it is no time to stand still regarding Federal policy which affects the economic health of our rural communities. This bill links positive effects for the rural economy to sound energy and environmental policy. It is endorsed by the National Council for Farm Cooperatives, the American Farm Bureau Federation, the National Corn Growers Association, the National Farmers Union, and the American Corn Growers. It has been introduced with bipartisan cosponsorship in the House of Representatives, and I hope we can pass it here in the Senate.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.

(a) IN GENERAL.—Subsection (d) of section 40 of the Internal Revenue Code of 1986 (relating to alcohol used as fuel) is amended by adding at the end the following new paragraph:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization made on a timely filed return (including extensions) for such year, be apportioned pro rata among patrons on the basis of the quantity or value of business done with or for such patrons for the taxable year. Such an election, once made, shall be irrevocable for such taxable year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons pursuant to subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) for the taxable year of the organization, and

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron in which the patronage dividend for the taxable year referred to in subparagraph (A) is includible in gross income.

''(C) SPECIAL RULE FOR DECREASING CREDIT FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the cooperative organization's return for such year, an amount equal to the excess of such reduction over the amount not apportioned to the patrons under subparagraph (A) for the taxable year shall be treated as an increase in tax imposed by this chapter on the organization. Any such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G of this part.''

(b) TECHNICAL AMENDMENT.—Section 1388 of such Code (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following new subsection:

''(k) CROSS REFERENCE.—

''For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d)(6).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1994.●

By Mr. FRIST:

S. 1249. A bill to amend the Internal Revenue Code of 1986 to establish medical savings accounts, and for other purposes; to the Committee on Finance.

MEDICAL SAVINGS ACCOUNTS LEGISLATION

● Mr. FRIST. Mr. President, I introduce legislation aimed at controlling skyrocketing health care costs in America today. Specifically, this legislation creates medical savings accounts [MSA's] which are designed to give individuals another choice in the health care market. MSA's also serve to change provider and consumer behavior by decreasing the role of third party payors, while increasing individual awareness of health care costs.

Today, there is little, if any, incentive for patients to be cost-conscious consumers of health care. Imagine if you were required to pay only 20 cents of every dollar you spend on food, clothing, consumer goods, and transportation. Essentially, imagine that an

80 percent off sign was posted above every product you buy. If this were the case, you'd probably eat more, buy more, and own more, probably much more than you need. This may sound too good to be true—but it's exactly what is happening in our health care system today.

On average, every time a patient in America receives a dollar's worth of medical services, 79 cents is paid for by someone else—usually the Government or an insurance company. The result is that we grossly overconsume medical services. Everyone wants the best—whether it is a deluxe hospital room, the latest in nuclear medical imaging, or an MRI scan for a headache—and the result is that health care costs are going through the roof.

Medical savings accounts are a solution. MSA's would give individuals more choice in the health care market. MSA's would stem rising health care costs without decreasing the availability and quality of patient care by empowering individuals to purchase medical services directly. These personal accounts would encourage patients to make prudent, cost-conscious decisions about their health care needs, and would force hospitals and physicians to compete for patients on the basis of the cost and quality of care.

What are Medical savings accounts? Medical savings accounts are tax-free, personal accounts which can be used by an individual to pay medical bills. Take, for example, the employee of a company: today an employer might pay three or four thousand dollars for a medical insurance policy with a $500 deductible. The employee has no incentive to be cost-conscious. In contrast, with my legislation, if medical savings accounts were available, the employer would deposit an amount up to $2,500 tax free in the savings account, which would belong to the employee. The employee would buy an inexpensive, catastrophic-type policy which would cover all medical expenses above $2,500 per year. For medical expenses up to the $2,500 annual out-of-pocket cost, the employee would use money from the savings account. Any savings account money not spent on health care expenses that year would grow in the employee's account and would accumulate year to year. The money could be used to pay for health care expenses, insurance premiums during periods of unemployment, and long-term care expenses.

Furthermore, as owner of the account, the individual has a strong incentive to become a cost-conscious consumer of medical care. He will demand quality care at competitive prices. The system will respond with better outcome measures and lower unit prices for health care. We will potentially save billions of dollars in health care costs because individual patients will modify their health care habits to consume health care services prudently.

Medical savings accounts—and this is usually overlooked by policy makers in Washington—will change provider behavior as well. Throughout much of my practice as a heart and lung transplant surgeon, I would perform a transplant, submit the bill, and it was paid—no questions asked. However, one day an individual—who was actually paying for his transplant from his own pocket—came into my office with a list of five or six transplant centers, morbidity data, infection rates, and prices. He asked me why I charged what I charged, why my success was different than others on his list, and how our program at Vanderbilt differed from its competitors. That one individual caused me to totally reassess how our multiorgan transplant center operated. For the next 2 weeks, each of the transplant teams at our facility worked together to determine where we could improve the quality of care and become more efficient and ultimately lower our prices in a competitive market.

Because someone else usually pays the bills, many patients forget that they are consumers. They don't ask providers to be accountable. If one individual empowered because he was responsible for his own health care dollars could transform my entire transplant center by asking questions, imagine what could happen if we empowered hundreds of thousands of individuals across the county similarly.

Finally, let me describe how my legislation differs from previously introduced MSA bills. Previous bills have defined only a catastrophic plan by the dollar amount of the deductible. These bills, by their very nature, would exclude other types of plan designs which focus on significant cost sharing. If our goal is to allow individuals greater control of their health care dollars, it makes sense to allow individuals a choice of MSA plan options to best meet their unique needs. The real value of our U.S. health care market lies in its responsiveness and opportunity for innovation. My legislation is designed to encourage this innovation. My legislation defines a catastrophic health plan as any health plan which has an annual ''out-of-pocket expense requirement'' which is not less than $2,500. With this definition, in addition to traditional indemnity insurers, a broad range of coordinated care plans will also be able to offer an MSA plan. In turn, competitive market forces will spur innovation to meet the needs of the market, and individuals will benefit from a variety of MSA plan options to choose from. For example, one individual may choose a high deductible plan for which MSA dollars would fund 100 percent of the first $2,500 of care. However, another individual may choose a different plan requiring 50 percent cost sharing for the first $5,000 of care. Both plans will encourage cost-conscious behavior.

Mr. President, I ask that the introduction of my medical savings account proposal today be viewed as a fresh start. As I have explained, some of my colleagues in the Senate and House have proposed that medical savings accounts be linked only to high-deductible, catastrophic health policies. I, however, believe that my proposal will increase the choices available to individual consumers. This will not only increase choices available to individuals, but will reduce the potential problem of adverse selection and will promote a level playing field in the health care system.

Mr. President, in closing, we in America are fortunate to have the absolute highest quality health care in the world. When the leaders of the world become seriously ill, they do not go to Great Britain or Canada to seek treatment, they come to the United States. And while there are those who would like to stifle our technological advances and allow bureaucrats to tell us how much and what kind of health care we can receive, the American people have loudly and clearly rejected this notion.

No one can predict what will happen in medicine in the first 50 years of the 21st century. Fifty years ago, when my father was a young doctor in Tennessee making house calls, he could not have envisioned what medical practice today would be like. The technological advances are simply mind-boggling. Mr. President, the challenge for us is to maintain the highest quality health care in the world and to continue to make it available to all Americans. But this can only be done if we first change the basic framework through which medical services are consumed, and build on a market-based system. I believe my legislation which creates the use of medical savings accounts will be a major step in that direction.

I would welcome any suggestions my colleagues or others may have for improving this legislation and hope we do not forgo the opportunity to establish MSA's this year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEDUCTION FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

''SEC. 220. CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an eligible individual, there shall be allowed as a deduction the amounts paid in cash during the taxable year by the individual to a medical savings account for the benefit of—

''(1) the eligible individual, or

''(2) any spouse or dependent (as defined in section 152) of the eligible individual who is enrolled in the same health plan as the eligible individual but only if the spouse or dependent is also an eligible individual.

''(b) LIMITATIONS.—

''(1) ONLY 1 ACCOUNT PER FAMILY.—No deduction shall be allowed under subsection (a) for amounts paid to any medical savings account for the benefit of an eligible individual, such individual's spouse, or any dependent (as so defined) of such individual if such individual, spouse, or dependent is a beneficiary of any other medical savings account.

''(2) DOLLAR LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a deduction under subsection (a) with respect to contributions to a medical savings account for the taxable year shall not exceed the lesser of—

''(i) $2,500 ($5,000 in the case of a medical savings account established on behalf of more than 1 individual), or

''(ii) the catastrophic health plan differential.

''(B) CATASTROPHIC HEALTH PLAN DIFFERENTIAL.—For purposes of subparagraph (A)(ii)—

''(i) IN GENERAL.—The catastrophic health plan differential for any taxable year is equal to the sum of the amounts determined under clause (ii) for each month during the taxable year for which the taxpayer was an eligible individual.

''(ii) MONTHLY DIFFERENTIAL.—The amount determined under this clause for any month is the excess (if any) of—

''(I) the monthly premium determined under clause (iii) for the same class of enrollment as the catastrophic health plan in which the eligible individual is enrolled in, over

''(II) the aggregate amount paid for coverage for such month under the catastrophic health plan.

''(iii) MONTHLY PREMIUM.—Not later than December 31 of each calendar year, the Secretary shall determine and publish the monthly premium (for each class of enrollment) for coverage under the health benefits plan offered under chapter 89 of title 5, United States Code, with the highest enrollment, adjusted for a national population under 65 years of age (as determined by the Secretary) for the following calendar year. The premium shall be determined on the basis of the annual open enrollment period with respect to such following calendar year.

''(C) COST-OF-LIVING ADJUSTMENT.—In the case of a taxable year beginning in a calendar year after 1996, each dollar amount in subparagraph (A)(i) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '1995' for '1992' in subparagraph (B) thereof.

''(3) PHASE-IN OF DEDUCTION.—In the case of taxable years beginning after December 31, 1995, and before January 1, 2000, only the following percentages of the deduction allowable under this section (without regard to this paragraph) shall be allowed:

''If the taxable year begins in:	**The applicable percentage is:**
1996 or 1997	50 percent
1998 or 1999	75 percent

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means, with respect to any month, any individual who is not eligible during such month—

''(A) to participate in an employer-subsidized health plan maintained by an employer of the individual, the individual's spouse, or any dependent (as defined in section 152) of either, or

''(B) to receive any employer contribution to a medical savings account.

For purposes of subparagraph (B), a self-employed individual (within the meaning of section 401(c)) shall not be treated as his own employer.

''(2) CATASTROPHIC HEALTH PLAN.—For purposes of this section—

''(A) IN GENERAL.—The term 'catastrophic health plan' means a health plan which—

''(i) has an annual out-of-pocket expense requirement per covered individual which is not less than $2,500, and

''(ii) has an aggregate annual limit on out-of-pocket expenses for all covered individuals which is not less than $5,000.

''(B) MINIMUM PERIOD OF PLAN.—A health plan shall not be treated as a catastrophic health plan unless—

''(i) the initial period of coverage under the plan is 24 months, and

''(ii) coverage under the plan may not be terminated after such initial period without advance notice of at least 1 year unless the individual is enrolling in another catastrophic health plan.

Clauses (i) and (ii) shall not preclude any termination for cause.

''(C) HEALTH PLAN.—The term 'health plan' means any plan or arrangement which provides, or pays the cost of, health benefits. Such term does not include the following, or any combination thereof:

''(i) Coverage only for accidental death, dismemberment, dental, or vision.

''(ii) Coverage providing wages or payments in lieu of wages for any period during which the employee is absent from work on account of sickness or injury.

''(iii) A medicare supplemental policy (as defined in section 1882(g)(1)) or additional health care services under a risk contract under section 1876 for which an individual is charged premiums in addition to premiums under part B of title XVIII.

''(iv) Coverage issued as a supplement to liability insurance.

''(v) Workers' compensation or similar insurance.

''(vi) Automobile medical-payment insurance.

''(vii) A long-term care insurance policy, including a nursing home fixed indemnity policy (unless the Secretary determines that such a policy provides sufficiently comprehensive coverage of a benefit so that it should be treated as a health plan).

''(viii) An equivalent health care program.

''(ix) Any plan or arrangement not described in any preceding subparagraph which provides for benefit payments, on a periodic basis, for a specified disease or illness or period of hospitalization without regard to the costs incurred or services rendered during the period to which the payments relate.

''(x) Such other plan or arrangement as the Secretary determines is not a health plan.

''(D) EQUIVALENT HEALTH CARE PROGRAM.—The term 'equivalent health care program' means—

''(i) part A or part B of the medicare program under title XVIII of the Social Security Act,

''(ii) the medicaid program under title XIX of the Social Security Act,

''(iii) the health care program for active military personnel under title 10, United States Code,

''(iv) the veterans health care program under chapter 17 of title 38, United States Code,

''(v) the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), as defined in section 1073(4) of title 10, United States Code, and

''(vi) the Indian health service program under the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.).

''(3) MEDICAL SAVINGS ACCOUNT.—The term 'medical savings account' has the meaning given such term by section 7705.

''(4) TIME WHEN CONTRIBUTIONS DEEMED MADE.—A contribution shall be deemed to be made on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''

(b) DEDUCTION ALLOWED AGAINST GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

''(16) MEDICAL SAVINGS ACCOUNTS.—The deduction allowed by section 220.''

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 220. Contributions to medical savings accounts.

''Sec. 221. Cross reference.''

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

SEC. 2. EXCLUSION FROM INCOME OF EMPLOYER CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 106 (relating to contributions by employers to accident and health plans) is amended by adding at the end the following new subsection:

''(b) CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.—

''(1) TREATMENT OF CONTRIBUTIONS.—

''(A) IN GENERAL.—Gross income of an employee who is covered by a catastrophic health plan of an employer shall not include any employer contribution to a medical savings account on behalf of the employee or the employee's spouse or dependents (as defined in section 152).

''(B) NO CONSTRUCTIVE RECEIPT.—No amount shall be included in the gross income of any employee solely because the employee may choose between the contributions described in subparagraph (A) and employer contributions to a health plan of the employer.

''(2) LIMITATIONS.—

''(A) ONLY 1 ACCOUNT PER FAMILY.—No exclusion shall be allowed under paragraph (1) for amounts paid to any medical savings account on behalf of an employee or the employee's spouse or dependents (as so defined) if employee, spouse, or dependent is a beneficiary of any other medical savings account.

''(B) DOLLAR LIMITATION.—The amount which may be excluded under paragraph (1) for any taxable year shall not exceed the lesser of—

''(i) $2,500 ($5,000 in the case of a medical savings account established on behalf of more than 1 individual), or

''(ii) the sum of the catastrophic health plan differentials for each month during the taxable year.

''(3) CATASTROPHIC HEALTH PLAN DIFFERENTIAL.—For purposes of subparagraph (B)(ii), the catastrophic health plan differential with respect to any employee for any month is the amount by which the cost for the month of the catastrophic health plan in which the employee is enrolled is less than—

''(A) the cost of the health plan (for the same class of enrollment) which—

''(i) the employee is eligible to enroll in through the employer, and

''(ii) has the highest cost of all health plans in which the employee may enroll in through the employer, or

''(B) if the employee is not eligible to enroll in any such health plan through the employer or the employer does not offer any such health plan, the monthly premium for the month determined under section 220(b)(2)(B)(iii).

''(4) COST-OF-LIVING ADJUSTMENT.—In the case of a taxable year beginning in a calendar year after 1996, each dollar amount in paragraph (2)(B)(i) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '1995' for '1992' in subparagraph (B) thereof.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) CATASTROPHIC HEALTH PLAN.—The term 'catastrophic health plan' has the meaning given such term by section 220(c)(2).

''(B) MEDICAL SAVINGS ACCOUNT.—The term 'medical savings account' has the meaning given such term by section 7705.''

(b) EMPLOYER PAYMENTS EXCLUDED FROM EMPLOYMENT BASE.—

(1) SOCIAL SECURITY.—

(A) Subsection (a) of section 3121 is amended by striking ''or'' at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting ''; or'', and by inserting after paragraph (21) the following new paragraph:

''(22) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(b).''

(B) Subsection (a) of section 209 of the Social Security Act is amended by striking ''or'' at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting ''; or'', and by inserting after paragraph (19) the following new paragraph:

''(20) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(b) of the Internal Revenue Code of 1986.''

(2) RAILROAD RETIREMENT.—Subsection (e) of section 3231 is amended by adding at the end the following new paragraph:

''(10) MEDICAL SAVINGS ACCOUNT CONTRIBUTIONS.—The term 'compensation' shall not include any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(b).''

(3) UNEMPLOYMENT.—Subsection (b) of section 3306 is amended by striking ''or'' at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ''; or'', and by inserting after paragraph (16) the following new paragraph:

''(17) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(b).''

(4) WITHHOLDING.—Subsection (a) of section 3401 is amended by striking ''or'' at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting ''; or'', and by inserting after paragraph (20) the following new paragraph:

''(21) any payment made to or for the benefit of an employee if at the time of such payment it is reasonable to believe that the employee will be able to exclude such payment from income under section 106(b).''

(c) CONFORMING AMENDMENT.—Section 106 is amended by striking ''Gross'' and inserting:

''(a) GENERAL RULE.—Gross''.

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

SEC. 3. MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Chapter 79 is amended by adding at the end the following new section:

''SEC. 7705. MEDICAL SAVINGS ACCOUNTS.

''(a) GENERAL RULE.—The term 'medical savings account' means a trust created or organized in the United States for the exclusive benefit of the beneficiaries of the trust, but only if the written governing instrument creating the trust meets the following requirements:

''(1) Except in the case of a rollover contribution described in subsection (c)(5), no contribution will be accepted unless—

''(A) it is in cash, and

''(B) it is made for a period during which the individual on whose behalf it is made is covered under a catastrophic health plan.

''(2) Contributions will not be accepted for any taxable year in excess of the amount allowable as a deduction under section 220(b)(2) for such taxable year.

''(3) The trustee is a bank (as defined in section 408(n)), insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(4) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(5) No part of the trust assets will be invested in life insurance contracts.

''(6) The interest of an individual in the balance in the individual's account is nonforfeitable.

''(b) TREATMENT OF ACCOUNTS.—

''(1) ACCOUNT TREATED AS GRANTOR TRUST.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the account beneficiary of a medical savings account shall be treated for purposes of this title as the owner of such account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(B) TREATMENT OF CAPITAL LOSSES.—With respect to assets held in a medical savings account, any capital loss for a taxable year from the sale or exchange of such an asset shall be allowed only to the extent of capital gains from such assets for such taxable year. Any capital loss which is disallowed under the preceding sentence shall be treated as a capital loss from the sale or exchange of such an asset in the next taxable year.

''(2) ACCOUNT TERMINATES IF INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

''(A) IN GENERAL.—If, during any taxable year of the account beneficiary, such beneficiary engages in any transaction prohibited by section 4975 with respect to the account, the account shall cease to be a medical savings account as of the first day of such taxable year.

''(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be a medical savings account by reason of subparagraph (A) on the first day of any taxable year, subsection (c) shall be applied as if—

''(i) there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day), and

''(ii) no portion of such distribution were used to pay qualified medical expenses.

''(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the account beneficiary uses the account or any portion thereof as security for a loan for purposes other than to pay qualified medical expenses, the portion so used is treated as distributed and not used to pay qualified medical expenses.

''(c) TREATMENT OF DISTRIBUTIONS.—

''(1) AMOUNTS USED FOR QUALIFIED MEDICAL EXPENSES.—Any amount paid or distributed out of a medical savings account which is used exclusively to pay qualified medical expenses of any account beneficiary (or spouse or dependent (as defined in section 152)) of the account shall not be includible in gross income.

''(2) INCLUSION OF AMOUNTS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—

''(A) IN GENERAL.—Any amount paid or distributed out of a medical savings account which is not used exclusively to pay the qualified medical expenses of the account beneficiary (or spouse or dependent (as so defined)) shall be included in the gross income of such beneficiary to the extent such amount does not exceed the excess of—

''(i) the aggregate contributions to such account which were not includible in gross income by reason of section 106(b) or which were deductible under section 220, over

''(ii) the aggregate prior payments or distributions from such account which were includible in gross income under this paragraph.

''(B) SPECIAL RULES.—For purposes of subparagraph (A)—

''(i) all payments and distributions during any taxable year shall be treated as 1 distribution, and

''(ii) any distribution of property shall be taken into account at its fair market value on the date of the distribution.

''(3) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (2) shall not apply to the distribution of any contribution paid during a taxable year to a medical savings account to the extent that such contribution exceeds the amount under subsection (a)(2) if—

''(A) such distribution is received by the individual on or before the last day prescribed by law (including extensions of time) for filing such individual's return for such taxable year, and

''(B) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (B) shall be included in the gross income of the individual for the taxable year in which it is received.

''(4) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—

''(A) IN GENERAL.—The tax imposed by chapter 1 on the account beneficiary for any taxable year in which there is a payment or distribution from a medical savings account of such beneficiary which is includible in gross income under paragraph (2) shall be increased by 10 percent of the amount which is so includible.

''(B) EXCEPTION FOR DISABILITY OR DEATH.—Subparagraph (A) shall not apply if the payment or distribution is made after the account beneficiary becomes disabled within the meaning of section 72(m)(7) or dies.

''(5) ROLLOVER CONTRIBUTION.—If any amount paid or distributed from a medical savings account to the account beneficiary (or spouse or dependent (as defined in section 152)) is paid into a medical savings account for the benefit of such beneficiary (or spouse or dependent) not later than the 60th day after the day on which the beneficiary (or spouse or dependent) receives the payment or distribution—

''(A) paragraph (2) shall not apply to such amount, and

''(B) such amount shall be treated as a rollover contribution described in this paragraph.

''(6) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—For purposes of section 213, any payment or distribution out of a medical savings account for qualified medical expenses shall not be treated as an expense

paid for medical care to the extent of the amount of such payment or distribution which is attributable to amounts described in paragraph (2)(A).

''(7) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individual's interest in a medical savings account to an individual's spouse or former spouse under a divorce or separation instrument described in subparagraph (A) of section 71(b)(2) shall not be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest at the time of the transfer shall be treated as a medical savings account of such spouse, and not of such individual. Any such account or annuity shall, for purposes of this subtitle, be treated as maintained for the benefit of the spouse to whom the interest was transferred.

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

''(1) QUALIFIED MEDICAL EXPENSES.—

''(A) IN GENERAL.—The term 'qualified medical expenses' means any expense for—

''(i) medical care (as defined in section 213(d)), or

''(ii) qualified long-term care services.

''(B) EXCEPTION FOR INSURANCE.—

''(i) IN GENERAL.—Such term shall not include any expense for insurance.

''(ii) EXCEPTIONS.—Clause (i) shall not apply to any expense for—

''(I) coverage under a health plan during a period of continuation coverage described in section 4980B(f)(2)(B),

''(II) coverage under a medicare supplemental policy (as defined in section 1882(g)(1) of the Social Security Act), or

''(III) payment of premiums under part A or B of title XVIII of the Social Security Act,

''(IV) coverage under a policy providing qualified long-term care services, or

''(V) coverage under a health plan during any period during which an individual is unemployed.

''(C) QUALIFIED LONG-TERM CARE SERVICES.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified long-term care services' means necessary diagnostic, preventive, therapeutic, rehabilitative, and maintenance (including personal care) services—

''(I) which are required by an individual during any period during which such individual is a functionally impaired individual,

''(II) which have as their primary purpose the provision of needed assistance with 1 or more activities of daily living which a functionally impaired individual is certified as being unable to perform under clause (ii)(I), and

''(III) which are provided pursuant to a continuing plan of care prescribed by a licensed health care practitioner (other than a relative of such individual).

''(ii) FUNCTIONALLY IMPAIRED INDIVIDUAL.—

''(I) IN GENERAL.—The term 'functionally impaired individual' means any individual who is certified by a licensed health care practitioner (other than a relative of such individual) as being unable to perform, without substantial assistance from another individual (including assistance involving verbal reminding, physical cueing, or substantial supervision), at least 3 activities of daily living described in clause (iii).

''(II) SPECIAL RULE FOR HOME HEALTH CARE SERVICES.—In the case of services which are provided during any period during which an individual is residing within the individual's home (whether or not the services are provided within the home), subclause (I) shall be applied by substituting '2' for '3'. For purposes of this subclause, a nursing home or similar facility shall not be treated as a home.

''(iii) ACTIVITIES OF DAILY LIVING.—Each of the following is an activity of daily living:

''(I) Eating.

''(II) Transferring.

''(III) Toileting.

''(IV) Dressing.

''(V) Bathing.

''(D) LICENSED HEALTH CARE PRACTITIONER.—For purposes of subparagraph (C)—

''(i) IN GENERAL.—The term 'licensed health care practitioner' means—

''(I) a physician or registered professional nurse,

''(II) a qualified community care case manager (as defined in clause (ii)), or

''(III) any other individual who meets such requirements as may be prescribed by the Secretary after consultation with the Secretary of Health and Human Services.

''(ii) QUALIFIED COMMUNITY CARE CASE MANAGER.—The term 'qualified community care case manager' means an individual or entity which—

''(I) has experience or has been trained in providing case management services and in preparing individual care plans;

''(II) has experience in assessing individuals to determine their functional and cognitive impairment;

''(III) is not a relative of the individual receiving case management services; and

''(IV) meets such requirements as may be prescribed by the Secretary after consultation with the Secretary of Health and Human Services.

''(E) RELATIVE.—For purposes of this paragraph, the term 'relative' means an individual bearing a relationship to another individual which is described in paragraphs (1) through (8) of section 152(a).

''(2) ACCOUNT BENEFICIARY.—The term 'account beneficiary' means the individual for whose benefit the medical savings account is maintained.

''(e) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if—

''(1) the assets of such account are held by a bank (as defined in section 408(n)), insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the account will be consistent with the requirements of this section, and

''(2) the custodial account would, except for the fact that it is not a trust, constitute a medical savings account described in subsection (a).

For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

''(f) REPORTS.—The trustee of a medical savings account shall make such reports regarding such account to the Secretary and to the individual for whose benefit the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.''

(b) PREEMPTION OF CERTAIN CONFLICTING LAWS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no Federal or State law shall prohibit a carrier from offering a catastrophic health plan in conjunction with a medical savings account (as defined in section 7705 of the Internal Revenue Code of 1986).

(2) DEFINITIONS.—For purposes of this subsection—

(A) the term ''carrier'' means any entity licensed or authorized under Federal or State law to offer a health plan,

(B) the term ''catastrophic health plan'' means a health plan—

(i) which is described in section 220(c)(2) of the Internal Revenue Code of 1986, or

(ii) a similar health plan which provides significant cost sharing, and

(C) the term ''health plan'' has the meaning given such term by section 220(c)(2)(C) of such Code.

(c) TREATMENT OF EXCESS CONTRIBUTIONS.—Section 4973 (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, and certain individual retirement annuities) is amended—

(1) by inserting ''**MEDICAL SAVINGS ACCOUNTS**,'' after ''**ACCOUNTS**,'' in the heading of such section,

(2) by striking ''or'' at the end of paragraph (1) of subsection (a),

(3) by redesignating paragraph (2) of subsection (a) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) a medical savings account (within the meaning of section 7705(a)), or'', and

(4) by adding at the end the following new subsection:

''(d) EXCESS CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.—For purposes of this section, in the case of a medical savings account (within the meaning of section 7705(a)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount which may be contributed to the account under section 7705(a)(2) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the medical savings account in a distribution to which section 7705(c)(3) applies shall be treated as an amount not contributed.''

(d) TREATMENT OF PROHIBITED TRANSACTIONS.—Section 4975 (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(4) SPECIAL RULE FOR MEDICAL SAVINGS ACCOUNTS.—An individual for whose benefit a medical savings account (within the meaning of section 7705(a)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a medical savings account by reason of the application of section 7705(b)(2)(A) to such account.'', and

(2) by inserting ''or a medical savings account described in section 7705(a)'' in subsection (e)(1) after ''described in section 408(a)''.

(e) FAILURE TO PROVIDE REPORTS ON MEDICAL SAVINGS ACCOUNTS.—Section 6693 (relating to failure to provide reports on individual retirement accounts or annuities) is amended—

(1) by inserting ''**OR ON MEDICAL SAVINGS ACCOUNTS**'' after ''**ANNUITIES**'' in the heading of such section, and

(2) by adding at the end of subsection (a) the following: ''The person required by section 7705(f) to file a report regarding a medical savings account at the time and in the manner required by such section shall pay a penalty of $50 for each failure unless it is shown that such failure is due to reasonable cause.''

(f) CLERICAL AMENDMENTS.—

(1) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Treatment of excess contributions to individual retirement accounts, medical savings accounts, certain 403(b) contracts, and certain individual retirement annuities.''

(2) The table of sections for subchapter B of chapter 68 is amended by inserting ''or on medical savings accounts'' after ''annuities'' in the item relating to section 6693.

SEC. 4. SENSE OF THE SENATE REGARDING TAX TREATMENT OF HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.

It is the sense of the Senate that—

(1) there should be tax parity for all health insurance whether provided or purchased by individuals, self-employed, or employers; and

(2) long-term care services and insurance should be provided tax status similar to medical care services and insurance.●

ADDITIONAL COSPONSORS

S. 304

At the request of Mr. SANTORUM, the names of the Senator from Tennessee [Mr. FRIST], the Senator from Washington [Mrs. MURRAY], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 715

At the request of Mr. D'AMATO, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 715, a bill to provide for portability of health insurance, guaranteed renewability, high risk pools, medical care savings accounts, and for other purposes.

S. 960

At the request of Mr. SANTORUM, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 960, a bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns, and for other purposes.

S. 1134

At the request of Mr. NICKLES, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1134, a bill to provide family tax relief.

S. 1137

At the request of Mr. THOMAS, the names of the Senator from Colorado [Mr. CAMPBELL], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1137, a bill to amend title 17, United States Code, with respect to the licensing of music, and for other purposes.

AMENDMENT NO. 2486

At the request of Mr. DOLE his name was added as a cosponsor of amendment No. 2486 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

AMENDMENT NO. 2526

At the request of Mr. FRIST his name was added as a cosponsor of amendment No. 2526 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

AMENDMENT NO. 2550

At the request of Mr. KOHL the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of amendment No. 2550 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

AMENDMENT NO. 2568

At the request of Mr. GRAHAM the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of amendment No. 2568 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

SENATE RESOLUTION 172—PROVIDING FOR SEVERANCE PAY

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. RES. 172

Resolved, That (a) an individual who is an employee in the office of the Sergeant at Arms and Doorkeeper of the Senate, who was an employee in that office for at least 183 days (whether or not service was continuous) during fiscal year 1995, and whose service in that office is terminated on or after the date this resolution is agreed to, but prior to October 1, 1995, shall be entitled to one lump sum payment consisting of severance pay in an amount equal to 2 months of the individual's basic pay at the rate in effect on September 1, 1995.

(b) The Secretary of the Senate shall make payments under this resolution from funds appropriated for fiscal year 1995 from the appropriation account ''Salaries, Officers and Employees'' for salaries of officers and employees in the office of the Sergeant at Arms and Doorkeeper of the Senate.

(c) A payment may be make under this resolution only upon certification to the Disbursing Office by the Sergeant at Arms and Doorkeeper of the Senate of the individual's eligibility for the payment.

(d) In the event of the death of an individual who is entitled to payment under this resolution, any such payment that is unpaid shall be paid to the widow or widower of the individual or, if there is no widow or widower of such decreased individual, to the heirs at law or next of kin of such decreased individual.

(e) A payment under this resolution shall not be treated as compensation for purposes of any provision of title 5, United States Code, or of any other law relating to benefits accruing from employment by the United States, and the period of entitlement to such pay shall not be treated as a period of employment for purposes of any such provision or law.

AMENDMENTS SUBMITTED

THE WORK OPPORTUNITY ACT OF 1995

DASCHLE (AND KENNEDY) AMENDMENT NO. 2682

Mr. DASCHLE (for himself and Mr. KENNEDY) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

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

''(4) NON-CASH ASSISTANCE FOR CHILDREN.—Nothing in paragraph (1) shall be construed as prohibiting a State from using funds provided under section 403 to provide aid, in the form of in-kind assistance, vouchers usable for particular goods or services as specified by the State, or vendor payments to individuals providing such goods or services, to the minor children of a needy family.''.

DOLE AMENDMENT NO. 2683

Mr. DOLE proposed an amendment to amendment No. 2280 proposed by himself to the bill H.R. 4, supra; as follows:

On page 17, strike lines 13 through 22 and insert the following:

''(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the sum of—

''(i) the total amount of the Federal payments to the State under section 403 (other than Federal payments to the State described in section subparagraphs (A), (B) and (C) of section 419(a)(2)) for fiscal year 1994 (as such section 403 was in effect during such fiscal year), plus

''(ii) the total amount of the Federal payments to the State under subparagraphs (A), (B) and (C) of section 419(a)(2),

as such payments were reported by the State on February 14, 1995, reduced by the amount, if any, determined under subparagraph (B), and for fiscal year 2000, reduced by the percent specified under section 418(a)(3), and increased by an amount, if any, determined under paragraph (2)(D).

On page 77, line 21, strike the end quotation marks and the second period.

One page 77, between lines 21 and 22, insert the following new section:

''SEC. 419. AMOUNTS FOR CHILD CARE.

''(a) CHILD CARE ALLOCATION—

''(1) IN GENERAL.—From the amount appropriated under section 403(a)(4)(A) for a fiscal year, the Secretary shall set aside an amount equal to the total amount of the Federal payments for fiscal year 1994 to States under section—

''(A) 402(g)(3)(A) of this Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to paragraph (1) of such section;

''(B) 403(l)(1)(A) of this Act (as so in effect) for amounts expended for child care pursuant to section 402(g)(1)(A) of this Act, in the case of a State with respect to which section 1108 of this Act applies; and

''(C) 403(n) of this Act (as so in effect) for child care services pursuant to section 402(i) of this Act.

''(2) DISTRIBUTION.—From amounts set-aside for a fiscal year under paragraph (1), the Secretary shall pay to a State an amount equal to the total amounts of Federal payments for fiscal year 1994 to the State under section—

''(A) 402(g)(3)(A) of this Act (as such section was in effect before October 1, 1995) for amounts expended for child care pursuant to paragraph (1) of such section;

''(B) 403(l)(1)(A) of this Act (as so in effect) for amounts expended for child care pursuant to section 402(g)(1)(A) of this Act, in the case of a State with respect to which section 1108 of this Act applies; and

''(C) 403(n) of this Act (as so in effect) for child care services pursuant to section 402(i) of this Act.

''(3) USE OF FUNDS.—Amounts received by a State under paragraph (2) shall only be used to provide child care assistance under this part.

''(4) For purposes of paragraphs (1) and (2), Federal payments for fiscal year 1994 means such payments as reported by the State on February 14, 1995.

''(b) ADDITIONAL APPROPRIATION.—

''(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated, $3,000,000,000 to be distributed to the States during the 5-fiscal year period beginning in fiscal year 1996 for the provision of child care assistance.

''(2) DISTRIBUTION.—

''(A) IN GENERAL.—The Secretary shall use amounts made available under paragraph (1) to make grants to States. The total amount of grants awarded to a State under this paragraph shall be based on the formula used for determining the allotment of Federal payments to the State for fiscal year 1994 under section 403(n) (as such section was in effect before October 1, 1995) for child care services pursuant to section 402(i) as such amount relates to the total amount of such Federal payments to all States for such fiscal year.

''(B) FISCAL YEAR 2000.—With respect to the last quarter of fiscal year 2000, if the Secretary determines that any allotment to a State under this subsection will not be used by such State for carrying out the purpose for which the allotment is available, the Secretary shall make such allotment available for carrying out such purpose to 1 or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional allotments for carrying out such purposes. Such available allotments shall be reallocated to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

''(3) AMOUNT OF FUNDS.—The Secretary shall pay to each eligible State in a fiscal year 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 for child care in such year as exceed the State set-aside for such State under subsection (a) for such year and the amount of State expenditures in fiscal year 1994 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of subsection (a)(1).

''(4) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subsection after fiscal year 2000.

''(c) ADMINISTRATIVE PROVISIONS.—

''(1) STATE OPTION.—For purposes of section 402(a)(1)(B), a State may, at its option, not require a single parent with a child under the age of 6 to participate in work for more than an average of 20 hours per week during a month and may count such parent as being engaged in work for a month for purposes, of section 404(c)(1) if such parent participates in work for an average of 20 hours per week during such month.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide an entitlement to child care services to any child.

On Page 17, line 22, insert before the period the following: '', and increased by an amount (if any) determined under subparagraph (D).''

On Page 18, between lines 21 and 22, insert the following:

''(D) AMOUNT ATTRIBUTABLE TO STATE PLAN AMENDMENTS.—

''(1) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payment under section 403(a)(5) to the State for emergency assistance in fiscal year 1995 under any State plan amendment made under section 402 during fiscal year 1994 (as such sections were in effect before the date of the enactment of the Work Opportunity Act of 1995) subject to the limitation in clause (ii).

''(ii) LIMITATION.—Amounts made available under clause (i) to all States shall not exceed $800 million. If amounts available under this subparagraph are less than the total amount of emergency assistance payments referred to in clause (i), the amount payable to a State shall be equal to an amount which bears the same relationship to the total amount available under this clause as the State emergency assistance payment bears to the total amount of such payments.

On page 25, line 18, insert ''in the case of amounts paid to the State that are set aside in accordance with section 419(9), the State may reserve such amounts for any fiscal year only for the purpose of providing without fiscal year limitation child care assistance under this part.'' after the end period.

Beginning on page 315, strike line 6 and all that follows through page 576, line 12 (renumber subsequent titles and section numbers accordingly).

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

''(d) CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (hereafter in this section referred to as the '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 Fund in a total amount not to exceed $1,000,000,000.

''(3) COMPUTATION OF GRANT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Treasury shall pay to each eligible State in a fiscal year 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 expenditures for such State.

''(B) LIMITATION.—The total amount paid to a State under subparagraph (A) for any fiscal year shall not exceed an amount equal to 20 percent of the annual amount determined for such State under the State program funded under this part (without regard to this subsection) for such fiscal year.

''(C) 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 each 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 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 Fund.

''(5) ELIGIBLE STATE.—

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

''(i)(I) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all states are published equals or exceeds 6.5 percent, and

''(II) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; and

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

''(B) MAINTENANCE OF EFFORT.—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 (as determined under subsection (a)(5)).

''(6) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to the Congress on the status of the Fund.

On page 40, line 13, strike ''15'' and insert ''20''.

At the appropriate place, insert the following:

SEC. . ABSTINENCE EDUCATION.

(a) INCREASE IN FUNDING.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''fiscal year 1990'' and each fiscal year thereafter'' and inserting ''fiscal

years 1990 through 1995 and $761,000,000 for fiscal year 1996 and each fiscal year thereafter''.

(b) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1) is amended—

(1) in subparagraph (c), by striking ''and'' at the end;

(2) in subparagraph (D), by adding ''and'' at the end; and

(3) by adding at the end the following new subparagraph:

''(E) to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.''.

(c) ABSTINENCE EDUCATION DEFINED.—Section 501(b) of such Act (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

''(5) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' shall mean an educational or motivational program which—

''(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

''(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

''(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

''(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

''(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

''(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

''(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

''(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.''.

(d) SET-ASIDE.—

(1) IN GENERAL.—Section 502(c) of such Act (42 U.S.C. 702(c)) is amended in the matter preceding paragraph (1) by striking ''From'' and inserting ''Except as provided in subsection (e), from''.

(2) SET-ASIDE.—Section 502 of such Act (42 U.S.C. 702) is amended by adding at the end the following new subsection:

''(e) Of the amounts appropriated under section 501(a) for any fiscal year, the Secretary shall set aside $75,000,000 for abstinence education in accordance with section 501(a)(1)(E).

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

''(f) ADDITIONAL AMOUNT FOR STUDIES AND DEMONSTRATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated and there are appropriated for each fiscal year described in subsection (a)(1) an additional $20,000,000 for the purpose of paying—

''(A) the Federal share of any State-initiated study approved under section 410(g);

''(B) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to part A of title IV of this Act, that are in effect or approved under section 1115 as of October 1, 1995, and are continued after such date;

''(C) the cost of conducting the research described in section 410(a); and

''(D) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section 410(b).

''(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

''(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

''(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

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

On page 57, beginning on line 22, strike all through page 60, line 2, and insert the following:

''(a) IN GENERAL.—The Secretary, in consultation with State and local government officials and other interested persons, shall develop a quality assurance system of data collection and reporting that promotes accountability and ensures the improvement and integrity of programs funded under this part.

''(b) STATE SUBMISSIONS.—

''(1) IN GENERAL.—Not later than the 15th day of the first month of each calendar quarter, each State to which a grant is made under section 403(f) shall submit to the Secretary the data described in paragraphs (2) and (3) with respect to families described in paragraph (4).

''(2) DISAGGREGATED DATA DESCRIBED.—The data described in this paragraph with respect to families described in paragraph (4) is a sample of monthly disaggregated case record data containing the following:

''(A) The age of the adults and children (including pregnant women) in each family.

''(B) The marital and familial status of each member of the family (including whether the family is a 2-parent family and whether a child is living with an adult relative other than a parent).

''(C) The gender, educational level, work experience, and race of the head of each family.

''(D) The health status of each member of the family (including whether any member of the family is seriously ill, disabled, or incapacitated and is being cared for by another member of the family).

''(E) The type and amount of any benefit or assistance received by the family, including—

''(i) the amount of and reason for any reduction in assistance, and

''(ii) if assistance is terminated, whether termination is due to employment, sanction, or time limit.

''(F) Any benefit or assistance received by a member of the family with respect to housing, food stamps, job training, or the Head Start program.

''(G) The number of months since the family filed the most recent application for assistance under the program and if assistance was denied, the reason for the denial.

''(H) The number of times a family has applied for and received assistance under the State program and the number of months assistance has been received each time assistance has been provided to the family.

''(I) The employment status of the adults in the family (including the number of hours worked and the amount earned).

''(J) The date on which an adult in the family began to engage in work, the number of hours the adult engaged in work, the work activity in which the adult participated, and the amount of child care assistance provided to the adult (if any).

''(K) The number of individuals in each family receiving assistance and the number of individuals in each family not receiving assistance, and the relationship of each individual to the youngest child in the family.

''(L) The citizenship status of each member of the family.

''(M) The housing arrangement of each member of the family.

''(N) The amount of unearned income, child support, assets, and other financial factors considered in determining eligibility for assistance under the State program.

''(O) The location in the State of each family receiving assistance.

''(P) Any other data that the Secretary determines is necessary to ensure efficient and effective program administration.

''(3) AGGREGATED MONTHLY DATA.—The data described in this paragraph is the following aggregated monthly data with respect to the families described in paragraph (4):

''(A) The number of families.

''(B) The number of adults in each family.

''(C) The number of children in each family.

''(D) The number of families for which assistance has been terminated because of employment, sanctions, or time limits.

''(4) FAMILIES DESCRIBED.—The families described in this paragraph are—

''(A) families receiving assistance under a State program funded under this part for each month in the calendar quarter preceding the calendar quarter in which the data is submitted;

''(B) families applying for such assistance during such preceding calendar quarter; and

''(C) families that became ineligible to receive such assistance during such preceding calendar quarter.

''(5) APPROPRIATE SUBSETS OF DATA COLLECTED.—The Secretary shall determine appropriate subsets of the data describe in paragraphs (2) and (3) that a State is required to submit under paragraph (1) with respect to families described in subparagraphs (B) and (C) of paragraph (4).

''(6) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of each State's program performance. The Secretary is authorized to develop and implement procedures for verifying the quality of data submitted by the States.

On page 62, after line 24, insert the following:

''(j) REPORT TO CONGRESS.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

''(1) whether the States are meeting—

''(A) the participation rates described in section 404(a); and

''(B) the objectives of—

''(i) increasing employment and earnings of needy families, and child support collections; and

''(ii) decreasing out-of-wedlock pregnancies and child poverty;

''(3) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

''(4) the characteristics of each State program funded under this part; and

''(5) the trends in employment and earnings of needy families with minor children.

On page 63, beginning on line 3, strike all through line 16, and insert the following:

''(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such

programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

''(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

''(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

On page 63, line 17, strike ''(d)'' and insert ''(c)''.

On page 63, line 24, strike ''(e)'' and insert ''(d)''.

On page 64, line 21, strike ''(f)'' and insert ''(e)''.

On page 66, line 3, strike ''(g)'' and insert ''(f)''.

On page 66, between lines 19 and 20, insert the following:

''(g) STATE-INITIATED STUDIES.—A State shall be eligible to receive funding to evaluate the State's family assistance program funded under this part if—

''(1) the State submits a proposal to the Secretary for such evaluation,

''(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

''(3) unless otherwise waived by the Secretary, the State provides a non-Federal share of at least 10 percent of the cost of such study.

On page 163, line 16, add ''and'' after the semicolon.

On page 163, strike lines 17 through 24, and insert in lieu thereof the following:

''(iii) for fiscal years 1997 through 2002, $124, $211, $174, $248 and $109, respectively.''

On page 164, line 2, strike ''2000'' and insert in lieu thereof ''2002''.

On page 126, between lines 9 and 10, insert the following:

(c) TREATMENT SERVICES FOR INDIVIDUALS WITH A SUBSTANCE ABUSE CONDITION.—

(1) IN GENERAL.—Title XVI (42 U.S.C. 1381 et seq.) is amended by adding at the end the following new section:

''TREATMENT SERVICES FOR INDIVIDUALS WITH A SUBSTANCE ABUSE CONDITION

''SEC. 1636. (a) In the case of any individual eligible for benefits under this title by reason of disability who is identified as having a substance abuse condition, the Commissioner of Social Security shall make provision for referral of such individual to the appropriate State agency administering the State plan for substance abuse treatment services approved under subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–21 et seq.)

''(b) No individual described in subsection (a) shall be an eligible individual or eligible spouse for purposes of this title if such individual refuses without good cause to accept the referred services described under subsection (a).

(2) CONFORMING AMENDMENT.—Section 1614(a)(4) (42 U.S.C. 1382c(a)(4)) is amended by inserting after the second sentence the following new sentence: ''For purposes of the preceding sentence, any individual identified by the Commissioner as having a substance abuse condition shall seek and complete appropriate treatment as needed.''.

On page 126, line 10, strike ''c'' and insert ''(d)''.

On page 127, between lines 2 and 3, insert the following new subsection:

(e) SUPPLEMENTAL FUNDING FOR ALCOHOL AND SUBSTANCE ABUSE TREATMENT PROGRAMS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated to supplement State and Tribal programs funded under section 1933 of the Public Health Service Act (42 U.S.C. 300x–33), $50,000,000 for each of the fiscal years 1997 and 1998.

(2) ADDITIONAL FUNDS.—Amounts appropriated under paragraph (1) shall be in addition to any funds otherwise appropriated for allotments under section 1933 of the Public Health Service Act (42 U.S.C. 300x–33) and shall be allocated pursuant to such section 1933.

(3) USE OF FUNDS.—A State or Tribal government receiving an allotment under this subsection shall consider as priorities, for purposes of expending funds allotted under this subsection, activities relating to the treatment of the abuse of alcohol and other drugs.

On page 131, line 23, insert '', including such individual's treatment (if any) provided pursuant to such title as in effect on the day before the date of such enactment,'' after ''individual''.

On page 158, between lines 11 and 12, insert the following:

SUBTITLE F—RETIREMENT AGE ELIGIBILITY

SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS BASED ON SOCIAL SECURITY RETIREMENT AGE.

(a) IN GENERAL.—Section 1614 (a)(1)(A) (42 U.S.C. 1382c(a)(1)(A)) is amended by striking ''is 65 years of age or older,'' and inserting ''has attained retirement age.''.

(b) RETIREMENT AGE DEFINED.—Section 1614 (42 U.S.C. 1382c) is amended by adding at the end the following new subsection:

''Retirement Age

''(g) For purposes of this title, the term ''retirement age'' has the meaning given such term by section 216(l)(1).''.

(c) CONFORMING AMENDMENTS.—Sections 1601, 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381, 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended by striking ''age 65'' each place it appears and inserting ''retirement age''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to applicants for benefits for months beginning after September 30, 1995.

ABRAHAM (AND JEFFORDS) AMENDMENT NO. 2684

Mr. DOLE (for Mr. ABRAHAM, for himself and Mr. JEFFORDS) proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill H.R. 4, supra; as follows:

On page 51, strike the matter inserted between lines 11 and 12 by the modification submitted on September 8, 1995, and 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) an amount equal the product of $25 multiplied by the number of children in the State in families with incomes below the poverty line, according to the most recently available Census data, if—

''(i) the illegitimacy ratio of the State for the most recent fiscal year for which such information is available is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995 (or, if such information is not available, the first available year after 1995 for which such data is available); and

''(ii) the rate of induced pregnancy terminations for the same most recent fiscal year in the State is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995 (or, the same first available year); or

''(B) an amount equal the product of $50 multiplied by the number of children in the State in families with incomes below the poverty line, according to the most recently available Census data, if—

''(i) the illegitimacy ratio of the State for the most recent fiscal year for which information is available is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995 (or, if such information is not available, the first available year after 1995 for which such data is available); and

''(ii) the rate of induced pregnancy terminations in the State for the same most recent fiscal year is not higher than the rate of induced pregnancy terminations in the State for fiscal year 1995 (or, the same first available year).

''(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 or, where appropriate, the first available year after 1995 for which such data is available, 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 or, the appropriate fiscal year, 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) POVERTY LINE.—For purposes of this subsection, the term 'poverty line' has the meaning given such term in section 403(a)(3)(D)(iii).

''(5) 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.

NOTICE OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will hold a full committee markup of the committee's budget reconciliation instructions. The markup

will be held on Tuesday, September 19, 1995, at 9 a.m. in SR–332.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Friday, September 15, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9 a.m. The purpose of this hearing is to review S. 1144, a bill to reform and enhance the management of the National Park Service, S. 309, a bill to reform the concession policies of the National Park Service, and S. 964, a bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.

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

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information of the Committee on the Judiciary, be authorized to hold a hearing during the session of the Senate on September 15, 1995, at 10 a.m. to consider ''The Ruby Ridge Incident.''

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

ADDITIONAL STATEMENTS

THE 40TH ANNIVERSARY OF ALBERT EINSTEIN COLLEGE OF MEDICINE

● Mr. D'AMATO. Mr. President, I rise today to pay tribute to the Albert Einstein College of Medicine of Yeshiva University. In October of this year they will be celebrating their 40th anniversary. The Albert Einstein College of Medicine was established in 1955 and has become one of the Nation's leading centers for medical research and education.

From an original class size of 56 students to a student body today of over 1,000 students this institution has produced a long line of outstanding graduates. Admissions to the program has always been extremely competitive and as recently as 1994, 9,000 candidates applied for 176 spots. A full-time faculty of over 1,000 teaches, delivers health care, and conducts studies in every major medical speciality and area of biomedical research. Particular areas of excellence in research for which the Albert Einstein College of Medicine is widely renown include Alzheimer's Disease, neuroscience, cancer, heart disease, diabetes, liver disease, AIDS, immunology and molecular genetics.

Congratulations to the Albert Einstein College of Medicine of Yeshiva University on their 40th anniversary.●

TRIBUTE TO MR. LARRY MURRAY ON HIS RETIREMENT AS EXECUTIVE DIRECTOR OF THE AREA AGENCY ON AGING OF WESTERN MICHIGAN

● Mr. LEVIN. Mr. President, I rise today to pay tribute to Lawrence L. Murray, Jr. In so doing, I join with the members of his community who are honoring Larry Murray on September 21, 1995, during a reception commemorating his 21 years of service and his retirement as executive director of the Area Agency on Aging of Western Michigan.

Larry is a native of Pittsburgh, PA, and a proud graduate of Duquesne University. A member of the World War II generation, to whom our Nation owes so much, Larry served in the U.S. Army Air Corps from 1942 to 1946.

Following his discharge from the service, Larry pursued a career in business and sales. In the early 1960's his work brought Larry and his family to Grand Rapids. A decade later Larry ended the first stage of his professional life when he retired as vice president of U.S. Gypsum, Inc.

With prophetic vision focusing on the challenges of a growing senior population, Larry prepared the documentation for designation which created Region VIII, the Area Agency on Aging of Western Michigan and was appointed the agency's first executive director.

Over the years Larry has led region VIII through many changes and challenges, always ensuring a continuous flow of services for older persons. He was responsible for making it the first computerized area agency on aging, and successfully obtained numerous State and Federal grants which have allowed for its expansion and success. Additionally Larry spearheaded the efforts to erect a new building for the agency that includes a state-of-the-art kitchen for its Meals on Wheels Program.

In 1986 in recognition of his outstanding leadership and many years of dedicated service, Larry was given the award for the Distinguished Area Agency Director of the United States of America.

Also active in his church and community, Larry has been a volunteer or member of many boards and organizations over the years among them: the Ancient Order of Hibernians; the Knights of Columbus; the St. Vincent DePaul Society; the Michigan Society of Gerontology, and a host of others.

Serving his country, church, and community throughout his entire life, Larry Murray has been an example to others embodying the highest ideals of his faith and his country. Mr. President I ask you along with all of my colleagues in the Senate to join with me in honoring this outstanding citizen. His legacy of unselfish service is something all should strive to emulate.●

WORLD POPULATION AWARENESS WEEK

● Mr. CAMPBELL. Mr. President, in August, Gov. Roy Romer of Colorado proclaimed October 22 to 29 ''World Population Awareness Week'' for the State of Colorado. I would like to express my support for this proclamation, and for population awareness activities.

I support noncoercive international family planning programs as much as possible, given budget constraints. Other countries need our support to control population growth and raise standards of living. Family planning programs help control population growth in overcrowded nations, reduce infant and maternal mortality rates, and decrease the rates of starvation and poverty. These developments in turn help lower pressures on inadequate, severely stressed health services in many countries.

By promoting long-term, sustainable economic and human growth, I believe family planning programs serve U.S. interests in environmental protection, resource conservation, global economic growth, immigration, and international stability.

World Population Awareness Week will help promote public awareness of the causes and costs of overpopulation, and effective policies to reduce population growth voluntarily and rationally.

Mr. President, I ask that Governor Romer's proclamation be printed in the RECORD.

The proclamation follows:

HONORARY PROCLAMATION

Whereas, the world's population has reached 5.7 billion and is growing at a reported rate of 100 million each year; and

Whereas, rapid population growth can overtake the capacity of human societies to provide food, housing, education, employment and basic health services and may undermine economic development as well as social, cultural and political stability; and

Whereas, population growth can place strains on the environment and our natural resources; and

Whereas, many groups will recognize October 22–29, 1995, as World Population Week to increase public awareness of what many view as a need to find a balance between population development and the natural environment;

Now, therefore, I, Roy Romer, Governor of Colorado, proclaim October 22–29, 1995, as World Population Awareness Week in the State of Colorado.●

TRIBUTE TO DEA SPECIAL AGENT ROBERT A. AIU, 1995 NATIONAL LAW ENFORCEMENT OFFICER OF THE YEAR

● Mr. AKAKA. Mr. President, it is an honor and privilege for me to rise in the well of the Senate today in recognition of Special Agent Robert A. Aiu of the Drug Enforcement Administration [DEA], Honolulu, who has been named the 1995 National Law Enforcement Officer of the Year. This is a singular honor which is awarded to but one out of the thousands of law enforcement officers of Federal enforcement agencies,

including the FBI, Bureau of Alcohol, Tobacco and Firearms, and the CIA. Agent Aiu has the further distinction of being the first to be so honored in the DEA.

Special Agent Aiu, who has served in the DEA since 1970, has been recognized and honored for his outstanding service in marijuana eradication, seizure, and forfeiture of assets derived from drug trafficking, and for the assistance he has provided to the U.S. Marshals Service in the apprehension of fugitives. Like many other law enforcement officers, he puts his life on the line in the performance of his duties and we are deeply grateful to him for his continuing efforts to make our society a safer and better place for all of us.

In behalf of the people of Hawaii and our country, I commend Special Agent Robert A. Aiu of the Drug Enforcement Administration in Honolulu, 1995 National Law Enforcement Officer of the Year, and express our deep and heartfelt gratitude to him for his exemplary performance, and selfless and untiring dedication to duty.

Congratulations and mahalo, Bob. Well done.●

SPECIAL RECOGNITION FOR SENATOR KENNEDY AND SENATOR DODD

Mr. DASCHLE. Mr. President, let me make a couple of additional points on the agreement we have reached with regard to modifying the original Dole bill.

A lot of people deserve recognition this afternoon for their contribution. I think on our side there are two Senators who certainly deserve special recognition for the contribution and leadership they have shown.

Of course, I refer to Senators DODD and KENNEDY. First on children's issues and, second, on work. On a number of the legislative provisions relating to work and job skills, they have done a remarkable job over the years and have certainly shown, again, their leadership, and the tremendous effort they have put forth to allow us the progress that we have made this week on welfare reform. But, in particular, on child care itself, it would not have been possible were it not for their work and their effort. I applaud them and publicly want to thank them for all of the help and leadership that they have given on that issue.

Let me also say we will have some time to talk about the overall agreement next week. I intend to vote for this bill. I do so with mixed feelings, frankly. I think there are many things in the bill we can cite with some satisfaction. There are many concerns that I have, as well.

I hope as people take a look at the overall context of what it is we have attempted to do, that they appreciate the difficulty that we have under any circumstances to come to agreement and to actually accomplish as much as we have done here.

In my view, it goes a long way to doing what we all want to do: fundamentally reform the welfare system. It does not go anywhere near as far in some areas as we would like it to, but that is the essence of compromise. I will have more to say on that on Tuesday.

I appreciate the good work that everyone has put forth to get us to this point this afternoon. I yield the floor.

NATIONAL POW/MIA RECOGNITION DAY

Mr. DOLE. Mr. President, just down the hall from my office, the POW/MIA flag stands in the Capitol rotunda. That flag flies as a sad, but proud, reminder of the sacrifices which brave people made in the defense of our country—in Vietnam, in Korea, and in World War II. As I am sure my colleagues know, today is National POW/MIA Recognition Day—a day for all Americans to reflect on those who faithfully served this Nation but whose ultimate fate remains unknown. America must never forget those who have gone missing in the battles to defend our freedom.

I opposed President Clinton's decision to establish diplomatic ties with Vietnam. Shortly before the took office, then president-elect Clinton said that ''there will be no normalization of relations with any nation that is at all suspected of withholding any information.'' And while Vietnam may have selectively cooperated here and there, all signs continue to point to the fact that Vietnam is still willfully withholding information.

We are still watching the Vietnamese Government. We are still expecting total cooperation. And we will not close the book until we are certain that we have the fullest possible accounting of every American POW and MIA.

Today, let us look up to the POW/MIA flag in the rotunda, and really reflect. Many here have answered this country's call to arms, but today, let us remember those who endured a heavier burden as prisoners of war. Let us recall the pain felt by the families and friends of those who didn't come back, and those who remain missing in action.

By honoring our POW'S and MIA's, we honor the freedom and peace they defended. We can take inspiration from their example and courage from their actions. Our country is great because of these American heroes, and we cannot rest until the fullest possible accounting is achieved.

TRIBUTE TO CARL MCNEAL

Mr. DOLE. Mr. President, a few weeks ago, there was a movie on television which told the dramatic and inspiring story of the Tuskegee Airmen, who courageously fought for America's freedom during World War II.

All Senators can take great pride in the fact that a veteran of the Tuskegee Airmen worked here in the Senate for many years. His name is Carl McNeal, but everyone called him ''Mac.''

After 17 years in the Senate and 34 years of Federal Service, Mac has retired to spend more time with his wife, Dorothy, his six children, and eight grandchildren.

Mac McNeal has been a dedicated and valuable member of the Senate family, and I know all members join with me in wishing him many years of health and happiness.

NATIONAL WOMEN'S HALL OF FAME

Mr. DOLE. Mr. President, as my colleagues know, this year marks the 75th anniversary of the adoption of the 19th amendment to the Constitution, which granted women the right to vote.

I am proud to say that it was a Republican Congress which sent that amendment to the States for ratification. Its adoption ended a struggle that began in 1848 at a women's convention in Seneca Falls, NY.

Since 1969, Seneca Falls has been the home of the National Women's Hall of Fame. And today, the Hall of Fame announced the names of the 18 women who will be inducted into the Hall of Fame later this year.

And it is with great pride that I announce that one of those inductees will be my wife, Elizabeth.

And I hope my colleagues will forgive me if I take just a few brief seconds to congratulate Elizabeth, and to say how proud I am of her many accomplishments, and of the difference she has made throughout her life.

I ask unanimous consent, Mr. President, that a list of all 18 inductees be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL WOMEN'S HALL OF FAME ANNOUNCES WOMEN TO BE INDUCTED FOR 1995

SENECA FALLS, NY.—Nancy Woodhull, president of the National Women's Hall of Fame, today announced that the Hall would induct 18 distinguished women on Saturday, October 14, 1995. The Honors Ceremonies will be held in historic Seneca Falls, New York, the birthplace of women's rights where the first Women's Rights Convention was held in 1848.

1995 Honorees are:

Virginia Apgar (1909–1974), physician who invented lifesaving newborn health assessment measure.

Ann Bancroft (1955–), polar explorer; first woman to reach the North and South Poles across the ice.

Amelia Bloomer (1818–1894), suffragist and social reformer; founded and edited The Lily, the first newspaper devoted to reform and equality for women.

Mary Breckinridge (1881–1965), nurse-midwife and founder of the Frontier Nursing Service, created to provide health care in rural areas.

Eileen Collins (1956–), first woman to pilot the space shuttle.

Elizabeth Hanford Dole (1936–), first woman Secretary of Transportation; Secretary of Labor; President of the American Red Cross.

Anne Dallas Dudley (1876–1955), key leader in passage of the nineteenth amendment, giving women the right to vote; Tennessee suffrage and political leader.

Mary Baker Eddy (1821–1910), the first American woman to found a worldwide religion, the Church of Christ, Scientist (Christian Science).

Ella Fitzgerald (1917–), singer.

Margaret Fuller (1810–1850), author, feminist, Transcendentalist leader, and teacher.

Matilda Joslyn Gage (1826–1898), feminist, suffrage leader and author.

Lillian Moller Gilbreth (1878–1972), industrial engineer and motion study expert whose ideas improved industry and the home.

Nannerl O. Keohane (1940–), political scientist and educator; first woman president of Duke University; first woman to head a major women's college (Wellesley) and research university.

Maggie Kuhn (1905–1995), founder of the Gray Panthers.

Sandra Day O'Connor (1930–), the fist woman Justice of the U.S. Supreme Court.

Josephine St. Pierre Ruffin (1842–1924), leader and organizer of Black women's organizations; Abolitionist and anti-lynching crusader.

Patricia Schroeder (1940–), congresswoman who has pioneered passage of legislation helping women and families.

Hannah Greenebaum Solomon (1858–1942), founder of the National Council of Jewish Women.

PROVIDING FOR SEVERANCE PAY

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 172, submitted earlier today by Senator DOLE.

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

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 172) providing for severance pay.

Mr. FRIST. Mr. President, I ask unanimous consent the resolution be considered and agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

The resolution was agreed to.

The resolution reads as follows:

S. RES. 172

Resolved, That (a) an individual who is an employee in the office of the Sergeant at Arms and Doorkeeper of the Senate who was an employee in that office for at least 183 days (whether or not service was continuous) during fiscal year 1995, and whose service in that office is terminated on or after the date this resolution is agreed to, but prior to October 1, 1995, shall be entitled to one lump sum payment consisting of severance pay in the amount equal to 2 months of the individual's basic pay at the rate in effect on September 1, 1995.

(b) The Secretary of the Senate shall make payments under this resolution from funds appropriated for fiscal year 1995 from the appropriation account ''Salaries, Officers and Employees'' for salaries of officers and employees in the office of the Sergeant at Arms and Doorkeeper of the Senate.

(c) A payment may be made under this resolution only upon certification to the Disbursing Office by the Sergeant at Arms and Doorkeeper of the Senate of the individual's eligibility for the payment.

(d) In the event of the death of an individual who is entitled to payment under this resolution, any such payment that is unpaid shall be paid to the widow or widower of the individual or, if there is no widow or widower of such deceased individual, to the heirs at law or next of kin of such deceased individual.

(e) A payment under this resolution shall not be treated as compensation for purposes of any provision of title 5, United States Code, or of any other law relating to benefits accruing from employment by the United States, and the period of entitlement to such pay shall not be treated as a period of employment for purposes of any such provision or law.

ORDER FOR RECESS

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in recess under the previous order, following the remarks of Senators LEVIN, KERREY, and KENNEDY.

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

THE LEVIN-DOLE MODIFICATION OF THE WELFARE REFORM BILL

Mr. LEVIN. Mr. President, yesterday I offered an amendment on the welfare reform bill to strengthen the work requirement in that bill. I have long believed that work requirements should be clear and should be strong and should be applied promptly. Able-bodied welfare recipients who are not in school or in job training should work—period. My amendment required that able-bodied individuals either be in job training, in school, or working in private sector jobs within 6 months of receipt of benefits, or else be offered and be required to accept community service employment. This requirement would be phased in over 3 years in order to give States an opportunity to adjust administratively.

This was a strengthening provision that was added relative to work and, while States are given the option to opt out of this particular requirement by notification to the Secretary of Health and Human Services, I hope and would expect that pressure from the American people, who overwhelmingly support strong work requirements, will convince their States to enforce this provision and not opt out. Senator DOLE, the bill's sponsor, accepted the principle and the goals of my amendment and it was adopted by a voice vote.

A few moments ago, on behalf of myself and Senator DOLE, a modification was sent to the desk and was adopted by voice vote. This modification to my earlier amendment will strengthen the amendment by requiring that work requirements apply to recipients 3 months after they begin to receive benefits instead of 6 months; and this accelerates the requirement by 3 months. That is the maximum. So if somebody is not in school or job training or in a private sector job and is able-bodied, under this requirement States will put in place within the next 3 years a requirement that community service jobs be offered to, and that welfare recipients accept, community service jobs within no more than 3 months of the receipt of their welfare benefit.

This modification of this amendment will also put this requirement into law 1 year sooner, after 2 years rather than 3 years. That also is a strengthening requirement.

The Daschle amendment, which was narrowly defeated last week, contained an even stronger provision which was added as a modification at my request.

Experience has shown we must be more aggressive in requiring recipients to work. As I said earlier, I believe this amendment is a firm step in the right direction.

I make a parliamentary inquiry, just to make sure. The modification I referred to in fact was not only adopted as part of the package, but also I ask whether or not there was a motion to reconsider which was tabled?

The PRESIDING OFFICER. With regard to the parliamentary inquiry, the Senator will suspend for a moment.

The answer is yes.

Mr. LEVIN. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

THE DOLE-DASCHLE AGREEMENT

Mr. KENNEDY. Mr. President, I support the Dole-Daschle agreement. This modification restores the Federal commitment to child care as an essential step in moving people from welfare to work. It also prevents an unacceptable tradeoff between job training for dislocated workers in the changing economy and workfare for those on welfare unable to find jobs in the private sector.

Provisions on child care help to improve one of the most troubling features of this bill. Rather than end the Federal commitment to child care and put the funds into a general pool, we have reached agreement that a specific allocation of funds to child care is essential if we are serious about moving people from welfare to work.

As a result of this agreement, fewer children will be left home alone and more families will be able to obtain the child care they need in order to take jobs to become self-sufficient.

I am hopeful the progress we have made on this issue will be preserved in conference with the House of Representatives. For welfare reform to be worthy of the name, it must not punish innocent children because they happen to be born poor. It must provide genuine opportunities for their parents to find jobs.

The agreement to drop the job training provisions from the welfare reform package is a major victory for America's workers. We have made good progress on separate legislation to consolidate and reform the existing Federal job training system. That effort will continue on a separate track. And I am optimistic that we can reach bipartisan agreement on this needed, far-reaching reform.

I commend Senator KASSEBAUM for her leadership.

The current agreement enables us to keep faith with America's workers and keep the promises that we have made to dislocated workers. Large numbers of men and women have lost their jobs or have been laid off as a result of international trade agreements, base closings, corporate downsizing, environmental protection, and other economic disruptions. They deserve the chance to pick up the pieces of their lives and start anew, and sensible job training and job education programs can make that possible.

Senator KASSEBAUM and many others on the other side of the aisle have worked closely with us in this effort, and I commend them for their leadership.

I remain deeply troubled by the potential consequences for the most vulnerable in our society—poor children—if this so-called welfare reform bill passes, but these modifications are certainly an improvement. These major amendments on child care and job training have eased some of the most objectionable features of the welfare bill, but I continue to have serious reservations about the remaining provisions.

I commend the leaders on both sides for their leadership shown on this issue.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Nebraska is recognized.

THE MEDICARE PRESERVATION ACT OF 1995

Mr. KERREY. Mr. President, I have come to the floor to talk, I hope for the Presiding Officer's sake, briefly about the proposal—the general outline of the proposal—made yesterday by the Republican leadership called the Medicare Preservation Act of 1995. The details are not yet available. It is a general outline.

Mr. President, I must say had I given this speech 7 or 8 hours ago, I probably would have been a lot hotter than I am right now. I have cooled down since I watched the video replay of Speaker GINGRICH'S rather remarkable—and I would argue and observe, distasteful—representation of the Democratic view of Medicare.

At one point he said that Democrats are morally bankrupt. That is as if saying we ought to approach the American people about the truth, with the facts, with the courage and with trust, that they have the capacity to take the truth. I agree with that. I believe, in fact, if we are going to have the debate about Medicare that leads to constructive reform, that saves the system—and, by the way, as importantly, slows and fixes the percent of growth of all entitlements as a percentage of our budget—then we are going to have to come together present facts, tell the truth, and have the courage to do so. I do not disagree with Speaker GINGRICH's observation in that regard.

But, as I said, I was somewhat provoked when he said that Democrats are morally bankrupt, and that all we are trying to do is frighten 85-year-olds who are concerned about this program.

Well, Mr. President, 85-year-olds are quite nervous and concerned about what politicians are going to do with their Medicare Program, and I think understandably so. But it is not Democrats that are causing them to be fearful. They are fearful, I would argue, principally because they know something needs to be done, and they are not in the main sufficiently well funded personally to be able to cover the costs of nursing home care or, for that matter, most of the cost of modern health care. And they are nervous. They are fearful. They are no longer able to produce and enjoy income, and, as a consequence, they are extremely vulnerable to all kinds of statements.

So, again, I do not disagree with Speaker GINGRICH and other Republican leaders that were talking yesterday about the need to present facts, the need to present the truth, the need to have courage, and the need to trust the American people that they can handle the truth and the facts presented by politicians.

But, Mr. President—I want to be clear on this—my criticism of the Republican proposal is not that it does too much; I am critical of the Republican proposal because it does not do enough.

Let me emphasis that, Mr. President. I believe that the proposal, the general outline of the proposal, because it sees the problem through a 7-year budget deficit plan—and that is what it is—it sees this Medicare problem through the view of the next 7 years. There is a need to produce a sufficient amount of savings over the next 7 years, and in order to meet the balanced budget targets in the budget resolution, the law now requires that be done. There are instructions for the Finance Committee to produce legislation that will get that done.

There is a recommendation that will probably, all in all, in the end, be considered in reconciliation, unfortunately. But when you look at the problem for the next 7 years, you do not see the full size of the problem.

Indeed, the Medicare Preservation Act of 1995 says that it will preserve the system for current beneficiaries, protect it for future beneficiaries, and strengthen it through reforms that have worked in the private sector.

It may preserve it for current beneficiaries; it may strengthen it through reforms that have worked in the private sector. Both of those appear to be in the general outline. But by no measurement, unless you consider that the future only includes the next 7 years, does this proposal protect it for future beneficiaries. It does not do that. It sees this as a 7-year problem. It does not see it as a problem beyond that 7 years.

The problem that we have with entitlements—if anybody doubts that a Democrat is willing to propose something that solves this problem, former Senator Danforth and I last year, after the conclusion of the entitlement commission recommendation, made proposals that would have fixed this problem long term, that would have fixed not only the Medicare trust funds but would have fixed it so that we do not see health care entitlements as well as other entitlements continuing to grow and erode our entire Federal budget. Mr. President, that is the most important problem.

I think we are closer to consensus on many more things around here than would sometimes meet the eye given the intensity of the political rhetoric. One of the things I believe that Democrats and Republicans now share, at least in a general sense as to what our policies ought to be, is that our policies ought to promote economic growth. We now understand that unless we have gains in productivity, unless we have economic growth, it is rather difficult for us to do anything.

We see it in a recession. If you are in a recession, the revenues are down; you have to cut your budget; you do not have money for roads; you do not have money for schools; you do not have money for health care; you do not have money for retirement.

The source of our revenue, whether it is for retirement or health care or any other program that we fund, is the goods and services that are manufactured and produced by the American people, 117 million people in our economy. If they are productive and they are selling and our economy is growing, that is the source of our revenue. It is the source of Medicare revenue.

The distinguished occupant of the chair knows, not only a gifted surgeon but designated as a lead Senator I believe for the Republicans in coming up with some recommendations, understands that the entire source of revenue for part A comes from a payroll tax. We have a tax on payroll. We also have income taxes that provide currently about 69 percent I believe of the total revenue of part B, the physician services. In both of those cases, we have to have income. People are out there working in the workplace. We tax their wages to generate the money for part A, to pay hospital bills, and we tax their income to pay about 60 percent, or almost 70 percent—it was 75—

about 70 percent of the physician payments come from taxes on people's income.

I make this point because it is that income that people produce in the private sector which is our source to pay the doctor bills, to pay the hospital bills. If we were in a recession, if we were not enjoying a recovery right now, if rates of productivity were not up, we would not have nearly as much money as we have to pay those entitlement obligations for hospitalization and for physician services.

A very important beginning observation, Mr. President, very important, because what is happening in the Federal budget—and, again, there is consensus, I believe, amongst Republicans and Democrats. Although we may disagree at the margin on some programs as to whether or not they are useful or necessary, I think there is general agreement that some expenditures on the part of the Federal Government, some collecting of revenue that we do of taxpayer revenue and spending that we do increases our productive capacity.

I am 52 years of age and started in business in 1973 officially. I made a lot of money as a consequence of my parents having built the interstate highway system with cash. It lowered my cost of doing business. It enabled me to get products that I otherwise would not have been able to get. My customers could get to me easier than others. It increased my business. That was an investment. That was a collective investment made with revenue we collected at the Federal level. We made it at the local level.

It is not the only one. Many of us believe that investments in education, in infrastructure, in sewer, in water, in research, many of us believe that there are other investments that we can make, expenditures in people for their work out there—we collect the money and we spend it—that some of these expenditures do in fact produce increases in productivity and growth in our economy, thus providing us with the revenue to fund entitlements.

The year that the current chairman of the Appropriations Committee, Senator HATFIELD, arrived in the U.S. Senate—and he is one of the best Senators that I have had the privilege to meet and to get to know—the year that he arrived in the Senate, as you look at the Federal budget, 70 percent of the budget was voted on and appropriated and 30 percent was entitlement and net interest. This year, it is 67 percent entitlements and net interest and 33 percent appropriated, voted on and authorized.

At the end of this budget resolution, at the end of the 7-year period, we will be down to 25 percent for appropriated accounts and 75 percent for entitlements and net interest, and when the baby boomers start to retire some 6 years after this budget resolution, it drives clear off the charts. In approximately 15 years, we will have converted the Federal Government into an ATM machine. All we will be doing is transferring money. All we will be doing is paying doctors or paying hospitals or writing checks to retirees. That is all we will be doing. There will be no money left for defense, no money left for the courts, no money left for law enforcement.

Mr. President, it is an unsustainable trend. It is an unsustainable trend. And we have to interrupt it, as the Speaker said, with courage and with honesty, although I saw some evidence of his unwillingness, I think, to hold to a very important standard in this entire debate.

The Republican proposal solves a 7-year problem, a budget problem for the next 7 years. It is going to be very interesting to see what the trustees say as far as how many years' additional slack we get as a consequence of these changes. Is it going to push the default date or the bankruptcy date, or whatever name you want to put on it, from 2002 back to 2005 or 2006? I guarantee it will not go much beyond 2008.

Mr. President, as I said, worst of all, the proposal does not say to the American people that we have to fix the cost of all entitlements—and health care is the biggest and most rapidly growing of all of them—we have to fix the cost of these entitlement programs so we have the resources to be able to do—God willing, if Congress gets the courage—the equivalent of the GI bill, the equivalent of the interstate highway system, if we are willing to truly make those kinds of investments that produce long-term benefits to future generations. Today we could not afford to do it, and in the future we are going to be able to afford even less.

Mr. President, this proposal does not go far enough. And I emphasize that. I do not want any American—I watched the news today and the sound bites, Speaker GINGRICH and leader DOLE, and then leader DASCHLE and leader GEPHARDT, and Haley Barbour, on where are the Democrats and where are the Republicans. The general perception is being created early in the debate that Republicans have a proposal and the Democrats are opposed to it.

Mr. President, I am not opposed to changing Medicare at all. There is an urgent need to do so. But I feel very strongly on this issue that this proposal does not go as far as we ought to. I will not resist it because it cuts too much; I am going to resist it because the focus is too narrow of a timeframe.

Mr. President, we do not have time on our side. The earlier we make adjustments on this, the easier it will be to fix the overall costs of entitlements and the more likely we will give beneficiaries a time to plan.

I will give you an example. If we can reach agreement that we ought to fix the overall cost of entitlements, if we are going to say that to the American people, let us say we are going to fix it at 70 percent. That is still three points more than it currently is. Let us presume that the Democrats and Republicans and Congress can get together and say entitlements and net interest should not be more than 70 percent of our total interest. That is approximately where Senator Danforth and I ended up with our proposal.

When you get into that, you are talking about the need to phase in a change in the eligibility age from 65 to 70, perhaps providing an earlier eligibility, as we did to 62, requiring a larger payment for it, and allowing people to get insured, not making them wait until they are 70 to be eligible, but for full program benefits, if you want to solve this long-term problem before the baby boomers start to go out.

God help us if we wait. I mean, we do not have the productive capacity to generate the payroll tax revenue nor the income tax revenue to get that done. When the baby-boom generation starts to retire, the people working per retiree is going to drop again. It is almost a 25-percent increase in the number of retirees in a single decade in Nebraska while the population in general grows less than 2 percent.

We have got a tremendous new class of retirees in my—and I do not know how old the occupant of the chair is. The occupant of the chair is sort of on the other edge of the baby-boom generation. When we retire, the people supporting us will say, ''Oh, my gosh, you guys are expensive. I didn't realize you cost so darn much.'' We are going to say, ''Well, we have a COLA on our retirements, health care is more expensive now, even in the managed care environment.''

I heard on C–SPAN today the distinguished occupant of the chair was fiddling, I guess, not long ago with a member of the press and had a pacemaker that he had invented and was trying to come up with a device that was small enough to get into a baby's heart, because that is the kind of surgery he does.

Even in a managed environment, that is going to be expensive. I hope you are successful in being able to discover a way to make that smaller for those babies that need pacemakers. No matter what you do, if you want high quality care, and I believe most Americans want high quality health care, even in a managed environment, it is likely to be expensive.

Mr. President, we are going to need people in the work force producing higher wages, producing higher output to have the revenue that we need to pay for all of that. I daresay, if we do not do more than what is in this Medicare Preservation Act of 1995, we are going to wish we had.

I am here on the floor, Mr. President, to say here is one Democrat that does not look at the proposal and say you have done too much. This is one Democrat that comes to the floor to say we have not done enough.

I have looked at the general outline and see there are no changes in what the beneficiaries have to pay, other

than I suspect 7, 10, 12—there is going to be a higher part B premium in this thing and a means test that drops down to $75,000 a year.

I hope this does not degenerate to a situation where we are attacking that kind of proposal and try to score points. It seems to me we have to come to the American people and say, ''All right, you made a good faith effort to fix this thing inside the budget resolution, but for those of us who have looked at this problem for a bit longer period of time and a longer period of time out in the future, it behooves us to come and say, ''I want to join this battle but not on the outside only having to make a criticism.''

I hope that the Republican majority will try to enlist people like myself rather than trying to score this as a Republican victory saying the Republicans alone are doing it. I hope you reach out to us. I hope leader DOLE is either listening or staff is listening to this. Speaker GINGRICH, I forgive you for your intemperate remarks yesterday. I am not going to stand on the floor of the Senate and say I am permanently angry, will not sit down and meet with Speaker GINGRICH because he said I and other Democrats are morally bankrupt. We have a problem to solve. Deal us in and bring those of us—and there are others on this floor. I know Senator NUNN feels this way, Senator ROBB feels this way, Senator LIEBERMAN feels this way. There are many others. I am by no means an all-inclusive list.

We know we have a problem and we know the problem is much more than a 7-year budget problem. We are able to look at the numbers. Let us present the American people with the truth. Let us give them the facts as the Speaker said we should. Let us have the courage to give them all the facts. Otherwise, Mr. President, in very short order, we will not have Pell grants at all, we will not have student loans at all, we will not have chapter 1, we will not have Head Start—all the sorts of things this year we are anguishing because we do not have enough money to provide young people with, money they need to go to college—by the way, a cost that has gone up even faster than health care. We have families in Nebraska taking out second mortgages on their homes so they can go to college. We are cutting all that while we are funding larger and larger increases for retirement and health care.

Mr. President, we cannot continue it. I am standing here as a Democrat saying I am willing to join with Republicans if you go further. Let us not retreat from this proposal. Let us take it further to solve this long-term problem, not only so that Medicare is preserved for the long term, but so that we preserve our capacity to invest in these young people who watch this occasionally who ask us what we are going to do for their future.

Let us make certain at the Federal level we have the capacity when we reach agreement, and very often we do, that education gets a job done; that there are ways for us to increase productivity; that when we reach agreement on what ought to be done, that we have the fiscal capacity to do it.

Unless we take this proposal and make it larger, I fear that all we are going to do is spend the next 60 days scoring perhaps some terrific and effective political points on who is doing what to whom on Medicare, but we will not have done what I consider to be an urgent task, and that is fixing this entitlement problem once and for all.

I thank the distinguished occupant of the chair for his patience. Again, I appreciate very much his personal work in health care and his political work now in health care. I hope, in fact, that the leadership will open the doors a bit so those of us who do care deeply about this thing, who are willing to present facts, who are willing to tell the truth, who are willing to suck up and use a little bit of our political capital and courage are given an opportunity to do so.

Mr. President, I yield the floor.

RECESS UNTIL MONDAY, SEPTEMBER 18, 1995, AT 9:45 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:45 a.m., Monday, September 18.

Thereupon, the Senate, at 3:31 p.m., recessed until Monday, September 18, 1995, at 9:45 a.m.