

TANF funds and the child support funds will mean a loss of \$4 billion to the State of California. States like the State of the great chairman of the subcommittee, Illinois, will lose close to \$700 million in funds. Ohio, South Dakota, New Mexico, Hawaii, Maryland, Michigan, Nevada, Pennsylvania, all of these States are not going to meet that deadline.

I had originally intended to offer an amendment to delay the imposition of those deadlines and to provide for a moratorium for 6 months so that we could both look at the situation and have time to change the law. I have been persuaded by the fact that my amendment would not be in order, that was helpful in persuading me, but in addition to that, the gentleman from Florida [Mr. SHAW], the chairman of the key subcommittee of the authorizing committee, has a strategy which I would like to yield to the gentleman to describe, which will deal with the possibility of my State and many other States in this country losing an incredible amount of money, totally destroying the whole structure of the Welfare Reform Act the gentleman worked hard on, meaning the inability to enforce interstate child support collection functions and a number of other key functions.

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

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

Mr. SHAW. I thank the gentleman for yielding to me to clarify exactly where we are on this, because as the gentleman quite correctly stated, this is not only a problem that the Californians are concerned about, but it is a problem that at least 9 other and perhaps 10 other States are concerned about, as the gentleman said.

The deadline was extended under the Welfare Reform Act to October 1 of this year. In that there are a number of States that have tried to comply and been unable to comply for some very technical reasons, we have had this matter under discussion in the committee itself.

The way the law presently is written and hopefully will remain is that after this deadline, there is a period of time of approximately 6 months in which the various States can, and I am sure will, appeal in order to pick up the added time and also in order to negotiate with the Secretary, also in order to give this Congress an opportunity to go back and review exactly where we are.

It is my intention as chairman of the Subcommittee on Human Resources to bring a bill to the floor, in cooperation with the Secretary, that would give her certain discretion in imposing any penalty, and, of course, I am sure she would never impose the tremendous penalty as to total defunding, as the gentleman pointed out, in California.

Nonsupport by noncustodial parents is probably the biggest reason for welfare in this country today. We are only

collecting about \$14 billion a year out of a total of almost \$50 billion that is due. That is a horrible situation, and it is necessary that we solve the problem by making it easier to track the deadbeat parents down in order to be sure that they live up to their obligations.

My own State of Florida will probably make the deadline, but I found out in a hearing just the other day that in order to make that deadline it has had to rely on and continue to use an antique computerized system, which it was characterized as. The State of Florida will be on time with the deadline, but they are going to be on time using an Edsel instead of something that would be more modern than that.

That is a problem, and it was sort of the law of unintended consequences that took place.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has expired.

(On request of Mr. SHAW, and by unanimous consent, Mr. BERMAN was allowed to proceed for 3 additional minutes.)

Mr. SHAW. Mr. Chairman, I am very much aware of the California problem. I have spoken to the gentleman's Governor, he has been in my office, Governor Wilson. Secretary Eloise Anderson was in my office as late as yesterday discussing this problem with me.

California it appears has a fragmented system, but it is very high-tech and it is a very good system, and California wants to retain their system. We are going to try to work out a way so that the intention of the law will be brought forward and that various States as California, who have used new technology and has been innovative in the way that they have taken care of their system and updated their system, are not penalized by a Federal mandate if they meet the spirit of the law.

So I would say to the gentleman, I look forward to continuing to work with him and other Californians as well as Pennsylvanians and some of the other States the gentleman mentioned, in seeing that they do meet deadlines and that the deadlines are really enforced in a very reasonable way and that the Secretary is given latitude.

Mr. BERMAN. Mr. Chairman, reclaiming my time, just to sort of pin down the issue perhaps a little bit more precisely, California becomes vulnerable on October 1. So do these other at least 11 States. The process, as I understand it, is that by December or January, HHS will assess and decertify the States, and there is an appeals process. So, as the gentleman pointed out, it is very unlikely any money will be withheld for the next 6 months. But the fear in California, Senator FEINSTEIN has worked on this issue, spoken with the President, and is pursuing whatever mechanisms she can to try and deal with it, the fear is that ultimately something will happen, the legislation will not move, and California will now be found to have been in de-

fault, owing \$4 billion. Next year's payment will be held back because of this, and the fact is the underlying law California will not be able to comply with in 6 months or 1 year anyway.

So there are two issues, the need for California and the other States to know that the penalty structure will be fundamentally changed, it is nuts to withhold TANF or AFDC funds, \$3.7 billion in the State of California because of the failure to meet the computer model, and there will be a new penalty structure dealing with child support enforcement proportional to the sins in the sense it will be structured. And then the underlying question also, which is how do we achieve the centralization and coordination we need without, as the gentleman indicated by implication, encouraging old technologies rather than new technologies and requiring the scrapping of very expensive computer systems. These are both difficult questions.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. BERMAN] has expired.

(By unanimous consent, Mr. BERMAN was allowed to proceed for 1 additional minute.)

Mr. BERMAN. Mr. Chairman, people will want to go to the conference committee here and try to get this extension of the moratorium. I know the gentleman's feelings about it. Anything the gentleman can say to reassure people on this point would be very important.

Mr. SHAW. If the gentleman will yield further, first I want to make it very clear that California is not going to lose \$4 billion. In fact, I would doubt that they will end up in the long run losing anything.

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Both this Member of Congress as well as the Secretary, and I assume the President, want to leave the deadline in place but want flexibility in administering the consequences.

We are looking at the law and we are going to do everything we can to restructure it to answer this California problem.

Mr. BERMAN. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). The Committee will rise informally.

The SPEAKER pro tempore (Mr. SHAW) assumed the chair.

#### SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the