

Company program, the Microloan program and the Small Business Investment Company [SBIC] program.

In addition, the bill will reauthorize the technical assistance and procurement programs of the SBA—the Service Core of Retired Executives [SCORES], the Women's Business Center program, the Small Business Development Center [SBDC] program, the Competitiveness Demonstration program, and other.

This legislation also changes and improves various programs, specifically modifying the Section 504 Preferred Certified Lender Program [PCLP], the SBIC program, the Women's Business Center program, and the SBDC program.

The programs of the Small Business Administration annually provide over \$14 billion of financial assistance to over 100,000 small businesses all across the United States. These financial programs remedy shortfalls in access to credit and capital for small businesses that are in need because of unfortunate imperfections in our national economy. By assuring financial assistance for amounts as small as \$500 to as much as \$1,250,000, the SBA and its private sector partners—bank and non-bank lenders, surety bond insurers, certified development companies, microlenders, and small business investment companies—provide a vital impetus to the small business sector of the economy. The SBA also provides hundreds of millions of dollars in vital disaster assistance to small businesses and homeowners every year.

H.R. 2261 reflects the committee's dedication to and support for these programs and the belief that they are not only necessary but also constantly in need of refinement and improvement as the economy shifts and changes. The bill includes not only the basic reauthorization language necessary to continue regular operations but also changes to the underlying program structures.

The bill includes significant improvements in the Preferred Certified Lender Program of the Section 504 Certified Development Company Program. These changes serve to help implement the committee's goals of increased reliance on private sector lending partners. The committee seeks to both enable the certified development companies to take additional responsibility for servicing, liquidation, and litigation of defaulted loans, and to improve the recoveries for this program.

Committee hearings revealed that recoveries are, in fact, the largest single factor in the increased subsidy cost of the 504 program. The committee continues to be concerned over the subsidy estimates for the 7(a) and 504 programs and makes these changes in the 504 program in order to encourage private sector participation in the liquidation process.

H.R. 2261 also continues the committee's work on improving the Small Business Investment Company program. Last year this program underwent significant changes, and this year the committee seeks to build on those improvements by providing SBIC's with increased flexibility and some responsiveness in order to better allow the SBIC's to interact in the marketplace and thereby reduce risks of loss.

The bill also reauthorizes and improves the Microloan program. Begun in 1991, this program has served the smallest and often least noticed segment of the small business community. The committee has recognized the ef-

ficacy of this program and changed it from demonstration to permanent program status.

In addition to financial assistance, the SBA also provides technical and managerial advice and assistance to hundreds of thousands of small businesses every year through the small business development centers, the women's business centers, and the Service Corps of Retired Executives. The committee reauthorizes these programs in H.R. 2261 and makes some valuable improvements to both the Women's Business Center and Small Business Development Center programs.

The measure before us has two additional components that were added to this legislation since our committee reported it. These additional elements have been added as a result of bipartisan efforts; and, in fact, have involved the collective work of multiple committees. Title VI of H.R. 2261, as amended, contains a number of provisions which are designed to assist the Federal Government in better serving service disabled veterans and small businesses owned by service disabled veterans. These measures are the product of bipartisan efforts by myself and our committee's ranking member, working together with the chairman of the Rules Committee and the chairman of the Committee on Veterans' Affairs.

Title VII of this legislation is also the product of a bipartisan and multicommittee effort between the Small Business Committee and the Science Committee. Title VII contains H.R. 2429, as reported by the Committee on Science, which is a 3-year reauthorization of the Pilot Small Business Technology Transfer [STTR] program. Building upon the established model of the Small Business Innovation Research [SBIR] program, the STTR Program provides the statutory basis for structured collaborations between small technology entrepreneurs and nonprofit research institutions, such as universities or Federal-funded research and development centers [FFRDC's], to foster commercialization of the results of federally sponsored research.

Mr. Speaker, H.R. 2261 is the product of bipartisan efforts in our committee to reauthorize the Small Business Administration through fiscal year 2000. It also reflects the efforts of other individuals and committees and their staffs. I would like to thank Mr. SENSENBRENNER, the chairman of the Committee on Science, and Mr. BROWN, his ranking member, for their work on H.R. 2429, which has become title VII of this legislation. I would also like to express my appreciation to their staff who worked on this. I would also like to thank Mr. STUMP, the chairman of the Veterans' Affairs Committee, and Mr. SOLOMON, the chairman of the Rules Committee, along with their staffs, for their help in working on title VI of this legislation. I would also like to thank our committee's ranking member, Mr. LAFALCE, for all of his help in helping to craft this legislation and assisting in bringing it to this floor. Finally, I would like to acknowledge the Small Business Committee staff who worked on this legislation: Emily Murphy, Mary McKenzie, Charles "Tee" Rowe, and Harry Katrichis for the majority, and Jeanne Roslanowick, Steve McSpadden, and Tom Powers for the minority.

I urge my colleagues to vote for this important legislation.

Mrs. MORELLA. Mr. Speaker, I am delighted that the bipartisan bill H.R. 2429 will be included as an amendment to the small business reauthorization bill. I would like to thank

Chairman SENSENBRENNER; ranking member, Mr. BROWN; the ranking member of the Subcommittee on Technology, Mr. GORDON; Mr. BARTLETT, as well as the other members from the Committee on Small Business who have cosponsored H.R. 2429.

The STTR program expires on September 30th of this year. H.R. 2429 will reauthorize STTR at its current set-aside level through fiscal year 2000. This will put STTR on the same timeline as its parent program, the Small Business Innovation Research Program.

STTR fosters collaboration between small businesses and research institutions to develop high-technology projects that can one day reach the marketplace or be used by the Federal Government. Since its inception, STTR has made nearly 800 awards totaling over \$115 million. Of those totals, 42 awards for \$4.8 million have gone to Maryland small businesses.

As Chairman SENSENBRENNER has stated, H.R. 2429 addresses some important concerns regarding the STTR Program, including establishing goals for the program, and establishing an outreach program to increase the participation of those states that have been under-represented in the STTR Program.

STTR began in 1994. Very few ideas have even reached the phase II level. Because of its infancy, it was difficult to determine whether STTR was a success or not. I hope that—with the changes made by H.R. 2429—along with 3 more years of data, Congress will have a better idea of the effectiveness and success of the program when its reauthorization expires in the year 2000.

Mr. TALENT. I have no further speakers on this side, Mr. Speaker, and so I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. TALENT] that the House suspend the rules and pass the bill, H.R. 2261, as amended.

The question was taken.

Mr. MILLER of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2261, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHILD SUPPORT INCENTIVE ACT OF 1997

Mr. SHAW. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2487) to improve the effectiveness

and efficiency of the child support enforcement program and thereby increase the financial stability of single parent families, including those attempting to leave welfare, as amended.

The Clerk read as follows:

H.R. 2487

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 "Child Support Incentive Act of 1997".

SEC. 2. INCENTIVE PAYMENTS TO STATES.

(a) IN GENERAL.—Part D of title IV of the Social Security Act (42 U.S.C. 651-669) is amended by inserting after section 458 the following:

"SEC. 458A. INCENTIVE PAYMENTS TO STATES.

"(a) IN GENERAL.—In addition to any other payment under this part, the Secretary shall, subject to subsection (f), make an incentive payment to each State for each fiscal year in an amount determined under subsection (b).

"(b) AMOUNT OF INCENTIVE PAYMENT.—

"(1) IN GENERAL.—The incentive payment for a State for a fiscal year is equal to the sum of the applicable percentages (determined in accordance with paragraph (3)) of the maximum incentive amount for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

"(A) The paternity establishment performance level.

"(B) The support order performance level.

"(C) The current payment performance level.

"(D) The arrearage payment performance level.

"(E) The cost-effectiveness performance level.

"(2) MAXIMUM INCENTIVE AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the maximum incentive amount for a State for a fiscal year is—

"(i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (1), 0.49 percent of the State collections base for the fiscal year; and

"(ii) with respect to the performance measures described in subparagraphs (D) and (E) of paragraph (1), 0.37 percent of the State collections base for the fiscal year.

"(B) DATA USED TO CALCULATE RATIOS REQUIRED TO BE COMPLETE AND RELIABLE.—Notwithstanding subparagraph (A), the maximum incentive amount for a State for a fiscal year with respect to a performance measure described in paragraph (1) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

"(C) STATE COLLECTIONS BASE.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

"(i) 2 times the sum of—

"(I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and

"(II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and

"(ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.

"(3) DETERMINATION OF APPLICABLE PERCENTAGES BASED ON PERFORMANCE LEVELS.—

"(A) PATERNITY ESTABLISHMENT.—

"(i) DETERMINATION OF PATERNITY ESTABLISHMENT PERFORMANCE LEVEL.—The paternity es-

tablishment performance level for a State for a fiscal year is, at the option of the State, the IV-D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's paternity establishment performance level is as follows:

| "If the paternity establishment performance level is: | | The applicable percentage is: |
|---|----------------|-------------------------------|
| At least: | But less than: | |
| 80% | 80% | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |
| 68% | 69% | 78 |
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 0% | 50% | 0. |

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

"(B) ESTABLISHMENT OF CHILD SUPPORT ORDERS.—

"(i) DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's support order performance level is as follows:

| "If the support order performance level is: | | The applicable percentage is: |
|---|----------------|-------------------------------|
| At least: | But less than: | |
| 80% | 80% | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |
| 68% | 69% | 78 |
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |

| "If the support order performance level is: | | The applicable percentage is: |
|---|----------------|-------------------------------|
| At least: | But less than: | |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 0% | 50% | 0. |

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

"(C) COLLECTIONS ON CURRENT CHILD SUPPORT DUE.—

"(i) DETERMINATION OF CURRENT PAYMENT PERFORMANCE LEVEL.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

"(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's current payment performance level is as follows:

| "If the current payment performance level is: | | The applicable percentage is: |
|---|----------------|-------------------------------|
| At least: | But less than: | |
| 80% | 80% | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |
| 68% | 69% | 78 |
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 49% | 50% | 59 |
| 48% | 49% | 58 |
| 47% | 48% | 57 |
| 46% | 47% | 56 |
| 45% | 46% | 55 |
| 44% | 45% | 54 |
| 43% | 44% | 53 |
| 42% | 43% | 52 |
| 41% | 42% | 51 |
| 40% | 41% | 50 |
| 0% | 40% | 0. |

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds

by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

“(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

“(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's arrearage payment performance level is as follows:

| “If the arrearage payment performance level is: | | The applicable percentage is: |
|--|-----------------------|--------------------------------------|
| At least: | But less than: | |
| 80% | 80% | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |
| 68% | 69% | 78 |
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 49% | 50% | 59 |
| 48% | 49% | 58 |
| 47% | 48% | 57 |
| 46% | 47% | 56 |
| 45% | 46% | 55 |
| 44% | 45% | 54 |
| 43% | 44% | 53 |
| 42% | 43% | 52 |
| 41% | 42% | 51 |
| 40% | 41% | 50 |
| 0% | 40% | 0. |

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

“(E) COST-EFFECTIVENESS.—

“(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

| “If the cost effectiveness performance level is: | | The applicable percentage is: |
|---|-----------------------|--------------------------------------|
| At least: | But less than: | |
| 5.00 | 5.00 | 100 |
| 4.50 | 4.99 | 90 |
| 4.00 | 4.50 | 80 |
| 3.50 | 4.00 | 70 |
| 3.00 | 3.50 | 60 |
| 2.50 | 3.00 | 50 |
| 2.00 | 2.50 | 40 |
| 0.00 | 2.00 | 0. |

“(c) TREATMENT OF INTERSTATE COLLECTIONS.—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

“(d) ADMINISTRATIVE PROVISIONS.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

“(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

“(f) REINVESTMENT.—A State to which a payment is made under this section shall expend the full amount of the payment—

“(1) to carry out the State plan approved under this part; or

“(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for which are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.”.

(b) TRANSITION RULE.—Notwithstanding any other provision of law—

(1) for fiscal year 2000, the Secretary shall reduce by 1/3 the amount otherwise payable to a State under section 458, and shall reduce by 2/3 the amount otherwise payable to a State under section 458A; and

(2) for fiscal year 2001, the Secretary shall reduce by 2/3 the amount otherwise payable to a State under section 458, and shall reduce by 1/3 the amount otherwise payable to a State under section 458A.

(c) REGULATIONS.—Within 9 months after the date of the enactment of this section, the Secretary of Health and Human Services shall prescribe regulations governing the implementation of section 458A of the Social Security Act when such section takes effect and the implementation of subsection (b) of this section.

(d) STUDIES.—

(1) GENERAL REVIEW OF NEW INCENTIVE PAYMENT SYSTEM.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study of the im-

plementation of the incentive payment system established by section 458A of the Social Security Act, in order to identify the problems and successes of the system.

(B) REPORTS TO THE CONGRESS.—

(i) REPORT ON VARIATIONS IN STATE PERFORMANCE ATTRIBUTABLE TO DEMOGRAPHIC VARIABLES.—Not later than October 1, 2000, the Secretary shall submit to the Congress a report that identifies any demographic or economic variables that account for differences in the performance levels achieved by the States with respect to the performance measures used in the system, and contains the recommendations of the Secretary for such adjustments to the system as may be necessary to ensure that the relative performance of States is measured from a baseline that takes account of any such variables.

(ii) INTERIM REPORT.—Not later than March 1, 2001, the Secretary shall submit to the Congress an interim report that contains the findings of the study required by subparagraph (A).

(iii) FINAL REPORT.—Not later than October 1, 2003, the Secretary shall submit to the Congress a final report that contains the final findings of the study required by subparagraph (A). The report shall include any recommendations for changes in the system that the Secretary determines would improve the operation of the child support enforcement program.

(2) DEVELOPMENT OF MEDICAL SUPPORT INCENTIVE.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with State directors of programs operated under part D of title IV of the Social Security Act and representatives of children potentially eligible for medical support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) REPORT.—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance measure and contains the recommendations required by subparagraph (A).

(e) TECHNICAL AMENDMENTS.—

(1) IN GENERAL.—Section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 658 note) is amended—

(A) by striking subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(B) in subsection (c) (as so redesignated)—

(i) by striking paragraph (1) and inserting the following:

“(1) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—The amendments made by subsection (a) of this section shall become effective with respect to a State as of the date the amendments made by section 103(a) (without regard to section 116(a)(2)) first apply to the State.”; and

(ii) in paragraph (2), by striking “(c)” and inserting “(b)”.

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) ELIMINATION OF PREDECESSOR INCENTIVE PAYMENT SYSTEM.—

(1) REPEAL.—Section 458 of the Social Security Act (42 U.S.C. 658) is repealed.

(2) CONFORMING AMENDMENTS.—
(A) Section 458A of the Social Security Act (42 U.S.C. 658a) is redesignated as section 458.

(B) Subsection (d)(1) of this section is amended by striking “458A” and inserting “458”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2001.

(g) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments

made by this section shall take effect on October 1, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. SHAW] and the gentleman from Michigan [Mr. LEVIN] each will control 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. SHAW].

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 2487.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SHAW. Mr. Speaker, the Federal Government now spends nearly half a billion dollars per year providing the States with incentive payments for good performance in collecting child support, but the current system has serious deficiencies.

The Federal Government provides more than half the incentive money virtually without regard to performance. Even worse, although many States have poor child support programs, current laws allow States to use the incentive payment as a kind of kitty for the State treasury. Thus, money that should be used to improve child support programs is used by some States to build roads and bridges.

The new system we are considering today, based on work by the administration, directors of State and child support programs, and a bipartisan coalition headed by the gentleman from Michigan [Mr. LEVIN] and me, solves both of these problems and more. Under this bill, which was approved unanimously by the Committee on Ways and Means, every penny of the incentive money will be based on performance and States can use the money only on child support activities.

The new incentive system created by this legislation is simply one more tool that Congress has enacted to improve the performance of the Federal-State child support program. Many other tools are just now being put in place by State governments as required under last year's welfare reform law.

Once all of last year's reforms are in place and once the new incentive program begins to reward high-performance States, I believe we will see a steady improvement in the child support program as more and more single-parent families and children receive sorely needed cash and medical support. Perhaps of the greatest importance, many hundreds of thousands of those helped will be single parents struggling to leave welfare and to stay off of welfare.

This bill enjoys bipartisan support and was developed in close cooperation with the administration. The reforms made by this bill will greatly improve the child support program. Let us bring this bill out of the House with a resounding voice so that the Nation's

children can start getting the financial support they need and deserve.

Mr. Speaker, I reserve the balance of my time.

□ 1330

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from Florida [Mr. SHAW], and I wish to express my appreciation for the bipartisan spirit with which this important piece of legislation has been developed. I would also like to congratulate the administration, HHS, Secretary Shalala and all of her staff, and I would like to congratulate the staffs of our committee, Dr. Haskins, who is here, Deborah Colton, who is on the floor with us, my own staff, as well as others, because today we are poised to take an important next step in our continuing efforts to assure that every kid in this country is supported by both parents. A job that pays a living wage is one component of self-sufficiency for families, and for single parents, a child support order and a non-custodial parent who supports the family every month can be equally important.

Last year we devoted considerable time and attention to one aspect of assuring the financial security of America's children: making work a central element of our Nation's welfare laws. After all, a job paying a living wage is probably the most important component of self-sufficiency for families on welfare.

Another essential part of welfare reform is child support. It sends a message of responsibility to both parents and it is a vital part of moving families toward work and self-sufficiency.

We have seen some progress since the 1970's when Congress began to insist that States give priority to child support enforcement. Collections have risen from \$1 billion a year to more than \$11 billion in 1995; and in that same year, more than 5 million parents were located and paternity was established for over 600,000 children.

But that is not good enough. Of the 9.9 million female-headed families in 1991 eligible for child support, only 56 percent had child support orders. That means that 4.5 million families did not even have an order to enforce. Those with child support orders were not always much better off. Only about half of those due money from a noncustodial parent actually received 100 percent of their court-ordered child support payments.

Well, in the mid-1980's when we designed the current incentive system, we did the best we could with limited information available to us. But now, after nearly a decade of experience, we are in a position to create a more sophisticated system that truly rewards performance.

The new system will reward States with incentive funds based on the State's performance in 5 essential areas: establishment of paternity; es-

tablishment of child support orders; collection on current child support owed; collection on previously or past due child support owed; and cost-effectiveness. These measures will more accurately reflect the true performance of the States and their success in helping families achieve self-sufficiency.

To be sure, a wholesale change of this magnitude may be a bit daunting to States because of the uncertainty of the size of incentive payments coupled with the dramatic changes our entire welfare system is undergoing. But before we conclude that some States may lose Federal funds under this new system, let us remember that it will be several years before the new incentives are fully implemented, and the goal is for all States to continue working and to qualify for the new incentives.

In the past decade, we have made progress, but as said, much more remains to be done, and as the gentleman from Florida [Mr. SHAW], has said so well throughout these proceedings, this bill can help.

Our legislation redesigns the financing of the child support program to reward those States that perform best. We fine-tune the incentive payments we make to the States so that those States that operate a balanced and efficient program are rewarded, and we phase in the new system, and that should be emphasized, to minimize any disruptions at the State level.

This bill is a bipartisan product. It is truly a consensus proposal, and I am sure that the gentleman from Florida [Mr. SHAW] and all of the Members of our committee, and I think the House today, will join in expressing this hope, that we will not only pass this bill in this House but the Senate will act on it before it adjourns for the year.

Mr. Speaker, I reserve the balance of my time.

Mr. SHAW. Mr. Speaker, I do not have any further requests for time, and I yield back the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. SHAW] that the House suspend the rules and pass the bill, H.R. 2487, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SECURITIES AND EXCHANGE COMMISSION AUTHORIZATION, FISCAL YEARS 1998 AND 1999

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1262) to authorize appropriations for the Securities and Exchange Commission for fiscal years 1998 and 1999, and for other purposes.

The Clerk read as follows: