

put aside partisan tricks and the privatization plan, and I call on my colleagues to join me in opposing privatization and work to protect Social Security and the promise to America's seniors.

PRIVATIZATION OF SOCIAL SECURITY

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

Mr. CROWLEY. Mr. Speaker, if you loved what happened to the people who invested their retirement savings in Enron stock, look out. House Republicans have something even better as a sequel, the privatization of Social Security. They can retitle it all they want as personal retirement accounts or personal choice or individual investing options, but it all means the same thing, privatization, taking your hard earned money from Social Security and giving it to the same people who brought us Enron and Global Crossing. No more guaranteed retirement income for seniors, but guaranteed instability.

Should Ken Lay and Ivan Boesky and Michael Milliken be deciding your personal retirement future? Democrats say no. Republicans say yes. Oppose the Republican efforts to privatize social security. It is your money and do not let them forget it.

When Social Security was started in 1935, 40 percent of Americans were dying in a state of poverty. We have not come very far. Today a full 33 percent of Americans rely on Social Security for their only source of income in retirement years.

BIPARTISAN WELFARE REFORM

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

Mr. ROEMER. Mr. Speaker, I am proud to have voted for a successful bipartisan welfare reform in 1996. That bill has worked to get people off of welfare roles into work, and many of them out of poverty.

Now we have a Republican bill that is coming to the floor later today that threatens that very success because it omits three important things. One, instead of emphasizing work it emphasizes simply knocking people off the welfare roles. We want to give a credit to States to get people into jobs, not just off welfare.

Secondly, we need to emphasize child care. I support more work for welfare families. If they are going to work more, their children are going to need more child care. We have 12,757 children on the waiting list today in Indiana for child care.

Thirdly, we emphasized mothers, single mothers and welfare reform in 1996. We largely left out fathers. We should be able to offer an amendment to make fathers, noncustodial parents get back

into the workplace. Let us work with that much maligned body on the other side to get real reform that continues the bipartisan success of 1996.

FROM WELFARE TO WORK

(Ms. HART asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HART. Mr. Speaker, we have the opportunity now to reauthorize one of the most successful pieces of legislation this House has ever passed, the welfare reform legislation. I think it is important to focus on one point that has come to be a part of this reauthorization, improvement in this bill. It is one that will be so very helpful to families across the United States who are struggling to move from welfare to work, welfare to independence, welfare to hope for the future. And one of those situations that we have identified that we are improving greatly in this bill is the opportunity for moms to go to work, and that is because we are adding significant amounts of resources for them to get good safe child care for their children.

There have been so many children elevated from poverty because of the welfare reform. We are only going to improve those figures by doing what we are doing here today. And one of the best parts, one that I am very proud to have been part of, is where we will now give more moms the opportunity to move into the independence of work because we are going to help them with safe and competent child care.

SUCCESS FOR AMERICA'S CHILDREN

(Mrs. WILSON of New Mexico asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. WILSON of New Mexico. Mr. Speaker, we are going to go tackle the welfare reform debate here, and there is one very important element and that focuses on children. The real success of welfare reform has been to move people from helplessness to hope and move children out of poverty. There are 3 million fewer children today in poverty because their moms have gotten a job to be able to support their family. We are going to build on that today by adding \$2 billion more into child care and giving States the flexibility to move that money from folks who are on welfare to folks who are the low income working poor to support their return to work.

This is a great day for America, a great celebration of all that we have achieved for America's children and we will build on that success.

PERSONAL RESPONSIBILITY, WORK, AND FAMILY PROMOTION ACT OF 2002

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 422 I call up the

bill (H.R. 4737) to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 422, the bill is considered read for amendment.

The text of H.R. 4737 is as follows:

H.R. 4737

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 "Personal Responsibility, Work, and Family Promotion Act of 2002".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Findings.

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- Sec. 102. Family assistance grants.
- Sec. 103. Promotion of family formation and healthy marriage.
- Sec. 104. Supplemental grant for population increases in certain States.
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- Sec. 115. Research, evaluations, and national studies.
- Sec. 116. Studies by the Census Bureau and the General Accounting Office.
- Sec. 117. Definition of assistance.
- Sec. 118. Technical corrections.
- Sec. 119. Fatherhood program.
- Sec. 120. State option to make TANF programs mandatory partners with one-stop employment training centers.
- Sec. 121. Sense of the Congress.

TITLE II—CHILD CARE

- Sec. 201. Short title.
- Sec. 202. Goals.
- Sec. 203. Authorization of appropriations.
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- Sec. 206. Report by Secretary.
- Sec. 207. Definitions.
- Sec. 208. Entitlement funding.

TITLE III—TAXPAYER PROTECTIONS

- Sec. 301. Exclusion from gross income for interest on overpayments of income tax by individuals.
- Sec. 302. Deposits made to suspend running of interest on potential underpayments.
- Sec. 303. Partial payment of tax liability in installment agreements.

TITLE IV—CHILD SUPPORT

- Sec. 401. Federal matching funds for limited pass through of child support payments to families receiving TANF.

- Sec. 402. State option to pass through all child support payments to families that formerly received TANF.
- Sec. 403. Mandatory review and adjustment of child support orders for families receiving TANF.
- Sec. 404. Mandatory fee for successful child support collection for family that has never received TANF.
- Sec. 405. Report on undistributed child support payments.
- Sec. 406. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 407. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 408. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 409. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
- Sec. 410. Improving Federal debt collection practices.
- Sec. 411. Maintenance of technical assistance funding.
- Sec. 412. Maintenance of Federal Parent Locator Service funding.

TITLE V—CHILD WELFARE

- Sec. 501. Extension of authority to approve demonstration projects.
- Sec. 502. Elimination of limitation on number of waivers.
- Sec. 503. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
- Sec. 504. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
- Sec. 505. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
- Sec. 506. Availability of reports.
- Sec. 507. Technical correction.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

- Sec. 601. Review of State agency blindness and disability determinations.

TITLE VII—STATE AND LOCAL FLEXIBILITY

- Sec. 701. Program coordination demonstration projects.
- Sec. 702. State food assistance block grant demonstration project.

TITLE VIII—ABSTINENCE EDUCATION

- Sec. 801. Extension of abstinence education funding under maternal and child health program.

TITLE IX—TRANSITIONAL MEDICAL ASSISTANCE

- Sec. 901. One-year reauthorization of transitional medical assistance.
- Sec. 902. Adjustment to payments for Medicaid administrative costs to prevent duplicative payments and to fund a 1-year extension of transitional medical assistance.

TITLE X—EFFECTIVE DATE

- Sec. 1001. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the

amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 4. FINDINGS.

The Congress makes the following findings:

(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) has succeeded in moving families from welfare to work and reducing child poverty.

(A) There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working recipients reached an all-time high in fiscal years 1999 and 2000. In fiscal year 1999, 33 percent of adult recipients were working, compared to less than 7 percent in fiscal year 1992, and 11 percent in fiscal year 1996. All States met the overall participation rate standard in fiscal year 2000, as did the District of Columbia and Puerto Rico.

(B) Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings for female-headed households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

(C) Welfare dependency has plummeted. As of September 2001, 2,103,000 families and 5,333,000 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 52 percent and 56 percent, respectively, since the enactment of TANF. These declines have persisted even as unemployment rates have increased: unemployment rates nationwide rose 25 percent, from 3.9 percent in September 2000 to 4.9 percent in September 2001, while welfare caseloads continued to drop by 7 percent.

(D) The child poverty rate continued to decline between 1996 and 2000, falling 21 percent from 20.5 to 16.2 percent. The 2000 child poverty rate is the lowest since 1979. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 6 years. African-American child poverty is at the lowest rate on record and Hispanic child poverty has had the largest 4-year decrease on record.

(E) Despite these gains, States have had mixed success in fully engaging welfare recipients in work activities. While all States have met the overall work participation rates required by law, in 2000, in an average month, only about 1/3 of all families with an adult participated in work activities that were countable toward the State's participation rate. Eight jurisdictions failed to meet the more rigorous 2-parent work requirements, and about 20 States are not subject to the 2-parent requirements, most because they moved their 2-parent cases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collections and paternity establishment.

(A) The teen birth rate has fallen continuously since 1991, down a dramatic 22 percent by 2000. During the period of 1991–2000, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15–17 years of age is down 29 percent since 1991, and the rate for those 18 and 19 is down 16 percent. Between 1991 and 2000, teen birth rates declined for all women ages 15–19—white, African American, American Indian, Asian or Pacific Islander, and Hispanic

women ages 15–19. The rate for African American teens—until recently the highest—experienced the largest decline, down 31 percent from 1991 to 2000, to reach the lowest rate ever reported for this group. Most births to teens are nonmarital; in 2000, about 73 percent of the births to teens aged 15–19 occurred outside of marriage.

(B) Nonmarital childbearing continued to increase slightly in 2000, however not at the sharp rates of increase seen in recent decades. The birth rate among unmarried women in 2000 was 3.5 percent lower than its peak reached in 1994, while the proportion of births occurring outside of marriage has remained at approximately 33 percent since 1998.

(C) The negative consequences of out-of-wedlock birth on the mother, the child, the family, and society are well documented. These include increased likelihood of welfare dependency, increased risks of low birth weight, poor cognitive development, child abuse and neglect, and teen parenthood, and decreased likelihood of having an intact marriage during adulthood.

(D) An estimated 23,900,000 children do not live with their biological father. 16,000,000 children live with their mother only. These facts are attributable largely to declining marriage rates, increasing divorce rates, and increasing rates of nonmarital births during the latter part of the 20th century.

(E) There has been a dramatic rise in cohabitation as marriages have declined. Only 40 percent of children of cohabiting couples will see their parents marry. Those who do marry experience a 50 percent higher divorce rate. Children in single-parent households and cohabiting households are at much higher risk of child abuse than children in intact married and stepparent families.

(F) Children who live apart from their biological fathers, on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living in a single-parent family is nearly 5 times as likely to be poor as a child living in a married-couple family. In married-couple families, the child poverty rate is 8.1 percent, in households headed by a single mother, the poverty rate is 39.7 percent.

(G) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from \$12,000,000,000 in fiscal year 1996 to nearly \$19,000,000,000 in fiscal year 2001. The number of paternities established or acknowledged in fiscal year 2002 reached an historic high of over 1,500,000—which includes a nearly 100 percent increase through in-hospital acknowledgement programs to 688,510 in 2000 from 349,356 in 1996. Child support collections were made in over 7,000,000 cases in fiscal year 2000, significantly more than the almost 4,000,000 cases having a collection in 1996.

(3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.

(A) Total Federal and State TANF expenditures in fiscal year 2000 were \$24,000,000,000, up from \$22,600,000,000 for the previous year. This increased spending is attributable to significant new investments in supportive

services in the TANF program, such as child care and activities to support work.

(B) Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community service, and work experience) among welfare recipients, as well as an unprecedented reduction in the caseload because recipients have left welfare for work.

(C) States are making policy choices and investment decisions best suited to the needs of their citizens.

(i) To expand aid to working families, all States disregard a portion of a family's earned income when determining benefit levels.

(ii) Most States increased the limits on countable assets above the former Aid to Families with Dependent Children (AFDC) program. Every State has increased the vehicle asset level above the prior AFDC limit for a family's primary automobile.

(iii) States are experimenting with programs to promote marriage and father involvement. Over half the States have eliminated restrictions on 2-parent families. Many States use TANF, child support, or State funds to support community-based activities to help fathers become more involved in their children's lives or strengthen relationships between mothers and fathers.

(4) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as in promoting healthy marriage and other means of improving child well-being, are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by this Act) is intended to serve these ends.

TITLE I—TANF

SEC. 101. PURPOSES.

Section 401(a) (42 U.S.C. 601(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “increase” and inserting “improve child well-being by increasing”;

(2) in paragraph (1), by inserting “and services” after “assistance”;

(3) in paragraph (2), by striking “parents on government benefits” and inserting “families on government benefits and reduce poverty”;

(4) in paragraph (4), by striking “two-parent families” and inserting “healthy, 2-parent married families, and encourage responsible fatherhood”.

SEC. 102. FAMILY ASSISTANCE GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

(1) by striking “1996, 1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”;

(2) by inserting “payable to the State for the fiscal year” before the period.

(b) STATE FAMILY ASSISTANCE GRANT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking subparagraphs (B) through (E) and inserting the following:

“(B) STATE FAMILY ASSISTANCE GRANT.—The State family assistance grant payable to a State for a fiscal year shall be the amount that bears the same ratio to the amount specified in subparagraph (C) of this paragraph as the amount required to be paid to the State under this paragraph for fiscal year 2002 (determined without regard to any reduction pursuant to section 412(a)(1)) bears to the total amount required to be paid under this paragraph for fiscal year 2002.

“(C) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2007 \$16,566,542,000 for grants under this paragraph.”.

(c) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking “1997 through 2002” and inserting “2003 through 2007”.

SEC. 103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE.

(a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

“(vii) Encourage equitable treatment of married, 2-parent families under the program referred to in clause (i).”.

(b) HEALTHY MARRIAGE PROMOTION GRANTS; REPEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

“(2) HEALTHY MARRIAGE PROMOTION GRANTS.—

“(A) AUTHORITY.—The Secretary shall award competitive grants to States, territories, and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy, married, 2-parent families.

“(B) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities:

“(i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

“(ii) Education in high schools on the value of marriage, relationship skills, and budgeting.

“(iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.

“(iv) Pre-marital education and marriage skills training for engaged couples and for couples interested in marriage.

“(v) Marriage enhancement and marriage skills training programs for married couples.

“(vi) Divorce reduction programs that teach relationship skills.

“(vii) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

“(viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

“(C) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2007 \$100,000,000 for grants under this paragraph.”.

(c) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

“(V) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—The term ‘qualified State expenditures’ includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).”.

SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.

Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is amended—

(1) in the subparagraph heading, by striking “OF GRANTS FOR FISCAL YEAR 2002”;

(2) in clause (i), by striking “fiscal year 2002” and inserting “each of fiscal years 2002 through 2006”;

(3) in clause (ii), by striking “2002” and inserting “2006”;

(4) in clause (iii), by striking “fiscal year 2002” and inserting “each of fiscal years 2002 through 2006”.

SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.

(a) REALLOCATION OF FUNDING.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended—

(1) in the paragraph heading, by striking “HIGH PERFORMANCE STATES” and inserting “EMPLOYMENT ACHIEVEMENT”;

(2) in subparagraph (D)(ii)—

(A) in subclause (I), by striking “equals \$200,000,000” and inserting “(other than 2003) equals \$200,000,000, and for bonus year 2003 equals \$100,000,000”;

(B) in subclause (II), by striking “\$1,000,000,000” and inserting “\$900,000,000”;

(3) in subparagraph (F), by striking “\$1,000,000,000” and inserting “\$900,000,000”.

(b) BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.—

(1) IN GENERAL.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended by striking subparagraphs (A) through (F) and inserting the following:

“(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is an employment achievement State.

“(B) AMOUNT OF GRANT.—

“(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to an employment achievement State for a bonus year, which shall be based on the performance of the State as determined under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

“(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

“(C) FORMULA FOR MEASURING STATE PERFORMANCE.—

“(i) IN GENERAL.—Subject to clause (ii), not later than October 1, 2003, the Secretary, in consultation with the States, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals of employment entry, job retention, and increased earnings from employment for families receiving assistance under the program, as measured on an absolute basis and on the basis of improvement in State performance.

“(ii) SPECIAL RULE FOR BONUS YEAR 2004.—For the purposes of awarding a bonus under this paragraph for bonus year 2004, the Secretary may measure the performance of a State in fiscal year 2003 using the job entry rate, job retention rate, and earnings gain rate components of the formula developed under section 403(a)(4)(C) as in effect immediately before the effective date of this paragraph.

“(D) DETERMINATION OF STATE PERFORMANCE.—For each bonus year, the Secretary shall—

“(i) use the formula developed under subparagraph (C) to determine the performance of each eligible State for the fiscal year that precedes the bonus year; and

“(ii) prescribe performance standards in such a manner so as to ensure that—

“(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals \$100,000,000; and

“(II) the total amount of grants to be made under this paragraph for all bonus years equals \$500,000,000.

“(E) DEFINITIONS.—In this paragraph:

“(i) BONUS YEAR.—The term ‘bonus year’ means each of fiscal years 2004 through 2008.

“(ii) EMPLOYMENT ACHIEVEMENT STATE.—The term ‘employment achievement State’ means, with respect to a bonus year, an eligible State whose performance determined pursuant to subparagraph (D)(i) for the fiscal year preceding the bonus year equals or exceeds the performance standards prescribed under subparagraph (D)(ii) for such preceding fiscal year.

“(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2004 through 2008 \$500,000,000 for grants under this paragraph.

“(G) GRANTS FOR TRIBAL ORGANIZATIONS.—This paragraph shall apply with respect to tribal organizations in the same manner in which this paragraph applies with respect to States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 2003.

SEC. 106. CONTINGENCY FUND.

(a) DEPOSITS INTO FUND.—Section 403(b)(2) (42 U.S.C. 603(b)(2)) is amended—

(1) by striking “1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”; and

(2) by striking all that follows “\$2,000,000,000” and inserting a period.

(b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking “fiscal years 1997 through 2002” and inserting “fiscal years 2003 through 2007”.

(c) DEFINITION OF NEEDY STATE.—Clauses (i) and (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are amended by inserting after “1996” the following: “, and the Food Stamp Act of 1977 as in effect during the corresponding 3-month period in the fiscal year preceding such most recently concluded 3-month period.”.

(d) ANNUAL RECONCILIATION: FEDERAL MATCHING OF STATE EXPENDITURES ABOVE “MAINTENANCE OF EFFORT” LEVEL.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended—

(1) in subparagraph (A)(ii)—

(A) by adding “and” at the end of subclause (I);

(B) by striking “; and” at the end of subclause (II) and inserting a period; and

(C) by striking subclause (III);

(2) in subparagraph (B)(i)(II), by striking all that follows “section 409(a)(7)(B)(iii)” and inserting a period;

(3) by amending subparagraph (B)(ii)(I) to read as follows:

“(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year; plus”; and

(4) by striking subparagraph (C).

(e) CONSIDERATION OF CERTAIN CHILD CARE EXPENDITURES IN DETERMINING STATE COMPLIANCE WITH CONTINGENCY FUND MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended—

(1) by striking “(other than the expenditures described in subclause (I)(bb) of that paragraph) under the State program funded under this part” and inserting a close parenthesis; and

(2) by striking “excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994.”.

SEC. 107. USE OF FUNDS.

(a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by striking “in any manner that” and inserting “for any purposes or activities for which”.

(b) TREATMENT OF INTERSTATE IMMIGRANTS.—

(1) STATE PLAN PROVISION.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.

(2) USE OF FUNDS.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amended by striking “30” and inserting “50”.

(d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C. 604(d)(2)(B)) is amended to read as follows:

“(B) APPLICABLE PERCENT.—For purposes of subparagraph (A), the applicable percent is 10 percent for fiscal year 2003 and each succeeding fiscal year.”.

(e) CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

“(e) AUTHORITY TO CARRYOVER OR RESERVE CERTAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE CONTINGENCIES.—

“(1) CARRYOVER.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.

“(2) CONTINGENCY RESERVE.—A State or tribe may designate any portion of a grant made to the State or tribe under this part as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State or tribe so designates a portion of such a grant, the State shall, on an annual basis, include in its report under section 411(a) the amount so designated.”.

SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE PROGRAMS.

(a) REPEAL.—Section 406 (42 U.S.C. 606) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 409(a) (42 U.S.C. 609(a)) is amended by striking paragraph (6).

(2) Section 412 (42 U.S.C. 612) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking “406.”.

SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.

(a) MODIFICATION OF STATE PLAN REQUIREMENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

“(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

“(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).”.

(b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY PLANS.—

(1) IN GENERAL.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

“(b) FAMILY SELF-SUFFICIENCY PLANS.—

“(1) IN GENERAL.—A State to which a grant is made under section 403 shall—

“(A) assess, in the manner deemed appropriate by the State, of the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part;

“(B) establish for each family that includes such an individual, in consultation as the

State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities;

“(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

“(D) monitor the participation of each such individual in the activities specified in the self-sufficiency plan, and regularly review the progress of the family toward self-sufficiency;

“(E) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

“(2) TIMING.—The State shall comply with paragraph (1) with respect to a family—

“(A) in the case of a family that, as of October 1, 2002, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

“(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

“(3) STATE DISCRETION.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

“(4) RULE OF INTERPRETATION.—Nothing in this part shall preclude a State from requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being.”.

(2) PENALTY FOR FAILURE TO ESTABLISH FAMILY SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting “OR ESTABLISH FAMILY SELF-SUFFICIENCY PLAN” after “RATES”; and

(B) in subparagraph (A), by inserting “or 408(b)” after “407(a)”.

SEC. 110. WORK PARTICIPATION REQUIREMENTS.

(a) IN GENERAL.—Section 407 (42 U.S.C. 607) is amended by striking all that precedes subsection (b)(3) and inserting the following:

“SEC. 407. WORK PARTICIPATION REQUIREMENTS.

“(a) PARTICIPATION RATE REQUIREMENTS.—

A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

“(1) 50 percent for fiscal year 2003;

“(2) 55 percent for fiscal year 2004;

“(3) 60 percent for fiscal year 2005;

“(4) 65 percent for fiscal year 2006; and

“(5) 70 percent for fiscal year 2007 and each succeeding fiscal year.

“(b) CALCULATION OF PARTICIPATION RATES.—

“(1) AVERAGE MONTHLY RATE.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

“(2) MONTHLY PARTICIPATION RATES; INCORPORATION OF 40-HOUR WORK WEEK STANDARD.—

“(A) IN GENERAL.—For purposes of paragraph (1), the participation rate of a State for a month is—

“(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

“(ii) 160 multiplied by the number of counted families for the State for the month.

“(B) COUNTED FAMILIES DEFINED.—

“(i) IN GENERAL.—In subparagraph (A), the term ‘counted family’ means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

“(ii) STATE OPTION TO EXCLUDE CERTAIN FAMILIES.—At the option of a State, the term ‘counted family’ shall not include—

“(I) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance; or

“(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age.

“(iii) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—At the option of a State, the term ‘counted family’ may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

“(C) WORK-ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term ‘work-eligible individual’ means an individual—

“(i) who is married or a single head of household; and

“(ii) whose needs are (or, but for sanctions under this part that have been in effect for more than 3 months (whether or not consecutive) in the preceding 12 months or under part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.”.

(b) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii)) is amended to read as follows:

“(i) the average monthly number of families that received assistance under the State program funded under this part during—

“(I) if the fiscal year is fiscal year 2003, fiscal year 1996;

“(II) if the fiscal year is fiscal year 2004, fiscal year 1998;

“(III) if the fiscal year is fiscal year 2005, fiscal year 2001; or

“(IV) if the fiscal year is fiscal year 2006 or any succeeding fiscal year, the then 4th preceding fiscal year.”.

(c) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

“(4) SUPERACHIEVER CREDIT.—

“(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—

“(i) the amount (if any) of the superachiever credit applicable to the State; or

“(ii) the number of percentage points (if any) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

“(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

“(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

“(D) DEFINITIONS.—In this paragraph:

“(i) STATE CASELOAD FOR FISCAL YEAR 2001.—The term ‘State caseload for fiscal year 2001’ means the average monthly number of

families that received assistance during fiscal year 2001 under the State program funded under this part.

“(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—The term ‘State caseload for fiscal year 1995’ means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.”.

(d) COUNTABLE HOURS.—Section 407 of such Act (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

“(c) COUNTABLE HOURS.—

“(1) DEFINITION.—In subsection (b)(2), the term ‘countable hours’ means, with respect to a family for a month, the total number of hours in the month in which any member of the family who is a work-eligible individual is engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 401(a)), subject to the other provisions of this subsection.

“(2) LIMITATIONS.—Subject to such regulations as the Secretary may prescribe:

“(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be zero.

“(B) MAXIMUM WEEKLY AVERAGE OF 16 HOURS OF OTHER ACTIVITIES.—An average of not more than 16 hours per week of activities specified by the State (subject to the exclusion described in paragraph (1)) may be considered countable hours in a month with respect to a family.

“(3) SPECIAL RULES.—For purposes of paragraph (1):

“(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

“(i) IN GENERAL.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities for an average total of at least 24 hours per week in a month, then all such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

“(ii) QUALIFIED ACTIVITY DEFINED.—The term ‘qualified activity’ means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

“(I) substance abuse counseling or treatment;

“(II) rehabilitation treatment and services;

“(III) work-related education or training directed at enabling the family member to work;

“(IV) job search or job readiness assistance; and

“(V) any other activity that addresses a purpose specified in section 401(a).

“(iii) LIMITATION.—

“(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

“(II) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation by the individual in education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the individual to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for not more than 4 months in any period of 24 consecutive months.

“(B) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single head of household, who has not attained 20 years of age, and the individual—

“(i) maintains satisfactory attendance at secondary school or the equivalent in the month; or

“(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

“(d) DIRECT WORK ACTIVITY.—In this section, the term ‘direct work activity’ means—

“(1) unsubsidized employment;

“(2) subsidized private sector employment;

“(3) subsidized public sector employment;

“(4) on-the-job training;

“(5) supervised work experience; or

“(6) supervised community service.”.

(e) PENALTIES AGAINST INDIVIDUALS.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as follows:

“(1) REDUCTION OR TERMINATION OF ASSISTANCE.—

“(A) IN GENERAL.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in activities in accordance with the self-sufficiency plan established for the family pursuant to section 408(b), the State shall—

“(i) if the failure is partial or persists for not more than 1 month—

“(I) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the failure occurs; or

“(II) terminate all assistance to the family, subject to such good cause exceptions as the State may establish; or

“(ii) if the failure is total and persists for at least 2 consecutive months, terminate all cash payments to the family including qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at least 1 month and thereafter until the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

“(B) SPECIAL RULE.—In the event of a conflict between a requirement of clause (i)(II) or (ii) of subparagraph (A) and a requirement of a State constitution, or of a State statute that, before 1966, obligated local government to provide assistance to needy parents and children, the State constitutional or statutory requirement shall control.”.

(f) CONFORMING AMENDMENTS.—

(1) Section 407(f) (42 U.S.C. 607(f)) is amended in each of paragraphs (1) and (2) by striking “work activity described in subsection (d)” and inserting “direct work activity”.

(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting “OR REFUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-SUFFICIENCY PLAN” after “WORK”.

SEC. 111. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A) by striking “fiscal year 1998, 1999, 2000, 2001, 2002, or 2003” and inserting “fiscal year 2003, 2004, 2005, 2006, 2007 or 2008”; and

(2) in subparagraph (B)(ii)—

(A) by inserting “preceding” before “fiscal year”; and

(B) by striking “for fiscal years 1997 through 2002.”.

(b) STATE SPENDING ON PROMOTING HEALTHY MARRIAGE.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

“(1) MARRIAGE PROMOTION.—A State, territory, or tribal organization to which a grant is made under section 403(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of section 403 for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 403(a)(2).”

(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DISREGARDED FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 103(c) of this Act, is amended by adding at the end the following:

“(VI) EXCLUSION OF FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION ACTIVITIES.—Such term does not include the amount of any grant made to the State under section 403 that is expended for a marriage promotion activity.”

SEC. 112. PERFORMANCE IMPROVEMENT.

(a) STATE PLANS.—Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by redesignating clause (vi) and clause (vii) (as added by section 103(a) of this Act) as clauses (vii) and (viii), respectively; and

(ii) by striking clause (v) and inserting the following:

“(v) The document shall—

“(I) describe how the State will pursue ending dependence of needy families on government benefits and reducing poverty by promoting job preparation and work;

“(II) describe how the State will encourage the formation and maintenance of healthy 2-parent married families, encourage responsible fatherhood, and prevent and reduce the incidence of out-of-wedlock pregnancies;

“(III) include specific, numerical, and measurable performance objectives for accomplishing subclauses (I) and (II), and with respect to subclause (I), include objectives consistent with the criteria used by the Secretary in establishing performance targets under section 403(a)(4)(B) if available; and

“(IV) describe the methodology that the State will use to measure State performance in relation to each such objective.

“(vi) Describe any strategies and programs the State may be undertaking to address—

“(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

“(II) efforts to reduce teen pregnancy;

“(III) services for struggling and non-compliant families, and for clients with special problems; and

“(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act.”; and

(B) in subparagraph (B), by striking clause (iii) (as so redesignated by section 107(b)(1) of this Act) and inserting the following:

“(iii) The document shall describe strategies and programs the State is undertaking to engage religious organizations in the provision of services funded under this part and efforts related to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

“(iv) The document shall describe strategies to improve program management and performance.”; and

(2) in paragraph (4), by inserting “and tribal” after “that local”.

(b) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting “; and”; and

(3) by adding at the end the following:

“(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.”

(c) PERFORMANCE MEASURES.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

“(k) PERFORMANCE IMPROVEMENT.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.”

(d) ANNUAL RANKING OF STATES.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking “long-term private sector jobs” and inserting “private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages”.

SEC. 113. DATA COLLECTION AND REPORTING.

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in clause (vii), by inserting “and minor parent” after “of each adult”;

(2) in clause (viii), by striking “and educational level”;

(3) in clause (ix), by striking “, and if the latter 2, the amount received”;

(4) in clause (x)—

(A) by striking “each type of”; and

(B) by inserting before the period “and, if applicable, the reason for receipt of the assistance for a total of more than 60 months”;

(5) in clause (xi), by striking the subclauses and inserting the following:

“(I) Subsidized private sector employment.

“(II) Unsubsidized employment.

“(III) Public sector employment, supervised work experience, or supervised community service.

“(IV) On-the-job training.

“(V) Job search and placement.

“(VI) Training.

“(VII) Education.

“(VIII) Other activities directed at the purposes of this part, as specified in the State plan submitted pursuant to section 402.”;

(6) in clause (xii), by inserting “and progress toward universal engagement” after “participation rates”;

(7) in clause (xiii), by striking “type and” before “amount of assistance”;

(8) in clause (xvi), by striking subclause (II) and redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively; and

(9) by adding at the end the following:

“(xviii) The date the family first received assistance from the State program on the basis of the most recent application for such assistance.

“(xix) Whether a self-sufficiency plan is established for the family in accordance with section 408(b).

“(xx) With respect to any child in the family, the marital status of the parents at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established.”

(b) USE OF SAMPLES.—Section 411(a)(1)(B) (42 U.S.C. 611(a)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking “a sample” and inserting “samples”; and

(B) by inserting before the period “, except that the Secretary may designate core data elements that must be reported on all families”; and

(2) in clause (ii), by striking “funded under this part” and inserting “described in subparagraph (A)”.

(c) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) by striking paragraph (5);

(2) by redesignating paragraph (6) as paragraph (5); and

(3) by inserting after paragraph (5) (as so redesignated) the following:

“(6) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and total number of individuals that, during the month, became ineligible to receive assistance under the State program funded under this part (broken down by the number of families that become so ineligible due to earnings, changes in family composition that result in increased earnings, sanctions, time limits, or other specified reasons).”

(d) REGULATIONS.—Section 411(a)(7) (42 U.S.C. 611(a)(7)) is amended—

(1) by inserting “and to collect the necessary data” before “with respect to which reports”;

(2) by striking “subsection” and inserting “section”; and

(3) by striking “in defining the data elements” and all that follows and inserting “, the National Governors’ Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements.”

(e) ADDITIONAL REPORTS BY STATES.—Section 411 (42 U.S.C. 611) is amended—

(1) by redesignating subsection (b) as subsection (e); and

(2) by inserting after subsection (a) the following:

“(b) ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of fiscal year 2004 and each succeeding fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

“(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this subsection, each eligible State shall submit to the Secretary report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.

“(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2004, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to each of the matters described in section 402(a)(1)(A)(v).”

(f) ANNUAL REPORTS TO CONGRESS BY THE SECRETARY.—Section 411(e), as so redesignated by subsection (e) of this section, is amended—

(1) in the matter preceding paragraph (1), by striking “and each fiscal year thereafter” and inserting “and by July 1 of each fiscal year thereafter”;

(2) in paragraph (2), by striking “families applying for assistance,” and by striking the last comma; and

(3) in paragraph (3), by inserting “and other programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))” before the semicolon.

(g) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

“(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—

“(1) IN GENERAL.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nongovernmental entities with respect to contracts entered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

“(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (a) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.”.

SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by striking “1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”.

(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking “1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”.

SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) SECRETARY'S FUND FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 413 (42 U.S.C. 613), as amended by section 112(c) of this Act, is further amended by adding at the end the following:

“(1) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated \$102,000,000 for each of fiscal years 2003 through 2007, which shall be available to the Secretary for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 403(a)(2)(B), and which shall be in addition to any other funds made available under this part.

“(2) SET ASIDE FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF CHILD WELFARE AND TANF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

“(A) IN GENERAL.—Of the amounts made available under paragraph (1) for a fiscal year, \$2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

“(B) USE OF FUNDS.—A grant made to such a project shall be used—

“(i) to improve case management for families eligible for assistance from such a tribal program;

“(ii) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and

“(iii) for prevention services and assistance to tribal families at risk of child abuse and neglect.

“(C) REPORTS.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.”.

(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the matter preceding subparagraph (A) by striking “1997 through 2002” and inserting “2003 through 2007”.

(c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDAVITS OF SUPPORT AND SPONSOR DEEMING.—Not later than March 31, 2004, the Secretary of Health and Human Services, in consultation with the Attorney General, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor deeming as required by section 421, 422, and 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(d) REPORT ON COORDINATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of either Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GENERAL ACCOUNTING OFFICE.

(a) CENSUS BUREAU STUDY.—

(1) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

“(a) IN GENERAL.—The Bureau of the Census shall implement a new longitudinal survey of program dynamics, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.”.

(2) APPROPRIATION.—Section 414(b) (42 U.S.C. 614(b)) is amended by striking “1996,” and all that follows through “2002” and inserting “2003 through 2007”.

(b) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the combined effect of the phase-out rates for Federal programs and policies which provide support to low-income families and individuals as they move from welfare to work, at all earning levels up to \$35,000 per year, for at least 5 States including Wisconsin and California, and any potential disincentives the combined phase-out rates create for families to achieve independence or to marry.

(2) REPORT.—Not later than 1 year after the date of the enactment of this subsection, the Comptroller General shall submit a report to Congress containing the results of the study conducted under this section and, as appropriate, any recommendations consistent with the results.

SEC. 117. DEFINITION OF ASSISTANCE.

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

“(6) ASSISTANCE.—

“(A) IN GENERAL.—The term ‘assistance’ means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

“(B) EXCEPTION.—The term ‘assistance’ does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking “assistance” and inserting “aid”.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking “assistance” and inserting “benefits or services”.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking “ASSISTANCE” and inserting “AID”.

(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking “assistance” and inserting “aid”.

SEC. 118. TECHNICAL CORRECTIONS.

(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after “appropriate”.

(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis.

(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking “section” and inserting “sections”.

(d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 112(c) and 115(a) of this Act, respectively) as subsections (g) through (k), respectively.

(2) Each of the following provisions is amended by striking “413(j)” and inserting “413(i)”:

(A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 603(a)(5)(A)(ii)(III)).

(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 403(a)(5)(G)(ii) (42 U.S.C. 603(a)(5)(G)(ii)).

(D) Section 412(a)(3)(B)(iv) (42 U.S.C. 612(a)(3)(B)(iv)).

SEC. 119. FATHERHOOD PROGRAM.

(a) SHORT TITLE.—This section may be cited as the “Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2002”.

(b) FATHERHOOD PROGRAM.—

(1) IN GENERAL.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) is amended by adding at the end the following:

“SEC. 117. FATHERHOOD PROGRAM.

“(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

“PART C—FATHERHOOD PROGRAM

“SEC. 441. FINDINGS AND PURPOSES.

“(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

“(1) In approximately 90 percent of cases where a parent is absent, that parent is the father.

“(2) By some estimates, 60 percent of children born in the 1990's will spend a significant portion of their childhood in a home without a father.

“(3) Nearly 75 percent of children in single-parent homes will experience poverty before they are 11 years old, compared with only 20 percent of children in 2-parent families.

“(4) Low income is positively correlated with children's difficulties with education, social adjustment, and delinquency, and single-parent households constitute a disproportionate share of low-income households.

“(5) Where families (whether intact or with a parent absent) are living in poverty, a significant factor is the father's lack of job skills.

“(6) Children raised in 2-parent married families, on average, fare better as a group in key areas, including better school performance, reduced rates of substance abuse, crime, and delinquency, fewer health, emotional, and behavioral problems, lower rates of teenage sexual activity, less risk of abuse or neglect, and lower risk of teen suicide.

“(7) Committed and responsible fathering during infancy and early childhood contributes to the development of emotional security, curiosity, and math and verbal skills.

“(8) An estimated 24,000,000 children (33.5 percent) live apart from their biological father.

“(9) A recent national survey indicates that of all children under age 18 not living with their biological father, 29 percent had not seen their father even once in the last 12 months.

“(b) PURPOSES.—The purposes of this part are:

“(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, designed to test promising approaches to accomplishing the following objectives:

“(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

“(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery

system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

“(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

“(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

“(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

“(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

“SEC. 442. DEFINITIONS.

“‘In this part, the terms “Indian tribe” and “tribal organization” have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

“SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.

“(a) IN GENERAL.—The Secretary may make grants for fiscal years 2003 through 2007 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

“(b) ELIGIBILITY CRITERIA FOR FULL SERVICE GRANTS.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity shall submit an application to the Secretary containing the following:

“(1) PROJECT DESCRIPTION.—A statement including—

“(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

“(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

“(2) EXPERIENCE AND QUALIFICATIONS.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's

capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

“(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

“(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

“(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

“(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

“(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation of the project (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within 30 days after completion of the report and not more than 1 year after completion of the project.

“(8) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

“(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE GRANTS.—In order to be eligible for a grant under this section in an amount under \$25,000 per fiscal year, an entity shall submit an application to the Secretary containing the following:

“(1) PROJECT DESCRIPTION.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and how it will address at least 1 of the 4 objectives specified in section 441(b)(1).

“(2) QUALIFICATIONS.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

“(3) COORDINATION WITH RELATED PROGRAMS.—As required by the Secretary in appropriate cases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

“(4) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find

necessary for purposes of oversight of project activities and expenditures.

“(5) COOPERATION WITH SECRETARY’S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary’s evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

“(d) CONSIDERATIONS IN AWARDED GRANTS.—

“(1) DIVERSITY OF PROJECTS.—In awarding grants under this section, the Secretary shall seek to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban and in rural areas, and entities employing differing methods of achieving the purposes of this section, including working with the State agency responsible for the administration of part D to help fathers satisfy child support arrearage obligations.

“(2) PREFERENCE FOR PROJECTS SERVING LOW-INCOME FATHERS.—In awarding grants under this section, the Secretary may give preference to applications for projects in which a majority of the clients to be served are low-income fathers.

“(e) FEDERAL SHARE.—

“(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for a share of the cost of such project in such fiscal year equal to—

“(A) up to 80 percent (or up to 90 percent, if the entity demonstrates to the Secretary’s satisfaction circumstances limiting the entity’s ability to secure non-Federal resources) in the case of a project under subsection (b); and

“(B) up to 100 percent, in the case of a project under subsection (c).

“(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

“SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

“(a) IN GENERAL.—The Secretary may make grants under this section for fiscal years 2003 through 2007 to eligible entities (as specified in subsection (b)) for 2 multicounty, multistate projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

“(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

“(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

“(2) EXPERIENCE WITH MULTICITY, MULTISTATE PROGRAMS AND GOVERNMENT COORDINATION.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area in more than 1 State and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

“(c) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

“(1) QUALIFICATIONS.—

“(A) ELIGIBLE ENTITY.—A demonstration that the entity meets the requirements of subsection (b).

“(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity’s capacity to carry out the project, including the entity’s ability to provide the non-Federal share of project resources.

“(2) PROJECT DESCRIPTION.—A description of and commitments concerning the project design, including the following:

“(A) IN GENERAL.—A detailed description of the proposed project design and how it will be carried out, which shall—

“(i) provide for the project to be conducted in at least 3 major metropolitan areas;

“(ii) state how it will address each of the 4 objectives specified in section 441(b)(1);

“(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

“(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

“(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

“(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

“(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

“(iii) will cooperate fully with the Secretary’s ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

“(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

“(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

“(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

“(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make

such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

“(d) FEDERAL SHARE.—

“(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

“(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

“SEC. 445. EVALUATION.

“(a) IN GENERAL.—The Secretary, directly or by contract or cooperative agreement, shall evaluate the effectiveness of service projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

“(b) EVALUATION METHODOLOGY.—Evaluations under this section shall—

“(1) include, to the maximum extent feasible, random assignment of clients to service delivery and control groups and other appropriate comparisons of groups of individuals receiving and not receiving services;

“(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

“(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

“(c) EVALUATION REPORTS.—The Secretary shall publish the following reports on the results of the evaluation:

“(1) An implementation evaluation report covering the first 24 months of the activities under this part to be completed by 36 months after initiation of such activities.

“(2) A final report on the evaluation to be completed by September 30, 2010.

“SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

“The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

“(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by other means) to all interested parties information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

“(2) MEDIA CAMPAIGN.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages involved, committed, and responsible fatherhood and married fatherhood.

“(3) TECHNICAL ASSISTANCE.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations, in the implementation of local fatherhood promotion programs.

“(4) RESEARCH.—Conducting research related to the purposes of this part.

“SEC. 447. NONDISCRIMINATION.

“The projects and activities assisted under this part shall be available on the

same basis to all fathers and expectant fathers able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

“SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.

“(a) **AUTHORIZATION.**—There are authorized to be appropriated \$20,000,000 for each of fiscal years 2003 through 2007 to carry out the provisions of this part.

“(b) **RESERVATION.**—Of the amount appropriated under this section for each fiscal year, not more than 15 percent shall be available for the costs of the multicounty, multi-county, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.”

“(b) **INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.**—Section 116 shall not apply to the amendment made by subsection (a) of this section.”

(2) **CLERICAL AMENDMENT.**—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

“Sec. 117. Fatherhood program.”

SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

Section 408 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

“(h) **STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.**—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.”

SEC. 121. SENSE OF THE CONGRESS.

It is the sense of the Congress that a State welfare-to-work program should include a mentoring program.

TITLE II—CHILD CARE

SEC. 201. SHORT TITLE.

This title may be cited as the “Caring for Children Act of 2002”.

SEC. 202. GOALS.

(a) **GOALS.**—Section 658A(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in paragraph (3) by striking “encourage” and inserting “assist”;

(2) by amending paragraph (4) to read as follows:

“(4) to assist State to provide child care to low-income parents;”;

(3) by redesignating paragraph (5) as paragraph (7), and

(4) by inserting after paragraph (4) the following:

“(5) to encourage States to improve the quality of child care available to families;

“(6) to promote school readiness by encouraging the exposure of young children in child care to nurturing environments and developmentally-appropriate activities, including activities to foster early cognitive and literacy development; and”.

(b) **CONFORMING AMENDMENT.**—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858(c)(3)(B)) is amended by striking “through (5)” and inserting “through (7)”.

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

(1) by striking “is” and inserting “are”, and

(2) by striking “\$1,000,000,000 for each of the fiscal years 1996 through 2002” and inserting “\$2,300,000,000 for fiscal year 2003, \$2,500,000,000 for fiscal year 2004, \$2,700,000,000 for fiscal year 2005, \$2,900,000,000 for fiscal year 2006, and \$3,100,000,000 for fiscal year 2007”.

SEC. 204. APPLICATION AND PLAN.

Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858E(c)(2)) is amended—

(1) by amending subparagraph (D) to read as follows:

“(D) **CONSUMER AND CHILD CARE PROVIDER EDUCATION INFORMATION.**—Certify that the State will collect and disseminate, through resource and referral services and other means as determined by the State, to parents of eligible children, child care providers, and the general public, information regarding—

“(i) the promotion of informed child care choices, including information about the quality and availability of child care services;

“(ii) research and best practices on children’s development, including early cognitive development;

“(iii) the availability of assistance to obtain child care services; and

“(iv) other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible, including the food stamp program, the WIC program under section 17 of the Child Nutrition Act of 1966, the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act, and the medicaid and CHIP programs under titles XIX and XXI of the Social Security Act.”; and

(2) by inserting after subparagraph (H) the following:

“(I) **COORDINATION WITH OTHER EARLY CHILD CARE SERVICES AND EARLY CHILDHOOD EDUCATION PROGRAMS.**—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start, Early Reading First, Even Start, Ready-To-Learn Television, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education without displacing services provided by the current early care and education delivery system.

“(J) **PUBLIC-PRIVATE PARTNERSHIPS.**—Demonstrate how the State encourages partnerships with private and other public entities to leverage existing service delivery systems of early childhood education and increase the supply and quality of child care services.

“(K) **CHILD CARE SERVICE QUALITY.**—

“(i) **CERTIFICATION.**—For each fiscal year after fiscal year 2003, certify that during the then preceding fiscal year the State was in compliance with section 658G and describe how funds were used to comply with such section during such preceding fiscal year.

“(ii) **STRATEGY.**—For each fiscal year after fiscal year 2003, contain an outline of the strategy the State will implement during such fiscal year for which the State plan is submitted, to address the quality of child care services in child care settings that provide services for which assistance is made available under this subchapter, and include in such strategy—

“(1) a statement specifying how the State will address the activities described in paragraphs (1), (2), and (3) of section 658G;

“(II) a description of quantifiable, objective measures for evaluating the quality of child care services separately with respect to the activities listed in each of such paragraphs that the State will use to evaluate its progress in improving the quality of such child care services;

“(III) a list of State-developed child care service quality targets for such fiscal year quantified on the basis of such measures; and

“(IV) for each fiscal year after fiscal year 2003, a report on the progress made to achieve such targets during the then preceding fiscal year.

“(iii) **RULE OF CONSTRUCTION.**—Nothing in this subparagraph shall be construed to require that the State apply measures for evaluating quality to specific types of child care providers.

“(L) **ACCESS TO CARE FOR CERTAIN POPULATIONS.**—Demonstrate how the State is addressing the child care needs of parents eligible for child care services for which financial assistance is provided under this subchapter who have children with special needs, work nontraditional hours, or require child care services for infants or toddlers.”

SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.

“A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 6 percent of the amount of such funds for activities provided through resource and referral services or other means, that are designed to improve the quality of child care services for which financial assistance is made available under this subchapter. Such activities include—

“(1) programs that provide training, education, and other professional development activities to enhance the skills of the child care workforce, including training opportunities for caregivers in informal care settings;

“(2) activities within child care settings to enhance early learning for young children, to promote early literacy, and to foster school readiness;

“(3) initiatives to increase the retention and compensation of child care providers, including tiered reimbursement rates for providers that meet quality standards as defined by the State; or

“(4) other activities deemed by the State to improve the quality of child care services provided in such State.”

SEC. 206. REPORT BY SECRETARY.

Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended to read as follows:

“SEC. 658L. REPORT BY SECRETARY.

“(a) **REPORT REQUIRED.**—Not later than October 1, 2004, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the following:

“(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K.

“(2) Aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs.

“(3) An assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States.

“(b) COLLECTION OF INFORMATION.—The Secretary may utilize the national child care data system available through resource and referral organizations at the local, State, and national level to collect the information required by subsection (a)(2).”

SEC. 207. DEFINITIONS.

Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B)) is amended by striking “85 percent of the State median income” and inserting “income levels as established by the State, prioritized by need.”.

SEC. 208. ENTITLEMENT FUNDING.

Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting “; and”; and

(3) by adding at the end the following:

“(G) \$2,917,000,000 for each of fiscal years 2003 through 2007.”.

TITLE III—TAXPAYER PROTECTIONS

SEC. 301. EXCLUSION FROM GROSS INCOME FOR INTEREST ON OVERPAYMENTS OF INCOME TAX BY INDIVIDUALS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 139 the following new section:

“SEC. 139A. EXCLUSION FROM GROSS INCOME FOR INTEREST ON OVERPAYMENTS OF INCOME TAX BY INDIVIDUALS.

“(a) IN GENERAL.—In the case of an individual, gross income shall not include interest paid under section 6611 on any overpayment of tax imposed by this subtitle.

“(b) EXCEPTION.—Subsection (a) shall not apply in the case of a failure to claim items resulting in the overpayment on the original return if the Secretary determines that the principal purpose of such failure is to take advantage of subsection (a).

“(c) SPECIAL RULE FOR DETERMINING MODIFIED ADJUSTED GROSS INCOME.—For purposes of this title, interest not included in gross income under subsection (a) shall not be treated as interest which is exempt from tax for purposes of sections 32(i)(2)(B) and 6012(d) or any computation in which interest exempt from tax under this title is added to adjusted gross income.”.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139 the following new item:

“Sec. 139A. Exclusion from gross income for interest on overpayments of income tax by individuals.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received after December 31, 2006.

SEC. 302. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS.

(a) IN GENERAL.—Subchapter A of chapter 67 of the Internal Revenue Code of 1986 (relating to interest on underpayments) is amended by adding at the end the following new section:

“SEC. 6603. DEPOSITS MADE TO SUSPEND RUNNING OF INTEREST ON POTENTIAL UNDERPAYMENTS, ETC.

“(a) AUTHORITY TO MAKE DEPOSITS OTHER THAN AS PAYMENT OF TAX.—A taxpayer may make a cash deposit with the Secretary which may be used by the Secretary to pay any tax imposed under subtitle A or B or chapter 41, 42, 43, or 44 which has not been assessed at the time of the deposit. Such a deposit shall be made in such manner as the Secretary shall prescribe.

“(b) NO INTEREST IMPOSED.—To the extent that such deposit is used by the Secretary to

pay tax, for purposes of section 6601 (relating to interest on underpayments), the tax shall be treated as paid when the deposit is made.

“(c) RETURN OF DEPOSIT.—Except in a case where the Secretary determines that collection of tax is in jeopardy, the Secretary shall return to the taxpayer any amount of the deposit (to the extent not used for a payment of tax) which the taxpayer requests in writing.

“(d) PAYMENT OF INTEREST.—

“(1) IN GENERAL.—For purposes of section 6611 (relating to interest on overpayments), a deposit which is returned to a taxpayer shall be treated as a payment of tax for any period to the extent (and only to the extent) attributable to a disputable tax for such period. Under regulations prescribed by the Secretary, rules similar to the rules of section 6611(b)(2) shall apply.

“(2) DISPUTABLE TAX.—

“(A) IN GENERAL.—For purposes of this section, the term ‘disputable tax’ means the amount of tax specified at the time of the deposit as the taxpayer’s reasonable estimate of the maximum amount of any tax attributable to disputable items.

“(B) SAFE HARBOR BASED ON 30-DAY LETTER.—In the case of a taxpayer who has been issued a 30-day letter, the maximum amount of tax under subparagraph (A) shall not be less than the amount of the proposed deficiency specified in such letter.

“(3) OTHER DEFINITIONS.—For purposes of paragraph (2)—

“(A) DISPUTABLE ITEM.—The term ‘disputable item’ means any item of income, gain, loss, deduction, or credit if the taxpayer—

“(i) has a reasonable basis for its treatment of such item, and

“(ii) reasonably believes that the Secretary also has a reasonable basis for disallowing the taxpayer’s treatment of such item.

“(B) 30-DAY LETTER.—The term ‘30-day letter’ means the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals.

“(4) RATE OF INTEREST.—The rate of interest allowable under this subsection shall be the Federal short-term rate determined under section 6621(b), compounded daily.

“(e) USE OF DEPOSITS.—

“(1) PAYMENT OF TAX.—Except as otherwise provided by the taxpayer, deposits shall be treated as used for the payment of tax in the order deposited.

“(2) RETURNS OF DEPOSITS.—Deposits shall be treated as returned to the taxpayer on a last-in, first-out basis.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 67 of such Code is amended by adding at the end the following new item:

“Sec. 6603. Deposits made to suspend running of interest on potential underpayments, etc.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to deposits made after the date of the enactment of this Act.

(2) COORDINATION WITH DEPOSITS MADE UNDER REVENUE PROCEDURE 84-58.—In the case of an amount held by the Secretary of the Treasury or his delegate on the date of the enactment of this Act as a deposit in the nature of a cash bond deposit pursuant to Revenue Procedure 84-58, the date that the taxpayer identifies such amount as a deposit made pursuant to section 6603 of the Internal Revenue Code (as added by this Act) shall be treated as the date such amount is deposited for purposes of such section 6603.

SEC. 303. PARTIAL PAYMENT OF TAX LIABILITY IN INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—

(1) Section 6159(a) of the Internal Revenue Code of 1986 (relating to authorization of agreements) is amended—

(A) by striking “satisfy liability for payment of” and inserting “make payment on”, and

(B) by inserting “full or partial” after “facilitate”.

(2) Section 6159(c) of such Code (relating to Secretary required to enter into installment agreements in certain cases) is amended in the matter preceding paragraph (1) by inserting “full” before “payment”.

(b) REQUIREMENT TO REVIEW PARTIAL PAYMENT AGREEMENTS EVERY TWO YEARS.—Section 6159 of such Code is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and inserting after subsection (c) the following new subsection:

“(d) SECRETARY REQUIRED TO REVIEW INSTALLMENT AGREEMENTS FOR PARTIAL COLLECTION EVERY TWO YEARS.—In the case of an agreement entered into by the Secretary under subsection (a) for partial collection of a tax liability, the Secretary shall review the agreement at least once every 2 years.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date of the enactment of this Act.

TITLE IV—CHILD SUPPORT

SEC. 401. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended—

(1) in paragraph (1)(A), by inserting “subject to paragraph (7)” before the semicolon; and

(2) by adding at the end the following:

“(7) FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

“(A) the State distributes the amount to the family;

“(B) the total of the amounts so distributed to the family during the month—

“(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

“(ii) does not exceed the greater of—

“(I) \$100; or

“(II) \$50 plus the amount described in clause (i); and

“(C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2004.

SEC. 402. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)), as amended by section 401(a) of this Act, is amended—

(1) in paragraph (2)(B), in the matter preceding clause (i), by inserting “, except as provided in paragraph (8),” after “shall”; and

(2) by adding at the end the following:

“(8) STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2004.

SEC. 403. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

(a) **IN GENERAL.**—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking “parent, or,” and inserting “parent or”; and

(2) by striking “upon the request of the State agency under the State plan or of either parent.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 2004.

SEC. 404. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

(a) **IN GENERAL.**—Section 454(6)(B) (42 U.S.C. 654(6)(B)) is amended—

(1) by inserting “(i)” after “(B)”;

(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) by adding “and” after the semicolon; and

(4) by adding after and below the end the following new clause:

“(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least \$500 of support, the State shall impose an annual fee of \$25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st \$500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and shall be considered income to the program);”

(b) **CONFORMING AMENDMENT.**—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

“(3) **FAMILIES THAT NEVER RECEIVED ASSISTANCE.**—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 2003.

SEC. 405. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed. The report shall include an estimate of the total amount of such undistributed child support and the average length of time it takes for such child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 406. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) **IN GENERAL.**—Section 453(j) (42 U.S.C. 653(j)) is amended by adding at the end the following:

“(7) **INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.**—

“(A) **IN GENERAL.**—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name, address, and employer identification number of any putative employer of the individual, subject to this paragraph.

“(B) **CONDITION ON DISCLOSURE.**—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

“(C) **USE OF INFORMATION.**—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 2003.

SEC. 407. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) **IN GENERAL.**—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking “\$5,000” and inserting “\$2,500”.

(b) **CONFORMING AMENDMENT.**—Section 454(31) (42 U.S.C. 654(31)) is amended by striking “\$5,000” and inserting “\$2,500”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 2003.

SEC. 408. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

(a) **IN GENERAL.**—Section 464 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking “(as that term is defined for purposes of this paragraph under subsection (c))”; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “(1) Except as provided in paragraph (2), as used in” and inserting “In”; and

(ii) by inserting “(whether or not a minor)” after “a child” each place it appears; and

(B) by striking paragraphs (2) and (3).

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 2004.

SEC. 409. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.

(a) **IN GENERAL.**—Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(ii)(V), by striking all that follows “Armed Forces” and inserting a semicolon; and

(2) by adding at the end the following:

“(3) **LIMITATIONS WITH RESPECT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.**—Notwithstanding any other provision of this section:

“(A) Compensation described in paragraph (1)(A)(ii)(V) shall not be subject to withholding pursuant to this section—

“(i) for payment of alimony; or

“(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

“(B) Not more than 50 percent of any payment of compensation described in paragraph (1)(A)(ii)(V) may be withheld pursuant to this section.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 2004.

SEC. 410. IMPROVING FEDERAL DEBT COLLECTION PRACTICES.

Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply. Subsection (c)(3)(A) shall apply with respect to past due support being enforced by the State notwithstanding any other provision of law, including sections 207 and 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public Law 91-173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m).”

SEC. 411. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(j) (42 U.S.C. 652(j)) is amended by inserting “or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,” before “which shall be available”.

SEC. 412. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the 1st sentence, by inserting “or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,” before “which shall be available”; and

(2) in the 2nd sentence, by striking “for each of fiscal years 1997 through 2001”.

TITLE V—CHILD WELFARE

SEC. 501. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.

Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking “2002” and inserting “2007”.

SEC. 502. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.

Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is amended by striking “not more than 10”.

SEC. 503. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.

Section 1130 (42 U.S.C. 1320a-9) is amended by adding at the end the following:

“(h) **NO LIMIT ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEMONSTRATION PROJECTS.**—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.”

SEC. 504. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS THAT MAY BE GRANTED TO A SINGLE STATE FOR DEMONSTRATION PROJECTS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

“(i) **NO LIMIT ON NUMBER OF WAIVERS GRANTED TO, OR DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED BY, A SINGLE STATE.**—The Secretary shall not impose any limit on the number of waivers that may be granted to a State, or the number of demonstration projects that a State may be authorized to conduct, under this section.”

SEC. 505. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS TO AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

“(j) **STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS AND EXTENSIONS.**—The Secretary shall develop a streamlined process for consideration of amendments and extensions proposed by States to demonstration projects conducted under this section.”

SEC. 506. AVAILABILITY OF REPORTS.

Section 1130 (42 U.S.C. 1320a-9) is further amended by adding at the end the following:

“(k) AVAILABILITY OF REPORTS.—The Secretary shall make available to any State or other interested party any report provided to the Secretary under subsection (f)(2), and any evaluation or report made by the Secretary with respect to a demonstration project conducted under this section, with a focus on information that may promote best practices and program improvements.”.

SEC. 507. TECHNICAL CORRECTION.

Section 1130(b)(1) (42 U.S.C. 1320a-9(b)(1)) is amended by striking “422(b)(9)” and inserting “422(b)(10)”.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

SEC. 601. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

“(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

“(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

“(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2003;

“(ii) at least 40 percent of all such determinations that are made in fiscal year 2004; and

“(iii) at least 50 percent of all such determinations that are made in fiscal year 2005 or thereafter.

“(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.”.

TITLE VII—STATE AND LOCAL FLEXIBILITY

SEC. 701. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

(b) DEFINITIONS.—In this section:

(1) ADMINISTERING SECRETARY.—The term “administering Secretary” means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

(2) QUALIFIED PROGRAM.—The term “qualified program” means—

(A) a program under part A of title IV of the Social Security Act;

(B) the program under title XX of such Act;

(C) activities funded under title I of the Workforce Investment Act of 1998, except subtitle C of such title;

(D) a demonstration project authorized under section 505 of the Family Support Act of 1988;

(E) activities funded under the Wagner-Peyser Act;

(F) activities funded under the Adult Education and Family Literacy Act;

(G) activities funded under the Child Care and Development Block Grant Act of 1990;

(H) activities funded under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), except that such term shall not include—

(i) any program for rental assistance under section 8 of such Act (42 U.S.C. 1437f); and

(ii) the program under section 7 of such Act (42 U.S.C. 1437e) for designating public housing for occupancy by certain populations;

(I) activities funded under title I, II, III, or IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.); or

(J) the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(c) APPLICATION REQUIREMENTS.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this section) shall jointly) submit to the administering Secretary of each such program an application that contains the following:

(1) PROGRAMS INCLUDED.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

(2) POPULATION SERVED.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(3) DESCRIPTION AND JUSTIFICATION.—A detailed description of the project, including—
(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and
(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(4) WAIVERS REQUESTED.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

(5) COST NEUTRALITY.—Such information and assurances as necessary to establish to the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

(6) EVALUATION AND REPORTS.—An assurance that the applicant will conduct ongoing and final evaluations of the project, and make interim and final reports to the administering Secretary, at such times and in such manner as the administering Secretary may require.

(7) PUBLIC HOUSING AGENCY PLAN.—In the case of an application proposing a demonstration project that includes activities referred to in subsection (b)(2)(H) of this section—

(A) a certification that the applicable annual public housing agency plan of any agency affected by the project that is approved under section 5A of the United States Housing Act of 1937 (42 U.S.C. 1437c-1) by the Secretary includes the information specified in paragraphs (1) through (4) of this subsection; and

(B) any resident advisory board recommendations, and other information, relating to the project that, pursuant to section

5A(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c-1(e)(2)), is required to be included in the public housing agency plan of any public housing agency affected by the project.

(8) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the administering Secretary may require.

(d) APPROVAL OF APPLICATIONS.—

(1) IN GENERAL.—The administering Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

(C) includes the coordination of 2 or more qualified programs.

(2) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under paragraph (1)—

(A) with respect to any provision of law relating to—

(i) civil rights or prohibition of discrimination;

(ii) purposes or goals of any program;

(iii) maintenance of effort requirements;

(iv) health or safety;

(v) labor standards under the Fair Labor Standards Act of 1938; or

(vi) environmental protection;

(B) with respect to section 241(a) of the Adult Education and Family Literacy Act;

(C) in the case of a program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), with respect to any requirement under section 5A of such Act (42 U.S.C. 1437c-1; relating to public housing agency plans and resident advisory boards);

(D) in the case of a program under the Workforce Investment Act, with respect to any requirement the waiver of which would violate section 189(i)(4)(A)(i) of such Act;

(E) in the case of the food stamp program (as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), with respect to any requirement under—

(i) section 6 (if waiving a requirement under such section would have the effect of expanding eligibility for the program), 7(b) or 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(ii) title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.);

(F) with respect to any requirement that a State pass through to a sub-State entity part or all of an amount paid to the State;

(G) if the waiver would waive any funding restriction or limitation provided in an appropriations Act, or would have the effect of transferring appropriated funds from 1 appropriations account to another; or

(H) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending

(as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this section, an administering Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

(4) COST-NEUTRALITY REQUIREMENT.—

(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(5) 90-DAY APPROVAL DEADLINE.—

(A) IN GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

(e) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

(f) REPORTS TO CONGRESS.—

(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an admin-

istering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application notice of the receipt, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

(A) the projects approved for each applicant;

(B) the number of waivers granted under this section, and the specific statutory provisions waived;

(C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

(D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B);

(E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and

(F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

(g) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 5A(d) of the United States Housing Act of 1937 (42 U.S.C. 1437c-1(d)) is amended—

(1) by redesignating paragraph (18) as paragraph (19); and

(2) by inserting after paragraph (17) the following new paragraph:

“(18) PROGRAM COORDINATION DEMONSTRATION PROJECTS.—In the case of an agency that administers an activity referred to in section 701(b)(2)(H) of the Personal Responsibility, Work, and Family Promotion Act of 2002 that, during such fiscal year, will be included in a demonstration project under section 701 of such Act, the information that is required to be included in the application for the project pursuant to paragraphs (1) through (4) of section 701(b) of such Act.”.

SEC. 702. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

“SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.

“(a) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

“(1) food assistance to needy individuals and families residing in the State;

“(2) funds to operate an employment and training program under subsection (g) for needy individuals under the program; and

“(3) funds for administrative costs incurred in providing the assistance.

“(b) ELECTION.—

“(1) IN GENERAL.—A State may elect to participate in the program established under subsection (a).

“(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse the election of the State only once thereafter. Following the reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

“(3) PROGRAM EXCLUSIVE.—A State that is participating in the program established under subsection (a) shall not be subject to,

or receive any benefit under, this Act except as provided in this section.

“(c) LEAD AGENCY.—

“(1) DESIGNATION.—A State desiring to participate in the program established under subsection (a) shall designate, in an application submitted to the Secretary under subsection (d)(1), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

“(2) DUTIES.—The lead agency shall—

“(A) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State;

“(B) develop the State plan to be submitted to the Secretary under subsection (d)(1); and

“(C) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

“(d) APPLICATION AND PLAN.—

“(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

“(A) an assurance that the State will comply with the requirements of this section;

“(B) a State plan that meets the requirements of paragraph (2); and

“(C) an assurance that the State will comply with the requirements of the State plan under paragraph (2).

“(2) REQUIREMENTS OF PLAN.—

“(A) LEAD AGENCY.—The State plan shall identify the lead agency.

“(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

“(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i);

“(ii) to administer an employment and training program under subsection (g) for needy individuals under the program and to provide reimbursements to needy individuals and families as would be allowed under section 16(h)(3); and

“(iii) to pay administrative costs incurred in providing the assistance.

“(C) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

“(D) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

“(E) OTHER ASSISTANCE.—

“(i) COORDINATION.—The State plan may coordinate assistance received under this section with assistance provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

“(ii) PENALTIES.—If an individual or family is penalized for violating part A of title IV of the Act, the State plan may reduce the amount of assistance provided under this section or otherwise penalize the individual or family.

“(F) ELIGIBILITY LIMITATIONS.—The State plan shall describe the income and resource eligibility limitations that are established for the receipt of assistance under this section.

“(G) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system to verify and otherwise ensure that no individual or family shall receive benefits

under this section in more than 1 jurisdiction within the State.

“(H) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

“(I) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

“(3) APPROVAL OF APPLICATION AND PLAN.—During fiscal years 2003 through 2007, the Secretary may approve the applications and State plans that satisfy the requirements of this section of not more than 5 States for a term of not more than 5 years.

“(e) CONSTRUCTION OF FACILITIES.—No funds made available under this section shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.

“(f) BENEFITS FOR ALIENS.—No individual shall be eligible to receive benefits under a State plan approved under subsection (d)(3) if the individual is not eligible to participate in the food stamp program under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.).

“(g) EMPLOYMENT AND TRAINING.—Each State shall implement an employment and training program for needy individuals under the program.

“(h) ENFORCEMENT.—

“(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (d)(3).

“(2) NONCOMPLIANCE.—

“(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

“(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (d)(3); or

“(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section, the Secretary shall notify the State of the finding and that no further payments will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

“(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

“(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

“(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

“(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

“(B) imposing sanctions under this section.

“(i) PAYMENTS.—

“(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(3) an amount that is equal to the allotment of the State under subsection (1)(2) for the fiscal year.

“(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

“(3) SPENDING OF FUNDS BY STATE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (1)(2) for a fiscal year may be expended by the State only in the fiscal year.

“(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (1)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

“(4) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State to provide food assistance to needy individuals and families in the State, such as electronic benefits transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

“(5) DEFINITION OF FOOD ASSISTANCE.—In this section, the term ‘food assistance’ means assistance that may be used only to obtain food, as defined in section 3(g).

“(j) AUDITS.—

“(1) REQUIREMENT.—After the close of each fiscal year, a State shall arrange for an audit of the expenditures of the State during the program period from amounts received under this section.

“(2) INDEPENDENT AUDITOR.—An audit under this section shall be conducted by an entity that is independent of any agency administering activities that receive assistance under this section and be in accordance with generally accepted auditing principles.

“(3) PAYMENT ACCURACY.—Each annual audit under this section shall include an audit of payment accuracy under this section that shall be based on a statistically valid sample of the caseload in the State.

“(4) SUBMISSION.—Not later than 30 days after the completion of an audit under this section, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

“(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

“(k) NONDISCRIMINATION.—

“(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

“(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

“(l) ALLOTMENTS.—

“(1) DEFINITION OF STATE.—In this section, the term ‘State’ means each of the 50 States,

the District of Columbia, Guam, and the Virgin Islands of the United States.

“(2) STATE ALLOTMENT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to each State participating in the program established under subsection (a) an amount that is equal to the sum of—

“(i) the greater of, as determined by the Secretary—

“(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 2002; or

“(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 2000 through 2002; and

“(ii) the greater of, as determined by the Secretary—

“(I) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for fiscal year 2002; or

“(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 2000 through 2002.

“(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.”.

TITLE VIII—ABSTINENCE EDUCATION

SEC. 801. EXTENSION OF ABSTINENCE EDUCATION FUNDING UNDER MATERNAL AND CHILD HEALTH PROGRAM.

Section 510(d) (42 U.S.C. 710(d)) is amended by striking “2002” and inserting “2007”.

TITLE IX—TRANSITIONAL MEDICAL ASSISTANCE

SEC. 901. ONE-YEAR REAUTHORIZATION OF TRANSITIONAL MEDICAL ASSISTANCE.

(a) IN GENERAL.—Section 1925(f) (42 U.S.C. 1396f-6(f)) is amended by striking “2002” and inserting “2003”.

(b) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by striking “2002” and inserting “2003”.

SEC. 902. ADJUSTMENT TO PAYMENTS FOR MEDICAID ADMINISTRATIVE COSTS TO PREVENT DUPLICATIVE PAYMENTS AND TO FUND A 1-YEAR EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.

Section 1903 (42 U.S.C. 1396b) is amended—

(1) in subsection (a)(7), by striking “section 1919(g)(3)(B)” and inserting “subsection (x) and section 1919(g)(3)(C)”; and

(2) by adding at the end the following:

“(x) ADJUSTMENTS TO PAYMENTS FOR ADMINISTRATIVE COSTS TO FUND 1-YEAR EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.—

“(1) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Effective for each calendar quarter in fiscal year 2003 and fiscal year 2004, the Secretary shall reduce the amount paid under subsection (a)(7) to each State by an amount equal to 50 percent for fiscal year 2003, and 75 percent for fiscal year 2004, of

one-quarter of the annualized amount determined for the medicaid program under section 16(k)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(2)(B)).

“(2) ALLOCATION OF ADMINISTRATIVE COSTS.—None of the funds or expenditures described in section 16(k)(5)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used to pay for costs—

“(A) eligible for reimbursement under subsection (a)(7) (or costs that would have been eligible for reimbursement but for this subsection); and

“(B) allocated for reimbursement to the program under this title under a plan submitted by a State to the Secretary to allocate administrative costs for public assistance programs;

except that, for purposes of subparagraph (A), the reference in clause (iii) of that section to ‘subsection (a)’ is deemed a reference to subsection (a)(7) and clause (iv)(II) of that section shall be applied as if ‘medicaid program’ were substituted for ‘food stamp program’.”.

TITLE X—EFFECTIVE DATE

SEC. 1001. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on October 1, 2002.

(b) EXCEPTION.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

The SPEAKER pro tempore. After 2 hours of debate on the bill, it shall be in order to consider an amendment printed in the House Report 107-466, if offered by the gentleman from Maryland (Mr. CARDIN) or a designee, which shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 25 minutes; the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes; the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) each will control 15 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

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

Mr. Speaker, there will be a number of claims made on the floor during the debate of this particular piece of legislation. The one thing I hope people keep in mind is that it is my fervent hope that the goals of the legislation are supported by all. It is always possible to argue emphasis, direction, focus, degree of emphasis.

When we debated this bill repeatedly in 1996, there were some rather dra-

matic claims made by its opponents about dire and Draconian circumstances that would form a dark cloud over America if the legislation passed. I happen to believe one of the bright points of the Clinton administration was his willingness after repeated offers to sign the 1996 legislation. Oftentimes claims are made without the ability to determine whether or not the, if you will, experiment was going to be successful or not. I think there is no question that the general shift in emphasis from welfare to work has been a success.

Has it been an unqualified success? No, but it clearly has been a success, and what we are embarking on now is an attempt to put legislation together that will focus on areas that need greater attention to maximize the opportunity to move people from poverty to productive work, from welfare to a respect for those basic, tantamount, underlying American concepts, and there is no area more important than focusing on the people who are on welfare and the needs they have to be able to assist themselves. Education, and, especially for women who have young children, having available child care are absolutely critical components that need to be focused on in this reauthorization of the program.

And I am pleased to say that in both the subcommittee and the full committee and now additionally on the floor, these areas of concern have been focused on.

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

The SPEAKER pro tempore. Without objection, the gentleman from Maryland (Mr. CARDIN) may control the time.

There was no objection.

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

Mr. Speaker, let me say that I am one of those who supported the welfare reform bill in 1996, and I think we made the right decision in 1996. I am proud of the progress that we have made for people who are on welfare to try to get them out of the need of cash assistance and get them to real jobs. That is why, Mr. Speaker, I am somewhat surprised as I was listening to the Republican leadership talk about the legislation before us.

I was somewhat surprised because I heard, on one hand, the Republican leadership talk with pride of what we have accomplished during the past 6 years, but then I look at the bill that they have recommended, the underlying bill before us, and I see that they scrap and dismantle the system that we have put in place in 1996. They ignore the lessons learned over the past 6 years.

Over the past 6 years we have learned that if we give the States flexibility and if we give the States the resources, they can get the job done. Instead, the bill before us is a Washington one-size-fits-all, Washington-knows-best mandate on the States.

Every welfare recipient is not the same. In some cases a welfare recipient should go to work immediately, a traditional job. In other cases an individual needs to have English proficiency. And in another case one may need to deal with the overcoming of disabilities. The States need the ability of flexibility to determine what is best.

This bill does not do it. Instead, listen to what our States are saying. The new requirements would require States to take resources away from job training programs and child care programs into workfare programs. The underlying Republican bill will require States to develop workfare programs denying people real jobs and the opportunity to move up in the workplace.

The New York Times said the House bill would almost certainly force States to make jobs in order to meet the new Federal requirements.

Most disturbingly, the Republican bill takes away the flexibility of the States to provide educational services to the people on welfare. They remove education as one of the core ways of meeting the work requirements.

Mr. Speaker, it is surprising to me that all of us in this body talk about education being our top priority. We want for our own children, we want for our own family maximum educational opportunities. We want it to be the top priority for everybody in this country except the people on welfare. For them education cannot be a high priority. That is a mistake.

Mr. Speaker, my Republican friends talk about the fact that we should not be placing unfunded mandates on our States. This is clearly an unfunded mandate. The Congressional Budget Office has estimated that complying with the new requirements in the Republican bill will cost the States anywhere between \$15 to \$18 billion.

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Republicans have provided in their bill \$1 billion more in child care and a promise of \$1 billion in addition to that over the next 5 years. The Congressional Budget Office indicates that we need \$8 to \$11 billion alone in child care to meet these new requirements. It does not add up.

For the people of Maryland, the passage of this bill will be an unfunded mandate of \$144 million. For the people of my chairman's State of California, it will be a \$2.5 billion unfunded mandate.

Mr. Speaker, we can do better. Later in this debate, I will offer a substitute that will correct these shortcomings; and I hope that I will have support as we move forward to the next level of welfare reform. The underlying bill does not do it. We can do better.

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

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

I had not expected in the very first comments to find out that, in fact, misrepresentations are rampant on the

floor of the House. What the Congressional Budget Office said was, "Because the TANF program affords States such broad flexibility, new requirements would not be considered," would not be considered, "intergovernmental mandates as defined by the Unfunded Mandates Reform Act."

The CBO said they are not unfunded mandates, and now to focus on an area that I think is absolutely critical to the success of this program, which is the expansion in this bill of child care support of between 2 and \$4 billion additional to the underlying almost-\$5 billion contained in the bill.

Mr. Speaker, I yield 10 minutes of my time to the gentlewoman from Washington (Ms. DUNN), a member of the Ways and Means Committee; and I ask unanimous consent that she control the 10 minutes of time.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

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

In 1996 we made historic changes to the welfare system. We transformed the welfare system from a permanent entitlement that tolerated an average of 13 years of government dependence to a temporary assistance program that gave people the opportunity to start working, gain the necessary skills to retain a job and to become self-sufficient.

This year we have a chance to build upon those successes while improving the program to further assist individuals and families move out of poverty.

I believe, Mr. Speaker, one realistic way to look at the reauthorization that we are debating today is that when we reform such a massive program as welfare, as we did in 1996, there are some people who may fall through the cracks. That, Mr. Speaker, is exactly what we are analyzing in our changes to the bill today, and we have been told by welfare recipients in those early days of 1995 and 1996 that providing adequate child care services would help them move from welfare on to work. In fact, that if they did not have to worry about their children being well taken care of, they could focus all their energies and their skills on what for some was to be a brand-new job.

In fact, child care spending has more than tripled under welfare reform, rising from \$3 billion in 1995 to \$9.4 billion in the year 2000. Equipped with more funding and greater flexibility to transfer money out of the block grant for child care, States have been able to provide more quality child care options so working mothers can concentrate on these new jobs.

However, Mr. Speaker, our job is not done. As we increase the working hours from 30 to 40 and as more single mothers and dads participate in jobs on weekends and evenings, we must ensure that they can access quality and affordable child care services.

In my State, we are finding that child care for infants, children with disabilities and during evening and weekend hours is expensive and scarce. That is why our bill provides an additional \$2 billion over 5 years for child care despite its already historically high levels. Further, we add report language asking States to pay special attention to the needs to expand child care options for infants, children with disabilities and during evenings and weekends.

I hope my colleagues will support this important legislation.

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

Mr. CARDIN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN), a distinguished member of our committee.

Mrs. THURMAN. Mr. Speaker, first of all, let me say that my understanding is what CBO said is that it would not be an unfunded mandate, only because my colleagues are asking the States or the States would have to make cuts in other programs. I can tell my colleagues, in Florida, they are already in so much trouble they have been cutting these programs for the last couple of weeks because they have no money; and I would say to the last speaker, she is talking about \$289 million in Washington. In Florida, we are looking at \$311 million in an unfunded mandate.

I think it is interesting that we are having this conversation. I, like the gentleman from Maryland (Mr. CARDIN) and others, also supported this bill in 1996; and, yes, I too am very proud that we have given hope and that we have given the opportunity for people to go back to work and have dignity. But I also want to remind my colleagues that welfare reform is about children. That is what welfare reform is, children, what happens to their safety net.

In the Republican bill that we are looking at today, we would increase child care funding by \$1 billion over the next 5 years. Let me just say to my colleagues, just in my State alone, in Florida, it would require an additional \$155.5 million over 5 years in child care funding.

The Republican bill doubles work hours for mothers with children under the age of six from 20 to 40. This means that young children will spend more time in child care. Yet the bill offers insufficient child care funding. How do we ensure that they receive adequate care? More importantly, when will these working mothers be able to spend quality time with their children?

H.R. 4737 fails to answer those questions. If that is not a reason enough to vote against H.R. 4737, listen to what the St. Petersburg Times said: "Even the Nation's Republican governors are chafing under the prospect, for fear the new mandates will prove difficult to meet and counterproductive to the goal of pulling recipients out of poverty, not merely putting them to work. After 5 years, Congress should be solidifying

welfare reform's successes, not exacerbating its weaknesses."

The Democratic substitute solidifies those successes.

Ms. DUNN. Mr. Speaker, I yield myself 30 seconds.

I will remind the gentlewoman from Florida that the number that we are increasing child care by is not \$1 billion over 5 years, it is \$2 billion over 5 years, and that the States are provided with very liberal waiver authority to handle anything that might be a problem to them in their States.

Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT), a lawyer herself, a leader in the State senate before she came to us.

Mrs. BIGGERT. Mr. Speaker, I thank the gentlewoman from Washington (Ms. DUNN) for yielding me the time.

Mr. Speaker, it is with great pleasure that I join the Republican women of the House in strong support of H.R. 4737. This bill keeps our commitment to America's kids and to America's great promise of welfare reform; and with the addition of at least \$2 billion, one in mandatory spending and one in discretionary spending, at least, and extra funding for child care and development block grants, a very good bill has become even better.

Why is that? Well, more funding means more kids covered. More kids covered means more parents working, and that is our ultimate objective, to give every American the opportunity to work and to gain dignity and self-respect that comes with providing for their own family.

The past 6 years of welfare reform have shown us what works and what does not. When I meet with former welfare recipients throughout my congressional district, each and every one tells me that their success simply would not have been possible without child care assistance.

I thank all my colleagues who have worked so hard to include this extra \$2 billion-plus in the bill for American kids.

Mr. CARDIN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Washington (Mr. McDERMOTT), a distinguished member of the Committee on Ways and Means and on the Subcommittee on Human Resources.

Mr. McDERMOTT. Mr. Speaker, this whole issue of how much money, I do not know how the American people follow it, but the fact is that the bill makes mandatory \$1 billion for child care. Any additional money is subject to appropriation. That second billion dollars is not guaranteed, and we have a terrible budget mess. Those of us sitting on the Budget Committee know that, and the fact is that even that \$2 billion is not going to cover the \$11 billion in child care that is needed to hold the line.

In the State of Washington, my distinguished colleague from the State of Washington, when she votes for this, is putting a \$280 million unfunded mandate on our State, in a State where

they are already \$1 billion in the hole. The gentlewoman from Illinois, she stands up here and blithely puts \$322 million on the Illinois State legislature; they must fund this because they have to have a program for people for more than 30 hours.

That means make-work programs. Never mind what happens to kids and whether they get taken care of or not. We are going to be back to CETA jobs. I do not think there is anybody left in here except a few of us who remember CETA jobs in the 1960s. My colleagues are going to be putting States and counties and cities to making work programs, and my colleagues can stand up here and say that they have all of this in here and all this flexibility. If this was such a flexible bill, I would like to understand why it is they took away vocational training. What possible reason could they take vocational training out as one of the work activities? Do my colleagues not think people ought to train to get a better job or do they want them all to work as maids in hotels or something at a \$7-an-hour job with no child care and no health care benefits? That is what my colleagues call lifting them out of poverty.

Ms. DUNN. Mr. Speaker, I yield myself 30 seconds.

I will remind the gentleman from Washington State that we have extended the ability to transfer funds from one portion of the TANF dollars that are granted to the States into child care or any other area. In 1996, there was a 30 percent exchange. Now it is a 50 percent exchange. One of the cores of this bill is the flexibility for States to use money in a way that will make their programs the most effective.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New Mexico (Mrs. WILSON), who is formerly a cabinet Secretary for families and children.

Mrs. WILSON of New Mexico. Mr. Speaker, I thank my colleague from the State of Washington for yielding me the time. I thank her for her leadership in bringing focus to the problem of child care and the challenge of child care so that we can build on the success that we have already achieved with welfare reform.

There are 2.3 million fewer children who are in poverty today because their moms have gotten good jobs. There are almost 2 million children who are not hungry today because they have been raised out of poverty and their parents can afford food. That is because of welfare reform.

Funding for child care from the Federal Government has tripled over the last 5 years, and that is at the same time that welfare caseloads have been cut in half, so that there is more money per child, and States have been allowed to move that money from those on welfare to the low-income working poor so that they can afford high quality child care.

We are not satisfied with the success we have already seen. We want to build

on this success and add more money into child care and focus on a couple of things.

The real key I believe is quality, quality child care. So that we have trained providers, we are paying close to or at or above market rates. We have a stable nurturing workforce and stimulating settings for kids so that those who are growing up in poverty, those whose parents are working off welfare have a fair start at the starting gate of life.

This \$2 billion I hope States will use to increase what they pay for child care because so many of our States are underpaying what it really costs, and kids whose parents are working their way off welfare often do not have access to the best child care settings.

This bill will also allow States to move more of this money from those on welfare where they have reduced the rolls to those who never were on welfare but are the low-income working poor.

Child care keeps America working. Child care is everybody's business, and most of our businesses understand that. I commend the gentlewoman from Washington and my colleagues in bringing an emphasis, and increased funding to child care in this country.

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

Let me just point out to the gentlewoman from New Mexico that voting for this bill will cost the citizens of her State an extra \$100 million.

Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means and a member of the Subcommittee on Human Resources.

Mr. DOGGETT. Mr. Speaker, parents at every economic level sometimes must balance the demands of being a good parent with being a good employee. This is especially challenging when it is a minimum-wage job with no health insurance and a single parent.

This partisan bill focuses solely on the work aspect, forgetting the value of parenting, not only for our children, who lose irreplaceable opportunities, but for communities, who suffer and bear the burden of neglected children having children of their own and committing adult crimes.

When asked how much of an investment in our children is required to satisfy the new requirements of this new law, the Bush administration responds basically, "don't know and don't care."

□ 1115

But the Republican Congressional Budget Office was forced to estimate this cost of meeting our children's child care needs. It says, at a minimum, \$8 billion is required, while the House Republican leadership provides only \$1 billion.

Additionally, this bill provides nothing, zero, zip—to meet rising child care costs, to transform the frequently poor quality of child care from what is too

often unskilled, minimum wage workers baby-sitting our children into what should be early educational opportunities so that the children can hope for a better future than that of their parents.

With 40,000 Texas children already waiting for child care assistance, and so many of our neighbors confronting a true child care crisis in our State, the members of the Human Services Committee of the Texas House of Representatives, chaired by Representative Elliott Naishtat, have rejected the unreasonable provisions of this bill. Our excellent Texas Center for Public Policy Priorities has explained the extensive harm that this bill will wreak.

This legislation claims to honor fatherhood, motherhood and matrimony, but actually it threatens our neighborhoods by failing to give the state the means to provide the support that families need to feed, to clothe, and to raise our next generation of Americans.

We cannot afford the true cost of neglecting these children. This bill may be good electioneering but it does too little for our country's future. Unless we reject this grossly deficient approach, we will reap tomorrow the bitter harvest that the bill's deliberate neglect of these needy children sows today.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentlewoman from West Virginia (Mrs. CAPITO), a leader in her State legislature who has been very effective in increasing the child care support in this bill by \$2 billion.

Mrs. CAPITO. Mr. Speaker, I thank my colleagues for joining in the discussion on the much-needed increase in child care funding that is provided through H.R. 4737.

When a mom is going to work for the first time, and she has children, she is thinking to herself, I want to concentrate on my job, I want to do the best thing I can do, but a part of her mind is thinking about her children because she is a good mom and she is trying to do the best for them. The best way to ensure her success in the work force and her success with her family is good solid child care.

As a representative of an economically distressed State, I know that thousands of parents in my district depend on subsidized child care. In my home State of West Virginia, 85 percent of the children in child care are in subsidized child care. I am from a rural State. It is tremendously expensive for parents to transport their children and to provide child care in rural States.

Today, there are over 13,000 parents and children who benefit from this in West Virginia, and this increase will ensure that more parents will have the opportunity to benefit. Parents are in desperate need to find quality, safe, and affordable child care for their children. H.R. 4737 will continue high levels of support for child care while adding, at a minimum, \$2 billion in additional funds for child care over 5 years.

Let us ensure the success of the parents and the children and their futures. I urge all my colleagues to stand up and support this increased funding for child care. Parents and children alike need it.

Mr. CARDIN. Mr. Speaker, I yield myself such time as I may consume to point out to the gentlewoman from West Virginia that by voting for this bill her State will actually have \$78 million less in resources to deal with the problems of child care.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KLECZKA), a member of the Committee on Ways and Means and one of the individuals who helped us craft the substitute.

Mr. KLECZKA. Mr. Speaker, welfare programs come in various sizes and shapes. There are good welfare programs and bad welfare programs. A few weeks ago the Congress passed a farm bill, a farm bill that was signed by the President this last weekend. That bill increased farm spending \$180 billion, an increase of almost 80 percent, giving growers in this country, large corporate farmers, up to \$360,000 a year of taxpayer money. Under a loophole in the bill, they can get as high as \$700,000 per year.

Mr. Speaker, welfare to corporate farmers and agribusiness is good welfare. However, welfare to poor people is not good welfare. That is bad welfare.

Mr. Speaker, I voted for the welfare bill back in 1996, and when I did so I indicated to the Members that my major reservations were that we did not do enough to promote education, and clearly the child care funding was inadequate. Now, with 6 years experience, we find out that that I was right. And, the Republican bill does nothing to address these two most serious concerns.

Yes, we have dramatically reduced the welfare rolls over the last number of years, but we have not reduced the poverty rate. The Cardin substitute truly does address the poverty rate.

Right now we say, get a job, and then after you are done working and taking care of your kids, you can also go to school and that will be counted as work. But we have put the cart before the horse. Let us make sure that individuals get adequate training, be it a GED, English as a second language, or a vocational associate degree before mandating the job. We are not going to lift people out of poverty, forcing them to go right to work to get the most menial jobs that we have in this country.

So if my colleagues are really intent on lifting the poverty rate and helping these individuals, vote for the Cardin substitute, which does address education and provides for adequate child care.

Ms. DUNN. Mr. Speaker, may I inquire as to how much time we have remaining?

The SPEAKER pro tempore (Mr. SIMPSON). The gentlewoman from Washington has 2 minutes remaining.

Ms. DUNN. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas

(Ms. GRANGER), who is the former Mayor of Fort Worth and who has worked with many folks who have been forced to go on welfare. She brings great knowledge to our effort today.

Ms. GRANGER. Mr. Speaker, I am talking today more as a single parent myself, who worked very hard to support my children from the time they were tiny, and I know that quality child care is absolutely necessary, first of all to meet the needs of the children, but to meet the financial needs of the family.

A job well done adds dignity to the individual but it adds stability to the family. I know we are setting the bar high for welfare recipients. They can make that bar if we provide quality child care, and we are doing that at more than double what we did, a minimum of \$2 billion.

But after my children were grown and my business was successful, I served as mayor of my city, so I understand local control, and the flexibility that we are allowing under this bill is extremely important so that States can move the funds where they are needed most. It will allow the States to make their individual decisions.

We have made great progress in welfare, moving people off the rolls, but what is important is the hope we see in the faces of those children and those parents.

I strongly support this legislation. I think it is very important, this minimum of \$2 billion, to add a sense of hope to the lives of those people.

Mr. CARDIN. Mr. Speaker, I am pleased to yield 1½ minutes to the gentleman from Georgia (Mr. LEWIS), a distinguished member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I rise against the majority party's proposal. I read someplace, "What does it profit a great Nation to gain a whole world and lose her soul?"

This Republican proposal does not reflect the soul of America. It is out of step and it is out of tune. This proposal turns its back on the basic needs of our poor, our mothers, and our dependent children.

No one, but no one, wants to be on welfare. People want to work. They want to pay their own way. They want training so they can secure a permanent living wage job. Yet this bill throws in the towel. It eliminates education and job training from the list of work opportunities. It does nothing to promote job stability or reduce poverty in our country.

We can spend hundreds, thousands, billions of dollars on missiles, bombs, and even tax breaks for the wealthy individuals, but when it comes to providing a helping hand to our poor and our needy, Republicans want to pass the buck.

When it comes to welfare of our citizens, we must cross every T and dot every I. Do we have the courage to put people who have been left out and left behind back on their feet? Do we have

the courage to speak up and speak out for what is morally right? Where is our sense of what is fair? Where is our sense of what is right?

My colleagues, please join me to vote against this reckless bill. We can do better. We must do better.

Ms. DUNN. Mr. Speaker, I yield myself the balance of my time.

I simply want to wrap up, with the time we have left, to say that I think it is very important for us to remember what it is we are trying to do in this welfare legislation.

In 1996, we talked to welfare moms and dads. We said, what can we do to help you bridge the gap between welfare and work? And they said give us the ability to know that our children are well taken care of. Let us put the full focus of our energy and our expertise into going into a job that is going to provide us greater self-respect, greater dignity, and provide for our children that one role model in their life that might have a job.

We were successful there to the point that, as we moved money into TANF, we left, as of last September, \$7.5 billion in TANF funds in States throughout the Nation that they could move to child care.

Child care was the answer then and it continues to be the answer now. This is why we are advocating an additional \$2 billion to the \$4.8 billion we spend each year in dollars for child care.

I think it is our responsibility, Mr. Speaker, to help people who want to hold jobs know their children are taken care of as they move into the workforce. I recommend the support of this bill.

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

Mr. CARDIN. Mr. Speaker, I yield myself such time as I may consume to point out to my colleagues that less than 20 percent of the children who are federally eligible for child care assistance are now being served under the Republican bill. That number will even get smaller.

Mr. Speaker, I am now pleased to yield 1½ minutes to the gentleman from Vermont (Mr. SANDERS), one of the leaders for working people in this country.

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, when we talk about welfare reform, I would hope that we would include in that discussion many of the largest corporations in this country who rip off tens of billions of dollars from taxpayers every year in subsidies, loan guaranties and tax breaks, while then moving their factories and bank accounts to China, Mexico or Bermuda.

But that is not what we are talking about today. Today, we are talking about low-income women and children. We are talking about a severe crisis in child care that leaves millions of American families unable to afford quality child care or, in some cases,

any child care they can afford. We are talking about child care workers who are grossly underpaid, who are undertrained, and who experience a huge turnover rate to the detriment of American babies. Today, we are talking about a child care situation that is a disgrace and a shame to this Nation, and I want anyone over there to deny that reality.

And how have our Republican friends responded to that situation? In real, inflation-accounted-for dollars, the President has actually cut funding for child care, while the House Republicans have offered a proposal that is totally inadequate. They have provided hundreds of billions of dollars in tax breaks for the richest people in this country, but pennies for babies and for the kids who are the future of America.

I urge a strong no vote on the Republican proposal.

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

And, of course, the gentleman from Vermont's urging of a "no" vote is not unexpected. He voted against the bill in 1996. As a matter of fact, the gentleman from Washington (Mr. McDERMOTT) voted against the bill. The gentleman from Georgia (Mr. LEWIS) voted against the bill. There were dire statements made then about what was going to happen to those individuals on welfare.

But I do want to say that there are some Members of the other party who get it, or at least have been willing to admit that they get it. For example, on March 21, 1995, the gentleman from Missouri (Mr. GEPHARDT) said, "A Republican welfare bill will throw millions of children out on the street without doing anything to move people from welfare to work." This was a generally held assumption, based upon the number of Members on that side of the aisle who voted no.

To his credit, on May 9 of this year, the gentleman from Missouri said "Welfare reform has been a good effort. A lot of people have gone back to work. And so it is the right thing to do, to ask them to go back to work and to make them go back to work."

So in terms of the fundamental thrust of the bill, we are pleased that people are beginning to back away from the cataclysmic statements that had been made.

□ 1130

What we now hear is Members who have voted against the bill complaining about the Republican effort because it is going to put approximately \$4 billion additional monies into child care when it should be \$11 billion. It seems to me that the movement in the direction that we are going under the current circumstances is significant and deserves support. But sometimes some Members on the other side of the aisle cannot bring themselves to admit that they were wrong.

The fact of the matter is they were wrong. We are right, and we are con-

tinuing to increase in those areas that need increases. I suppose somebody on the other side of the aisle could ask for \$100 billion in child care. The fact of the matter is they cannot deny the fact that this bill increases by almost \$4 billion the amount that was in the bill. That is undeniable. Those are the facts. The program works, and we propose to make it work better.

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

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

Mr. Speaker, let me point out to the gentleman from California that I am glad to see that he agrees with the fundamental thrust which his bill would not try to fundamentally change a program which I believe has been successful.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN), who is not only a member of the Committee on Ways and Means, but is also one of the key architects of many of the provisions in the Democratic substitute.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, let me speak as a Member who worked a couple of years on welfare reform in the mid-1990s, who worked on the legislation to make sure that it had adequate health care and child care, and who voted for the legislation. The majority has apparently decided it wants a political issue rather than a bipartisan product. It did not seriously work with any of us no matter how we voted in 1996. With none of us.

Mr. Speaker, the majority comes here and talks about the past instead of looking at the present and thinking about the future. Shame.

As a result of the majority's lack of any bipartisan effort, they have a very flawed product. Child care, there is a billion guaranteed, that is all; and Members come here saying something else. Oh, and then they say let the States transfer, even though they know from the figures that more and more States are using their TANF funds, and they are not going to have the monies to transfer, and their budgets are in dire straits.

On health care, the bill does not do a darn thing to improve it. In terms of helping people move from welfare to productive work and independence, they clamp down on vocational education. We have a President who says education is the key; and then we come to a welfare reform bill, and the majority clamps down and takes back what is in present law. Again, I say shame.

All right, so then the majority says, and it looks like it is a clever political approach, let us emphasize those people who are on welfare and make sure they are working. So they set up an inflexible proposition, and then the States say, oh no, that is taking away our flexibility. So then the majority says, all right, 24 hours of work and 16

hours, people can do essentially anything they want with the 16 hours. That is how they build flexibility into their inflexible system. So anything counts, and they vitiate their own rhetoric.

Look, in a word, welfare reform is much too important to simply maneuver for political advantage this year or simply talk about 5 years ago. It is too important for a lot of pious platitudes.

The substitute is a serious effort to address the needs of this new face of welfare reform. We will present it proudly; and we will say to the majority, shame on them for not lifting one finger to sit down with us to try to work out a bipartisan product. Welfare reform deserves much better than the majority has given it.

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

Mr. Speaker, I suppose as a rhetorical device it is useful to come down and point fingers and claim shame. Actually, the bill has been an enormous success. It has reduced the rolls by half; and yet President Bush has said keep the funding at a steady level, i.e., fewer people same amount of money. In this bill, we are putting more money back in.

I guess when we take away from them what they believe is their divine right, to be for people in poverty, and for women with children, and we actually show compassion and we actually put money where our mouth is and we actually put a program out that really works instead of all of the rhetoric that have been used for years about wanting to help these people, and I think helping people is moving them from welfare to work, not saying how desperate they are, making speeches on the floor, and voting against programs that actually work.

We have a program that actually works. We are putting more money in relative to the people available, and we are putting even more money in with this bill.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. HERGER) and ask unanimous consent that the gentleman control the balance of the time.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

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

Mr. Speaker, I rise in support of the Personal Responsibility, Work and Family Promotion Act, which takes the next step in welfare reform. During the welfare debate in 1996, critics predicted 1 million children would be forced into poverty and recipients would be worse off. The opposite occurred. Since 1996, nearly 3 million children left poverty. Overall, 9 million parents and children have left welfare dependence and moved on to a better life.

Today we will again hear from the naysayers. They will say needy families cannot work, they must collect

welfare for more than 5 years, that it is cruel to expect them to support themselves and their children like other American families. We have heard it all before.

The bill before us today builds on the successful 1996 reforms. It recognizes that work is the only true path from poverty to self-sufficiency. It expects more work and allows more education and training to count as work. To support more work, we added \$2 billion over 5 years for more child care. We also provided States more flexibility in how they can spend cash welfare funds on child care, including for low-income families that have never been on welfare.

The bill does more to promote healthy marriage which will reduce poverty and improve child well-being. Too many children today are raised by single parents, most often by single mothers struggling mightily to get by. Compared with children raised by married parents, their children are at a disadvantage, including in terms of avoiding poverty and welfare as adults. Promoting stronger families will help break the cycle of long-term welfare dependence, and deserves our support.

This legislation allows for new State flexibility, including under the State flex provisions allowing social service programs to be better aligned to better serve needy families. Yet those who now extol flexibility when it comes to not expecting more work of welfare recipients argue that governors cannot be trusted with this expanded authority. Truly amazing.

Mr. Speaker, in these and many other ways, this legislation takes the next step in helping millions of families move from welfare to work. I urge all Members to support it.

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

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

Mr. Speaker, the gentleman talked about State flexibility; but if the majority is really interested in State flexibility, why do they take away the ability of States to provide educational services for people on welfare?

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, here we go again. Welfare reform is a serious issue, and we should not play politics with it. This is a bad bill, and Members on the other side of the aisle know that.

This President has put forth a bill that will penalize those who are trying so desperately to change their lives. What do they mean by making a welfare mother with children under 6 work for 40 hours while they are trying to get into training programs and change their lives? We need to assess each individual and decide what they need. If they need to be in school for 2 years because they dropped out early, if they need counseling, if they need to have an opportunity to have a substance

abuse program to change their lives, we should be doing that.

Instead, what we are doing is taking away vocational education, doing nothing to make sure that the health care needs are taken care.

No, there is not enough money in this budget for child care. Parents cannot go to work and be trained without child care. Yet there is a lot of money in the bill, \$300 million, to talk about promoting marriage. Give me a break. Let us give welfare recipients a chance to become independent.

Mr. HERGER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Speaker, the 1996 welfare law, which many of us here helped write, really brought us unparalleled success by almost any measure. If we look at the fact that more parents are working, child poverty has declined sharply, dependence has declined dramatically, there is a 60 percent decrease in the case loads of welfare recipients. This bill today builds on that success and improves this legislation.

Let me just talk a little bit about State flexibility because we have received a letter, both the chairmen and ranking members of the Committee on Ways and Means and the Committee on Education and the Workforce from the American Public Human Services Association, which is a bipartisan group of welfare directors around the United States complimenting us on the flexibility in this bill for things like improving and continuing the whole idea of a TANF block grant contingency fund; removing the restrictions on unobligated TANF funds; excluding child care and transportation from the definition of assistance; creating State rainy day funds for unobligated funds under this bill; continuing the transfer of 30 percent to the child care development block grant; restoring full transfer to the social services block grant; and maintaining the TANF block grant free from set-asides. These are somewhat technical provisions, but the State welfare directors from around the country have come together and complimented this committee for putting in these provisions which will bring much more flexibility to this bill. They say, "These provisions will dramatically increase State and local flexibility in the administration of the TANF program."

Mr. Speaker, this is a good bill. This will continue to build on the successes we have had. I urge support for it.

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

Mr. Speaker, I point out to the gentleman from Michigan that the popular 10-10-10 program in Michigan would not satisfy the requirements of this bill. It would be an unfunded mandate of \$377 million to a State.

Mr. Speaker, I yield 30 seconds to the gentleman from Washington (Mr. McDERMOTT).

Mr. McDERMOTT. Mr. Speaker, the gentleman from California (Chairman

THOMAS) has said we are asking for way too much money. I saw in today's paper that the head of the Congressional Budget Office, Mr. Crippen, has decided not to go on for 4 years. I know why, because they want to get rid of him because it was his memo on February 2, 2002, that says this bill is going to cost between 8 and \$11 billion in unfunded liability.

We did not make that number up. That came from the Congressional Budget Office. The director is selected by the majority, and they put him in. Here he is. Now he gives them information they do not want. The chairman is ignoring 280,000 kids in California who are not served.

□ 1145

Mr. CARDIN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. HINOJOSA).

(Mr. HINOJOSA asked and was given permission to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Speaker, I rise in strong support of the Democratic substitute and in opposition to the underlying bill. Education and training are the cornerstones upon which we on this floor have built our future. This bill should be stressing basic literacy, English as a second language, GED completion and on-the-job training rather than cynically labeling them welfare scholarships.

In my congressional district, I have seen how education can bring economic prosperity to one of the poorest regions in the country. Our unemployment rates have dropped from over 20 percent to almost 10 percent. Only a few days ago, the President signed the agriculture bill to restore access to food stamps for legal permanent residents and overcame the mean-spirited denial of food for poor families that had been in effect for 5 years.

The Democratic substitute provides significant reforms as well as the resources needed to implement them. I urge my colleagues to vote for the Democratic substitute and against the Republican bill.

Mr. Speaker, I rise in strong support of the Democratic substitute and in opposition to the underlying bill. First, I want to commend my colleagues GEORGE MILLER, PATSY MINK and BEN CARDIN for their hard work and leadership in drafting this substitute. We all agree that we need to encourage work, but people need access to real jobs that will lead them out of poverty. The "make work" approach of welfare in this Republican bill, has only led people into working poor status, and has not improved their economic situation.

Education and training are the cornerstones upon which we on this Floor have built our future. This bill should be stressing basic literacy, English-as-Second-Language, GED completion, and on-the-job training rather than cynically labeling them "welfare scholarships." In my congressional district, I have seen how education can bring economic prosperity to one of the poorest regions in the country. Our unemployment rates have dropped from over 20 percent to almost 10 percent.

Only a few days ago, the President signed the Agriculture bill to restore access to food stamps for legal permanent residents and overcame the mean-spirited denial of food for poor families that had been in effect for 5 years. Yet today we stand here ready to again weaken this program purely for ideological purposes.

The Republican "super waiver" provision would undermine critical programs like the Workforce Investment Program and the Childcare Development block grant. Yet without adequate childcare, transportation and flexible work-hours, what mother can concentrate on work when their child is home alone or in substandard childcare?

The Republican proposal is empty rhetoric because it is critically underfunded. It puts ideological sound bites over real welfare reform. Even the Nation's Governors have expressed their reservations about the poor policy and unfunded mandates in this bill. The Democratic substitute provides significant reforms as well as the resources needed to implement them. I urge my colleagues to vote for the Democratic substitute and against the Republican bill.

Mr. CARDIN. Mr. Speaker, I am very pleased to yield 1 minute to the gentlewoman from California (Ms. WOOLSEY), one of the real leaders on welfare reform, the architect of the Democratic substitute.

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, 6 years ago I voted against the welfare reform bill because I had been a welfare mother 35 years ago. I knew what we needed to do to bring families out of poverty. I was right. Unfortunately, we have not brought families out of poverty. Yes, indeed, we have gotten many, many families to go to work. That is the good side of what has gone on. But we had a very good economy. When the economy is dropping, families are losing their jobs. But the worst thing about taking women and their families from welfare to work that we have experienced is they have gone from welfare to poverty, and we are keeping those families in poverty.

The reason I got off welfare is because I was educated. I had a good education, I had good job skills, and I could take advantage of that. We have to provide just that for our families on welfare. Then we will have a successful welfare reform program.

I voted against the bill in 1996 because I feared that moving from welfare to work would leave mothers stuck in poverty—especially during an economic downturn.

Well, 6 years we succeeded in doing just that!! Women are working and women and their families are living in poverty. We have to learn from what didn't work.

Now, we have a new bill . . . one that actually goes backwards on education . . . which, of course, is the way to prepare for a good job, one that pays a "living wage."

And, then the Republicans demand mothers with small children, under 6, go to work without the child care they need . . . especially child care for infants and parents working evenings and weekends.

H.R. 4737 improves nothing . . . it will do one thing and one thing only—keep mothers and their children in poverty.

Mr. HERGER. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. McCRERY), a very active member of our subcommittee.

Mr. McCRERY. Mr. Speaker, first of all, I want to respond briefly to the remarks by the gentleman from Washington about the unfunded mandates in this bill. This is a report from the same Congressional Budget Office dated May 13, 2002. CBO says the TANF grant program, which is the subject of this bill, affords States broad flexibility to determine eligibility for benefits and to structure the programs offered as part of a State's family assistance program. Consequently, any new requirements to the program as proposed by H.R. 4090 would not be intergovernmental mandates as defined in the Unfunded Mandate Reform Act to the States.

With respect to the question of money, this chart clearly illustrates that we are giving the States more money for welfare on a per-family basis. In 1996, the year prior to welfare reform going into effect, States had about \$7,000 per family for welfare. Next year under the first year in this bill, States will have almost \$16,000 per family for welfare. Tell me how we are shortchanging the States. They are getting over twice as much money, and that is not counting the \$4 billion extra we are giving them in child care. Give me a break.

Mr. CARDIN. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I rise in support of the Democratic substitute. Earlier this Congress passed legislation that heavily subsidized big farms and military contracts. But when it comes to helping poor women and children, the cupboard is bare. How can my colleagues on the other side of the aisle call themselves pro-family when they do not adequately fund training and education to lift welfare recipients out of poverty? How can they call themselves pro-family when they do not provide adequate funding for quality, affordable, available child care so that working moms have a place for their children to go? We need our families to thrive, not just survive.

A welfare recipient wrote me earlier this month and she said, "When you cut off money for education and training, you cut me off, too. You cut my children and myself into a never ending cycle of poverty."

The Democratic substitute provides support to lift families out of welfare.

Mr. CARDIN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I have listened to my colleagues talk on the other side of the aisle about this bill. Let me at least try to set the record straight. Our chairman the gentleman from California (Mr. THOMAS) said the funda-

mental thrust of welfare is where we need to continue. Yet the underlying bill changes that. I do not understand it. We trusted the States in 1996. Now we do not trust the States. Now we have to be prescriptive. We have to tell them how to do it.

The gentleman from Louisiana (Mr. McCRERY) said, well, they are going to have plenty of money to do it. The truth is the States are spending \$2 billion more a year than they are currently getting from the Federal Government for their TANF programs. The reason, quite frankly, and the gentleman from Louisiana (Mr. McCRERY) did not tell the whole factual truth, there are a lot more people receiving TANF services than those in cash assistance, and we should be proud of that. We want people off of cash assistance. We think the programs that lift people out of poverty is where we should go. They do not have the resources.

The gentleman from California (Mr. HERGER) talks about flexibility in resources. The States have far less flexibility on providing educational services for the people on welfare under the Republican bill than current law. They do not move ahead. They take away the ability to have vocational education for 1 year towards the work requirements in the Republican bill. Gone. Is that giving States additional flexibility? No.

That is why the Congressional Budget Office, our scorekeepers, tell us that implementing this bill will cost our States an extra \$18 billion, \$11 billion in direct cost. That is the unfunded mandate, whatever we want to call it. It is going to cost our States more money to implement the requirements. We are being prescriptive. We are not using the formula that worked 6 years ago that I voted for, flexibility in resources to States so they can work with the people in their State to not only get them off cash assistance but to lift them out of poverty. We can do better and we are going to have a chance to do it when we offer the Democratic substitute.

I urge my colleagues, both Democrats and Republicans, look at the substitute. Support it. It is what we need in order to live up to our commitment to the people of our Nation.

Mr. HERGER. Mr. Speaker, I yield the balance of my time to the gentleman from Florida (Mr. SHAW), the architect and chairman back in 1996 of the Subcommittee on Human Resources.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Florida is recognized for 2 minutes.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time. My congratulations to the gentleman from California (Mr. HERGER) for taking what I think is an historic piece of legislation and improving it.

In listening to the debate on the floor today and late into last night, there was an effort, I think, to rewrite history that was going on here on the

floor of the House of Representatives. I heard time and time again speakers from this side of the aisle getting up and talking about how President Clinton had input into the bill and finally he signed it after vetoing it three times. That is simply not true. We reached out time and time again to the White House and we were met with silence. They had no interest in working with Republicans on welfare reform. It was not until right before the election that the President decided that it was about time that he looked at this issue that was very much on the conscience of the American voters. On August 22, 1996, President Clinton did finally sign a welfare reform bill.

This historic legislation has pulled 3 million children out of poverty when we were hearing time and time again from the other side of the aisle that they were going to be sleeping on the grates. Yes, half of the Democrats did support us. That is a good thing, because that sent the message out that America expected more of the poor, the economic disadvantaged. But what is separating us on this issue is that we believe in the human spirit so strongly that we feel that if we raise that level of expectation that they will rise up to meet it, and history tells us that we were right.

We were absolutely right, because what we did was take people out of a life of dependence and made them role models for their kids, and they did do better. Now we expect the States to get more of their people on the work rolls. We have lowered the amount of people on welfare across this country by over 50 percent, but we are not through. We are going to do better. Together we will do better.

Vote "yes" on this bill and "no" on the substitute.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4737.

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

There was no objection.

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

Mr. Speaker, the 1996 welfare reform law that we are reauthorizing today has been an unprecedented success, one of the most important pieces of social policy since the civil rights legislation of 1965.

Today with the Personal Responsibility, Work, and Family Promotion Act, we are set to build on that success. The bill marks the beginning of a second phase of reform that will help even more Americans find productive

jobs. My friends on the other side of the aisle may say, "The system is working. Why fix it? Why argue with success?"

Here is why. Welfare caseloads have fallen dramatically since 1996, but as this chart right here shows, 58 percent of TANF recipients still are not working for their benefits, according to the Department of Health and Human Services. And we all know that work is essential to help people get the skills that they need to move up the economic ladder.

The bottom line is that approximately 2 million families remain on welfare rolls today and we need to do something about it. Earlier this month, the Committee on Education and the Workforce approved a bill introduced by my friend, colleague and subcommittee chairman the gentleman from California (Mr. McKEON), the Working Toward Independence Act, which is now part of this overall Republican bill. It strengthens work requirements to ensure that we move these welfare recipients on the path to self-reliance. As Connecticut Governor John Rowland has said, "The most compassionate way to break the cycle of poverty, dependency and hopelessness is through work."

The bill requires welfare recipients to participate in work activities for 40 hours a week. But within these new requirements, there is significant flexibility for States and recipients themselves. Welfare families will have 16 hours a week to pursue education and job training. They can also attend school full-time for up to 4 months during a 2-year period. The measure also increases the percentage of welfare families in each State that must be engaged in work activities; currently, 50 percent, moving to 70 percent by 2007.

Some have questioned whether States can meet these new requirements, suggesting that we are setting the bar too high. But I agree with President Bush who said last week, "If it brings dignity into someone's life, it's not too high of a goal."

And, remember, the bill gives States 5 years to comply with the new work requirements. The bill also includes significant funding increases for child care, boosting discretionary spending for the child care and development block grant by \$1 billion over 5 years.

In addition to this new money, it is important to remember that States have half of the caseloads they had in 1996, which means they have got twice as much money available to spend on work programs or on child care.

□ 1200

H.R. 4737 also incorporates key elements of President Bush's Good Start, Grow Smart Plan to improve early childhood education, and encourages States to address the cognitive needs of young children so they are developmentally prepared to enter school.

Finally, the bill includes a promising new plan to empower States and local-

ities to develop innovative solutions to help welfare recipients achieve independence. It will give States and local agencies the opportunity to integrate certain welfare and workforce development programs and try to improve their efficiency.

Mr. Speaker, in closing, I would like to echo the sentiments of President Bush when he said, "No level of despair should be acceptable in our society." With this bill today, we are going to help some of the most vulnerable members of our society achieve self-sufficiency, and I urge my colleagues to support the bill.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 2 minutes.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. GEORGE MILLER of California. Mr. Speaker, what this debate has come down to is a question of whether or not those individuals who seek to get off of welfare, whether or not those individuals who seek to stay off of welfare, who have been successful in escaping the welfare system, whether or not they will have the means to do so. What this debate comes down to is whether or not a single individual or a family makes a decision about going to work, about participating in the American economic system, whether or not they will have the child care and the training available so they can take the best advantage of what this system has to offer them.

Over the last 5 years we have learned a great deal about welfare reform. There are two things we have learned that are absolutely crucial: First, that good job training and extensive job training in the beginning is better for the employee as they go out on that new job, it is better for their chance of advancing to a second and better job, and it is also better for the employer because it reduces the amount of turnover that the employer must suffer with the employment of individuals. That is very important.

The second thing is that the biggest barrier of people going to work is the care of their children. We ask people on welfare, we mandate that they must go to work, and yet we tell middle class women we want them to stay home and we give them a tax credit to stay home and take care of their child. So the person who is on welfare is asking the question, will my child be safe? Will my child have a chance at child development while I am working? This is what every mother, every father, every brother, every sister thinks about their siblings and their children.

The Republican bill simply does not provide the sufficient resources to the States to provide quality child care for those children and the needs that are now presented today to this Nation, not after you up the work requirement, but today.

Hundreds of thousands of children are on a waiting list for child care, and the Republicans want to continue to tell us that all the care that is necessary is available. Child care lists are frozen. This debate is about whether or not we will enable these individuals to go to work with the security of mind that their child is in a quality placement and their child is receiving child development while they try to engage in the American economic system.

Mr. Speaker, the debate about welfare should be a debate about how to move people—mostly women with young children—from dependency on government assistance to full-time, permanent employment that lifts, and keeps, the family out of poverty.

That is our goal for welfare reform.

Six years ago, Democrats and Republicans agreed that the welfare system of the prior half century was a failure. The new system emphasized moving people from dependence to jobs while providing them with education, training, child care and the other supports that most Americans recognize are essential to achieving the goal.

There have been some successes: welfare rolls are down—dramatically in some states. But let us remember that cutting the rolls alone was not the goal. The evidence gathered in study after study documents that while we have moved many off welfare, we have not achieved the goals of promoting long-term economic independence, jobs that lift and keep families out of poverty, or improved living standards for millions of children.

Since 1996, the welfare rolls have been cut by over 50 percent nationally. But millions of those who have left welfare remain desperately poor, dependent on food stamps, WIC and other public assistance, raising children in deep poverty with all of its harmful impacts, and without the education, training or child care that is necessary to move them to real independence.

In one review of 900 former welfare families, researchers concluded that most still live below the poverty line and have been forced to cut back on food to save money. Another major review of seven Midwestern states also concluded that many of the former recipients remained in poverty while Indiana and Wisconsin's rolls grew by 13 percent last year. In Michigan, 71 percent of those who combined welfare and work, and nearly 50 percent of those former recipients who worked full time, remained poor with many unable to buy food, pay utilities or rent or losing their phone service. Those findings demonstrate clearly that more must be done to move people off welfare and into employment.

We should finish the job begun in 1996, by directing the needed services to those who must leave dependency while still holding them accountable for achieving independence from government aid. Instead, the bill before us today—which we are denied the opportunity to improve—imposes costly new mandates on states without the federal support to pay even a fraction of the additional burden. It also imposes rigid welfare programs that are fundamentally different than the programs the Republicans have been heralding as great successes. We need to make welfare reform work, not punish the governors and the recipients alike because it hasn't moved fast enough yet.

The Republican bill takes a very different approach: massive new work requirements without adequate training, as well as other unfunded mandates and punishing requirements for state administrators and for welfare recipients alike—with little financial assistance for either. And this Republican bill, unlike the Democratic substitute, fails to protect working men and women by fully applying our nation's civil rights, wage, and health and safety laws to welfare recipients who are working. Nor does the Republican bill protect those who currently have jobs from being displaced by subsidized welfare recipients. That is just wrong.

This Republican bill tells the taxpayers of California: you better raise taxes by \$2.5 billion, or cut your already deeply reduced spending, because you've got to pay billions to comply with this new bill, or face more punishment. And don't expect any additional help for the 280,000 families already waiting for child care, because the Republicans aren't going to give you more assistance.

But it isn't California. The Republican bill tells Michigan to raise taxes or cut spending by \$377 million, a state that has already cut more than half a billion in spending. The Republican bill tells Pennsylvania: your bill is \$433 million; Ohio, it's \$444 million; New Jersey, \$233 million; Connecticut, \$133 million; Texas, \$688 million; Florida, \$311 million; New York, \$1.2 billion. State after state, billions upon billions in new mandates piled on by this Republican bill that fails to fund them.

There is no evidence that the harsh and rigid revisions dictated by the Republican bill will increase the success of welfare reform; but they will severely restrict the flexibility the states have been able to use to meet the needs of their residents, as 39 out of 44 states agreed earlier this year.

Some will try to paint those who raise concerns about education, training, workforce protections and child care as "soft on welfare reform." The American people know better than that. We are all for moving people from welfare to work, from dependence to independence, from poverty to self-support. The American people also know we need to get people the flexible tools they need to give them a fair chance to succeed. This bill is grossly unfair, it imposes billions in new costs to the states, and we are not being given the opportunity to improve it, and that is why we will oppose its passage and support the Democratic substitute.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. McKEON), the chairman of the Subcommittee on 21st Century Competitiveness.

Mr. McKEON. Mr. Speaker, I rise in strong support of H.R. 4737, the Personal Responsibility, Work and Family Protection Act. I want to thank the leadership and in particular the gentleman from Ohio (Chairman BOEHNER) and other members of the House Committee on Education and the Workforce who have devoted countless hours to putting together a package that every Member of this body should support.

Six years ago, the Nation's welfare rolls bulged with more than 5.1 million individuals and families. Today, the rolls have decreased tremendously. Between 1996 and this very day, over 3

million people have left welfare for work. Over 3 million former welfare recipients know the satisfaction of earning a day's pay for a day's work.

As the debate goes forward on this bill, it is important to remember that the true benefactors of welfare reform are young Americans. Because of welfare reform, young Americans are able to see their parents get up each morning and go to work. Without this very basic ethic, those young people are at a great disadvantage, and it becomes difficult for them to escape the cycle of poverty in which their families have lived for generations. H.R. 4737 helps these families and builds on the success of the 1996 welfare reform.

The work requirements were the centerpiece to welfare reform. It is only through work that individuals can get out of poverty and lead productive lives. The bill before us increases the work requirements to 40 hours of work per week. That is the bare minimum that most Americans work every week. That is only 10 hours more than the current requirements.

For 24 hours, TANF recipients are required to be involved in direct work. For 16 hours, they may take part in educational or job training programs that will lead to self-sufficiency and a better life. The structure of the 16 hours is defined by the State.

Understanding that child care is most important to helping families leave welfare, H.R. 4737 increases the already extremely high levels of funding for the Child Care Development Block Grant. The high level of funding is increased even as the number of families being served has dropped by over 3 million.

The bill also provides State flexibility while maintaining State accountability by permitting States or local entities to integrate a broad range of public assistance and workforce development programs.

At the same time, it is important that local areas created under the Workforce Investment Act be heavily involved in the process. Therefore, I am pleased that the bill provides provisions ensuring that local administering entities join in the flexibility application submitted to the Secretaries. This will, in effect, give the locals veto authority over provisions that they believe will not improve the quality or effectiveness of the programs involved.

The results of welfare reform are clear. The work requirement has led 3 million families to live independent of government handouts. While it is important to talk about the significant reduction in welfare caseloads, the goal is not simply to move families off of welfare; the goal is to help families become self-sufficient, to end generations and generations of welfare dependency. As such, I strongly urge my colleagues to support the bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from Minnesota (Ms. MCCOLLUM).

Ms. McCOLLUM. Mr. Speaker, I would like to inform the last speaker that the unfunded mandate in this bill would cost the State of California \$2.5 billion.

Mr. Speaker, I ask my colleagues on the other side of the aisle why would I, as a Member of Congress, tell working mothers to leave their small children behind and go to work without providing them safe child care?

In Minnesota alone today there are nearly 5,000 families on the waiting list for child care. That is the entire population of the City of St. Paul Park. The Republican bill provides only a slight increase in child care, not even enough to keep up with inflation. It would remove only 300 of the 5,000 children from Minnesota's waiting list.

But then, wait. We are now doubling work requirements for mothers with children under the age of 6. This will add thousands more families to our waiting list, costing Minnesota more than \$100 million.

It is completely irresponsible to think that Minnesota and other States facing deficits will be able to provide child care. We owe it to our children, we owe it to their parents that they have safe, reliable places for their children to be while they are working.

I served in the Minnesota Statehouse, where I worked on a bipartisan effort after Congress passed the law 6 years ago. We had success. Minnesota is cited as one of the most successful programs and it is rated top in the Nation for making families self-sufficient.

Today, I am being asked to vote on a bill that seeks to undo the success in Minnesota. The new Federal mandates limit the flexibility and fail to provide needed funding for these new requirements.

We cannot have it both ways. You cannot have it both ways. You cannot say you are trying to move people out of poverty and then not give them the means to accomplish that.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA), who will be retiring, a long time Member of the Committee on Education and the Workforce.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks, and include extraneous material.)

Mrs. ROUKEMA. Mr. Speaker, I thank the chairman for yielding me time, and I certainly commend the gentleman from Ohio (Chairman BOEHNER) and the gentleman from California (Chairman McKEON) for their hard work and diligent leadership here.

Mr. Speaker, the gentleman has indicated that I have had a long history here in the Congress, certainly on this committee. I go back to 1996 and the welfare reform, and I have got to take the credit for being one of the first, a Northeast moderate Republican, one of the first to be advancing welfare reform, and I think that bill has proven its own success.

But I would like to say that in addressing the need for welfare reform, at that time and again today, I stress what we need is what I call "tough love," and the tough love that is needed is in this bill; namely, that the welfare recipients must become more self-sufficient while at the same time this legislation is sensitive to the genuine family needs and the needs for children to be properly cared for and educated, and I believe that this bill does that.

In fact, my amendment, only one of the portions of the bill, but my amendment, the self-sufficiency plan, gives the authority to the States and the welfare recipients to work together to create these self-sufficiency plans and to address any barriers that are there that are preventing the families and the children from getting the road map that they need to this self-sufficiency, and I am proud that that language is in this bill.

The bottom line is that this bill may not be perfect, it may not be, but it is a significant reform building on the successes of 1996, and passage of this bill today is a vital step to completing the task that we started in 1996 and to restore public assistance to its original purpose, providing a temporary safety net for those in need, and genuine tough love for all the little children. And they are protected in this bill.

I rise in support of this bill. First and foremost, I would like to commend the Education and Workforce Committee Chairman BOEHNER and Subcommittee Chairman McKEON for their leadership, hard work, and diligence on this important issue. Of course, I commend the President for making welfare reform a priority for our nation.

INTRODUCTION

When we started down this road to welfare reform years ago, the American people were convinced that the welfare system was out of control. They worried that we were wasting billions upon billions in hard-earned taxpayer dollars to support a system that promoted unhealthy, unproductive, dysfunctional families and sentenced children to a lifetime of economic, social, and emotional deprivation. In a system like that, the children were the victims.

In addressing the need for reform we must demonstrate what I characterize as a "tough love" approach. Namely, "tough love" so that welfare recipients can become more self-sufficient while at the same time being sensitive to genuine family needs and that the children are properly cared for and educated.

The 1996 Welfare Reform Act was based on the notion of individual responsibility. The reforms restored public assistance to its original purpose: a temporary safety net for those in need—not a permanent way of life for generations of families. The 1996 Welfare Reform Act was good policy, however we all agree that we have much more to do. We must ensure that welfare recipients are self-sufficient when they leave the system.

The bill before us today represents the next phase of welfare reform. It continues to focus on individual responsibility through work. It provides the necessary mechanisms to help welfare recipients independently support their families when they leave the system. The bill also recognizes that states need flexibility in

creating the most effective welfare programs. Finally, I am pleased with the increased funding for child care programs, which allows parents to go to work while their children are provided with the care they need.

SELF-SUFFICIENCY PLANS

Too often, families with significant barriers to full employment are not given appropriate opportunities and adequate services to remove those barriers and allow them to become successful and independent. I am pleased that the bill before us today includes language from an amendment I offered during the Education Committee markup to ensure that states and welfare recipients work together to define what barriers stand in the way of permanent employment and subsequently create "self-sufficiency plans" to address these barriers. These plans will provide welfare recipients the "road map" they need to become independent of government assistance when they leave the welfare rolls while maintaining the proper focus on the purpose of welfare—individual responsibility.

CONCLUSION

The bottom line is that this bill builds on our past successes to ensure that those we move off of welfare have sustainable job opportunities and the ability to secure a promising future for their families. While this legislation is not perfect it is significant reform. Passage of this bill today is a vital step toward completing the task we started in 1996 to restore public assistance to its original purpose: providing a temporary safety net for those in need, genuine "tough love" for all the little children.

EDUCATION AND TRAINING

I believe the bill before us today takes important steps to helping welfare recipients achieve self-sufficiency. However, the bill falls short in one critical way: it fails to ensure that welfare recipients have the skills they need to remain employed in the private sector.

It is of paramount importance that we allow for the education and training of those moving into the workforce. Education and training will enable welfare individuals to hold sustainable quality jobs, rather than menial, low-paying positions that will not provide independence from government assistance when they leave the welfare system.

Research supports the effectiveness of ensuring that welfare recipients have the skills they need to retain a quality occupation. In one study by the U.S. Department of Health and Human Services and the U.S. Department of Education, individuals leaving welfare who were most successful in sustaining employment were twice as likely to have a technical or 2-year degree.

We must recognize that there are basic skills necessary for the occupations that we are hoping welfare recipients will enter into. In fact, the Educational Testing Service reports that nearly 70 percent of the jobs created through 2006 will require workers with education skills that are higher than the levels of most current welfare recipients. As I am sure all of my colleagues have heard, numerous employers in technical fields and healthcare are experiencing workforce shortages and being forced to bring in immigrants to fill their jobs.

Honestly, this makes no sense to me because we have a number of welfare recipients in this country that could fill these positions if they had the appropriate training. As I see it,

proper training of welfare workers could have a tremendous impact on welfare recipients AND employers.

Current law allows for 12 months of vocational training for 30 percent of the state's welfare population. While this was an important first step, it did not allow for the education and training of all welfare recipients. It also did not take into account the range of programs offered by community colleges that lead to quality occupations.

The bill before us today wisely removes the 30 percent limit in current law so that all welfare recipients can participate in activities that will help them improve their job training skills. However, the bill falls short because it does not allow for the full participation in these activities for more than 4 months (one semester) in a 2-year period. What this means is that a person can receive up to 8 months (two semesters) of education while they are on welfare but this training can not be consecutive. I do not believe that this is the best approach for helping welfare recipients achieve independence.

We should allow for one consecutive school year of education and training to count as an allowable work activity. This would only be a minor change to the bill but it would achieve the results we are hoping for.

After 1 year of training, welfare recipients will be able to attain a skill or trade and then move on to a good job. According to the American Association of Community Colleges, students can earn certificates at a community college in 1 year if they attend College full time. So by allowing a school year of education, welfare recipients would have the potential to receive an occupational certificate, which would set them on their way toward self-sufficiency.

I firmly believe that welfare families need "tough love". They need a system to provide assistance when there is absolutely no other alternative. But we need to ensure that government assistance is no longer a way of life. And the best way to achieve true independence for families, we need to make sure they have the skills to retain a job that pays enough to support their family. Moving families back and forth between work and education without a true plan does not help them make their own way in the world.

We must help welfare participants secure high wages, benefits, and steady work by investing in their futures. And we must be realistic. Allowing welfare recipients to enroll in education programs for a limited time is a necessary step in the struggle to transition from poverty to self-sufficiency.

STATE FLEXIBILITY

One of the hallmarks of the 1996 law is the flexibility it gives states and localities. The bill before us today offers states even more flexibility, authorizing them to integrate a variety of federal welfare and workforce investment programs and make them more efficient. While providing flexibility to allow the states to be innovative in their welfare programs, the bill also includes significant protections to ensure that states and localities continue to comply with federal civil rights, labor, and environmental laws, and that no program will lose any funding.

As Chair of the Financial Services Subcommittee on Housing, I want to take a moment to comment on the state flex proposal and how it relates to the housing and home-

less programs. Under this bill, states and/or local governments are given the ability to seek new and innovative solutions to old problems of service delivery. Through the hearing in my Subcommittee, we have heard time and time again about the need for coordinated services. Housing and homeless problems cannot be solved merely with brick and mortar. Chances are, if you are in need of housing, you also are in need of a multitude of other services—whether they be medical, food, transportation, childcare or counseling. Programs that fall under the jurisdiction of other agencies like HHS.

The legislation we are considering today will allow entities, such as the public housing authority, and the local and state governments to blend programs various programs to address the problems of services delivery. An example of this waiver could be a child-care center and a local public housing agency jointly petitioning the Federal Review Board to waive the regulations and requirements of their applicable programs to achieve a certain purpose. H.R. 4735 will give community groups and local and state entities the opportunity to cut through some of the red tape that many housing organizations complain about when attempting to blend programs from different agencies.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK), the subcommittee ranking member and a wonderful worker on this issue.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks, and include extraneous material.)

Mrs. MINK of Hawaii. Mr. Speaker, I thank the gentleman from California for yielding me time.

Mr. Speaker, there is so much that needs to be said about this issue, but I would like to inform the last speaker that the unfunded mandate in this bill would cost the State of New Jersey about \$233 million. That is the financial aspect of it. The human aspect is what I want to address.

The people that get up and say what a wonderful thing has happened under the 1996 bill because half of the families have been removed from welfare, we cannot deny those statistics, they remain there. But what has happened to those families? No one can tell us whether indeed they are still working, whether they are out of poverty. Most of the figures we have seen is that those that still work, work for minimum wage. I dare say that people working for minimum wage are not out of poverty. In fact, we have 38 million people considered in poverty.

So, with the requirements today of 30-hours mandated work activity and all of these rave reports about the success of the program acknowledging that the States have done most of this good work, why in the world would the Republicans now want to come and make the work requirement tougher? Why increase the 30 hours to 40 hours? It pays no account to the 2 million families that are on welfare today who are struggling.

Most of those families come to the welfare office with enormous stresses,

substance abuse, domestic violence, mental illness in someone in their family, extreme disability of a child, physical illness, perhaps illness of their own, alcoholism. I think that what they have put on are blinders to reality.

Mr. Speaker, I urge this House to be real, to take into account the real essence of these families. They need help. They do not need a requirement to do 40 hours of work. It is a struggle for them to just stay alive and to maintain their families.

I urge this House to consider the people on welfare as real people, as our neighbors and as our friends.

Mr. Speaker, I include for the RECORD a list of groups opposed to H.R. 4737.

GROUPS OPPOSED TO H.R. 4737—AS OF 5/15/02

Alaska Federation of Natives
American Association of University Women
American Civil Liberties Union
American Federation of Government Employees
American Federation of Labor—Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County, and Municipal Employees
American Federation of Teachers
Americans for Democratic Action
American Jewish Committee
Asian Pacific American Labor Alliance
Asian Pacific American Legal Center
Association of University Centers on Disabilities
Center for Community Change
Center for Women Policy Studies
Coalition on Human Needs
Coalition of Labor Union Women
Communication Workers of America
Delta Sigma Theta Sorority, Inc.
Friends Committee on National Legislation (Quaker)
Hmong National Development, Inc.
International Brotherhood of Electrical Workers
International Brotherhood of Teamsters
Jewish Council for Public Affairs
Jewish Labor Committee
Labor Council for Latin American Advancement
Laborers International Union of North America
Latino Coalition for Families
Lawyers' Committee for Civil Rights Under Law
Leadership Conference on Civil Rights
Mexican American Legal Defense and Education Fund
National Alliance of Postal and Federal Employees
National Asian Pacific American Legal Consortium
National Association for the Advancement of Colored People
National Association for Equal Opportunity in Higher Education
National Association of Counties
National Association of Human Rights Workers
National Association of Social Workers
National Campaign for Jobs and Income Support
National Coalition for Women and Girls in Education
National Council of Churches of Christ in the USA
National Council of Jewish Women
National Council of LaRaja
National Education Association
National Employment Lawyers Association
National Federation of Filipino American Associations

National Gay and Lesbian Task Force
 National Low Income Housing Coalition
 National Partnership for Women & Families
 National Urban League
 National Women's Law Center
 National Workrights Institute
 NETWORK: A National Catholic Social Justice Lobby
 Organization of Chinese Americans
 Presbyterian Church (U.S.A.), Washington office
 Service Employees International Union
 Southeast Asia Resource Action Center
 Unitarian Universalist Association of Congregations
 United Auto Workers
 United Food and Commercial Workers
 United States Student Association
 United Steelworkers of America
 Washington Ethical Action Office
 Welfare Law Center
 Welfare-to-Work Project, The Legal Aid Society—Employment Law Center
 Women Employed
 Women's International League for Peace and Freedom, U.S. Section
 Workmen's Circle, Washington DC Area

I urge my colleagues to vote against H.R. 4737.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Delaware (Mr. CASTLE), the chairman of the Subcommittee on Education Reform.

Mr. CASTLE. Mr. Speaker, I thank the chairman very much for this opportunity to speak to this bill.

Actually, this legislation did not begin in 1996; it began in Washington in 1988 with a piece of legislation called the Family Support Act of 1988. In reality, for those who were in State legislatures or in the executive branch of the States, as some of us were, it started earlier than that. It started in 1985, when the States really began to look at welfare reform, with governors like Bill Clinton, for example, and Tommy Thompson, who came along and got involved in this.

Decisions were made there. They were not made in Washington, D.C. It was set up in such a way that people would have the opportunity to be able to be educated and go to work, and eventually Washington went along with it in 1988, and obviously we really encompassed it in 1996.

□ 1215

The arguments were the same then as they are now. It is sort of like the Star Wars business that was talked about last night. It is a rerun, to a degree; and the same people were saying it will work and others were saying it will not work. Yet, each and every time, this program has worked. It is the best social program in terms of improving people's lives that we have ever had, probably in the history of the Congress of the United States, or even this country. Because indeed, if we go out and talk to that 50 percent of the people who in recent years have gone off of welfare and we get their story as to their opportunity to become self-sufficient and to become independent, to be able to live their own lives and stand up for their families, we are going to find out how supportive they are of welfare reform.

In this particular legislation there is a lot of concern about where we are going and what we are doing. There are concerns about the 70 percent requirement, can we meet that. I believe that we can. We have always met them before. Can the 40-hour work week with 26 hours of work and 14 hours of other activities be met? I believe that we can do that as well.

One of the areas is child care. I introduced an amendment in the committee, and we were able to get it done, to add \$200 million. Later it was worked out that we would have \$2 billion more for child care. About 62 percent of all children in this country who are not in school yet are in child care. How do we take care of that? If one looks at this chart, we get some idea of where we are going and why we are adding \$2 billion to the \$4.8 billion of the direct child care here. We are going to find that when we look at all of the discretionary funds, the transfers from the TANF block grant, a lot of which goes to child care now, what the States do, and then add in Head Start at the bottom, we get to a point of \$18.272 billion that goes into child care in the United States today. That is a large number, and it will be a large increase over what was there before; and my judgment is it is something we are going to be able to live with.

So I totally support this legislation. I believe it will work. I believe perhaps some things need to be addressed, and I think they will be in the Senate and perhaps in conference; and one of those is the transitional medical assistance, a program that provides health coverage for welfare recipients. I would like to see that authorized for 5 years, because if you go off of welfare you are going to need that Medicaid assistance. We did not quite complete that task, but we can resolve that at a later time. I believe that the State flexibility provisions, frankly, were better before the changes were made recently; and I think there should be State flexibility if we can possibly have it.

Mr. Speaker, I hope that as all of this is looked at in terms of jurisdictional aspects of what Congress is doing versus what they are doing in the States, we can give them the flexibility to carry out what they have to do. I am somewhat concerned about some of the programs that we have with respect to dealing with unplanned pregnancies and achieving independence for working men and women. Abstinence education I think is a very important part of this effort. Yet the language in H.R. 4737 provides a simple solution to a very complex problem and I think probably needs some reworking.

Mr. Speaker, these are relatively minor concerns. Overall, this is legislation which, in my view, each of us, and I would appeal to those who, perhaps because of procedural concerns are opposing it, but that each of us would come forward in support. My colleagues will be proud of the fact that they supported it and proudest yet

when they go out and meet individuals who have gotten off the rolls of welfare.

I support this bill. This is the beginning of the efforts to empower the next generation of welfare-leavers, and I hope this entire Congress can get behind it and make sure we continue this opportunity for those who live in our districts around the country.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. OWENS).

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, I would like to begin by informing the gentleman from Delaware that the unfunded mandate in this bill would cost the State of Delaware about \$33 million. I think it is important to note these unfunded mandates and the higher costs. Maybe the Governors in the States would like to have the farm subsidy bill given to the States so that they could have more flexibility there and return the administration of the TANF program strictly to the Federal Government.

We had our previous speaker from New Jersey, the gentlewoman from New Jersey, who talked about tough love. When she first spoke, I thought she was talking about tough luck is what we are offering to welfare recipients. In the case of the farm subsidy bill, it is tough luck too if we get up to \$390,000 in taxpayer safety net benefits if one is a farmer, and if that \$390,000 a year is not enough, then tough luck after that. Consider the contrast.

Also, consider the fraud that permeates this legislation and the whole process of discussion. If we really care about children, if we care about getting people out of poverty, then built into the legislation there ought to be some kind of punishment or incentives related to reducing the child care waiting list. There ought to be an incentive for reducing the child care waiting list. The waiting list in New York is so large, they will not even tell us what it is; and yet New York City has one of the best day care systems in the world, one of the largest day care systems, but still the waiting list is so long. The waiting list in Georgia is 46,800; in Mississippi, 10,422; Ohio will not even tell us what theirs is. North Carolina, 25,363. If we had some way to reward them for reducing the waiting list, then children would be better taken care of. There is no real way to see that that happens in the most basic way, and that is in the area of day care.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the Children's Defense Fund, which so many of us remember as the original individuals who documented the slogan "leave no child behind" before it was so unceremoniously expropriated by our President for an education bill that he then went on and left all the children behind because he did not fund it, here we have a welfare bill where they ask recipients to go to work, but they do not give them the tools to really go to work that gets them out of poverty. I think that is why it is necessary to vote against this bill that the majority party is putting forward and look more seriously at the alternative being put in by the substitute by the Democrats.

Essentially, we need to expand the educational opportunities for individuals that are trying to move from welfare to work to make sure that they have the tools to get a job that pays enough to lift their children out of poverty. Vocational training, postsecondary education, work study, internships, job training, English as a second language, GED courses, basic adult literacy, these are all tools necessary for people to be able to do work that, in fact, will pay.

In my State of Massachusetts, we have a business community that understands this. In fact, a joint report issued by the Massachusetts Taxpayer Foundation and the United Way of Massachusetts Bay concluded that at no time in history have they had a greater need for people with a basic education, at least 2 years beyond high school, in order to fulfill their needs for employees to be productive and to have an economy that really moves forward. Their recommendation, as employers generally perceived as to be more conservative than others, was that we need a system that allows people to have those educational tools so that they can hire them now. It is not enough to put them on a temporary education program stretched out over 5 years so that some day down the road they might get a certificate. Our industries in business need them to get it sooner to put them to the level where they can be productive and effective for those companies now.

So we have both the business community and others who are interested in the welfare and well-being of these individuals, indicating that we have to give them the kind of education that really matters, have that educational opportunity be 24 months, lift people from poverty, and truly leave no child behind. Just do not talk about it; do it.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS), a member of the committee.

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Taxpayers who object to paying for able-bodied people to stay on welfare should object to this bill, because what it is going to lead to in the long run is more people who are able-bodied being back on public assistance.

The flaw in this bill is that it makes mothers choose between pursuing their higher education and taking care of their children. Those mothers will choose, and should choose, to take care of their children. They will work longer hours, but they will not pursue a higher education because the child care that would let them pursue that higher education and take care of their children is not guaranteed in this bill.

This bill will breed a new generation of permanent low-income, public assistance recipients. We should move beyond welfare to work, from poverty to independence. Let us reject this bill.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Speaker, I thank the distinguished gentleman for yielding me this time. I commend him on his hard work, and I rise in support of H.R. 4737.

Mr. Speaker, I have to make an observation. The well-intended birth of aid to families with dependent children and welfare in the 1960s was a temporary assistance to help Americans in need. It became a generational entitlement that trapped generations of Americans in subsistence.

In 1996, Members on both sides of the aisle voted for a bill that some called at that time a bill that would increase the welfare rolls, children in hunger and in poverty. And today, 5 million American families that were on welfare are off and their self-esteem is high. They are now the taxpayers that the gentleman from New Jersey (Mr. ANDREWS) referred to, who would have answered his question with a resounding no. They would have said yes, we do believe the rest of ours who are entrapped in poverty should be uplifted like we have been as well.

I find it unfortunate that Members of this House would condemn a success and try and make the fact that it is not incrementally as good as they would like it to be the reason why we ought to go back to generational entrapment.

One last thing. We gave waivers to States and Governors like Tommy Thompson and Engler and others, and they created programs that work. There have been some questions about waivers, but let me tell my colleagues this. The creativity at the local level in Georgia and in California and in Hawaii and Ohio has made the lives of poor Americans richer and has made welfare-to-work a reality. To that end I would like to engage the gentleman from California (Mr. MCKEON) in a colloquy to make sure the clarifications are clear on the authority at the local level.

Mr. Speaker, this bill stipulates that the entity that administers a qualified program must join in any application

proposing to conduct a demonstration program involving such a program. As the gentleman knows, local business-led workforce investment boards administer the adult dislocated worker and youth employment training programs authorized by the Workforce Investment Act.

Is it the gentleman's intent that such boards would need to be a party to any application that is submitted to include WIA programs within a demonstration project?

Mr. MCKEON. Mr. Speaker, will the gentleman yield?

Mr. ISAKSON. I yield to the gentleman from California.

Mr. MCKEON. Mr. Speaker, the gentleman is correct. In order to coordinate those activities funded under the Workforce Investment Act that are administered by local boards with one or more other programs listed in this bill, local boards and the entity that administers the other programs would need to submit a joint application to the appropriate Federal departments. As a result, local boards effectively can veto demonstration projects that the board believes do not enhance workforce development and improved service delivery simply by choosing not to join in the request. A State cannot seek to waive provisions within the Workforce Investment Act that impact the local delivery system without approval of the local boards.

I will submit for the RECORD a letter from the National Association of Workforce Boards supporting the protection language included in the bill.

NATIONAL ASSOCIATION OF
WORKFORCE BOARDS,
Washington, DC, May 9, 2002.

Hon. HOWARD "BUCK" MCKEON,
House of Representatives, Rayburn House Office
Building, Washington, DC.

DEAR REPRESENTATIVE MCKEON: We are writing on behalf of the Board of Directors of the National Association of Workforce Boards (NAWB) to express our support for your efforts to establish increased linkages between the Workforce Investment and TANF systems. We appreciate your leadership on this and other issues that will ensure the continuation of a business-led system for workforce development. NAWB's Board supports the inclusion of waivers for WIA and other related programs in the TANF reauthorization bill, provided these waivers meet a set of critical principles.

First, the system of waivers needs to clearly and carefully balance the interests of local communities, where services are provided and accountability can best be brought to bear, with state and federal interests. In short, we strongly support your insistence that any waivers must be subject to a joint agreement between the state and the local workforce board where the waiver would apply. By requiring both state local board approval of a proposed waiver you can ensure that both sides will negotiate in good faith, with the local workforce board representing the interests of businesses, education and service providers.

Second, we believe that a sound system of waivers must protect the local strategic planning and governance structure that was set up through painstaking negotiations during passage of the Workforce Investment Act. That is to say that any system of waivers should reference or incorporate the provisions in Section 189(i)(4)(i). In particular we

are concerned that the waiver structure protect the authority vested in local boards, as well as the local allocation of funding for the workforce investment system.

Finally, the waiver system needs to be as broad as politically possible. Congress needs to ensure that the waivers include all major federal legislation affecting education, workforce and social service programs as it promotes a workforce system that is focused on the needs of both employers and jobseekers.

We believe that the so called "super waivers" can succeed if they work to create a level playing field between state and local interests as communities grapple with how best to balance their economic development, education and life-long learning strategies. If, on the other hand, waivers are merely a way to shuffle which bureaucracy operates which portion of the workforce development "system" they will lead to disillusionment among our business community about the ability of public programs to respond to the new economy. Because our members serve on local workforce boards, they know first hand how difficult it can be to drive quality and flexibility in the public system. At the same time, they realize that a system of voluntary waivers offers a reasonable option to the gridlock that has too often prevented program integration.

In addition to the inclusion of WIA in the waiver authority of the TANF reauthorization legislation, we encourage you to retain the positive provision of the addition of TANF as a mandatory partner in the WIA system that was added to H.R. 4092 during Education and Workforce Committee consideration. We would like to take this opportunity to support this provision, and urge you to retain it as TANF reform legislation is considered by the full House in the coming weeks.

Again, we appreciate your continued efforts on behalf of the workforce investment system, and particularly in support of local workforce investment boards. We would appreciate the opportunity to review any proposed language to see that it meets the needs of local business-led boards and would be happy to meet with you or otherwise comment as you move forward on this issue.

Sincerely,

KAY GEORGE HOCH,
Chairman.

ROBERT KNIGHT,
President.

Mr. ISAKSON. Mr. Speaker, I thank the gentleman for the clarification, and I thank the chairman for his diligent work. I, for one, will vote in favor of this bill to empower the American people.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH), a member of the committee.

Mr. KUCINICH. Mr. Speaker, I just wanted my good friend from Georgia to know that the unfunded mandate in this bill would cost the State of Georgia about \$266 million, and Georgia has 16,000 children on the child care waiting list.

The question before us is, Do we stand for the dignity of the poor, or do we believe in tough treatment for the poor? Does Congress want to help poor and low-income families, or does Congress want to push them further into poverty?

Today we are considering the majority's bill, which would push people further into poverty. This bill proposes to

reduce poverty while reducing welfare rolls. After 5 years, welfare cash assistance caseloads have decreased by nearly 50 percent; but overall, poverty has declined by less than 2 percent. Do we stand for a welfare system that gives people a chance to pursue education and training without additional make-work mandates? Work is at the center of the debate, but the majority bill will not help people obtain and keep jobs with decent wages.

The bill imposes new requirements and decreases State flexibility. The majority's bill is not what the States support; 41 of 47 States indicate that the administration's proposal, the blueprint for this bill, would cause them to make fundamental changes. The NGA survey found that most States would not be able to meet the new requirements, so we do not stand with the States.

Mr. Speaker, this bill encourages work-fare programs that fail to increase earnings and fail to increase employment.

□ 1230

Recipients want real jobs not workfare. So it is clear that the bill does not stand with low income families. So it does not seem that the majority bill has been crafted with any key group of people in mind that implement the law or are affected by it. The bill shows it is crafted by those who are posturing to look tougher on the poor.

If States are forced to implement the majority bill that will be workfare programs. Workfare is so overwhelmingly bad. It overshadows nearly everything else in the bill. Workfare meets the need for a 25 percent increase in child care, at the very least. This bill before us does not even increase child care to meet the current need, let alone a one-quarter increase. Workfare undermines efforts to place people in good jobs. It undermines efforts to increase education and job skills. Vote against this bill.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, something is seriously wrong here. Last week this House authorized a defense bill that will cost \$400 billion, a record increase of \$48 billion, this despite the fact that the Inspector General of the Department of Defense has testified publicly that the Department cannot pass an audit and cannot track \$1.2 trillion in transactions.

The increase in the defense budget alone is three times greater than the cost of the welfare program, the major program supposedly aimed at lifting poor women and children out of poverty, aimed at fostering responsibility. We are demanding that poor women get a job, any job, even as we lose track of more than a trillion dollars? Bail out the airlines, give huge subsidies to farmers, offer a \$254 million tax rebate

to Enron? I am for accountability, but for everyone. But the Republican welfare bill is just mean. It makes it harder for most people in need to achieve self-sufficiency, something they want even more than we want from them.

I say vote for the Democratic substitute. Vote no on the Republican bill.

Mr. BOEHNER. Mr. Speaker, I yield 1½ minutes to the gentleman from Oklahoma (Mr. SULLIVAN), our newest member.

Mr. SULLIVAN. Mr. Speaker, I stand before you to strongly encourage my colleagues to support this bill.

Six years ago the Members of this body united to pass a bill that revolutionized the lives of welfare recipients. In the 6 years since the passing of that legislation America has witnessed a huge decline in welfare dependence. We must build upon those successes and create new ways for people to become independent and move from welfare to jobs.

This bill is about three things: Compassion, work and marriage. Compassion means encouraging work, which leads to dignity, self-respect and self-sufficiency. Compassion also means focusing on marriage as a key part of the battle against poverty. Compassion in the context of welfare reform means that in the past 6 years over 3 million children have been lifted out of the depth of poverty. Now that is compassion. It also means independence. By focusing on work we not only help reduce caseloads but build people up to be productive members of our society.

This bill directs funding from programs that encourage healthy stable marriages. These programs include premarital education and counseling as well as research so we find more and more ways to make shaky marriages solid again for the sake of both the parents and the children. It also promotes responsible fatherhood, helping men in particular be responsible, respectable models for children.

The House must finish its work it started 6 years ago. We must ensure that success of welfare reform by passing this bill. We must have an opportunity to help people work and give them self-dignity in the process. I believe this legislation will bring genuine improvement in the lives of Americans who are dependent on welfare. I urge my colleagues to support this measure.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. FORD), a member of the committee.

Mr. FORD. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, what we are trying to do here is a good thing, and we are all trying to build on the progress we in the Congress and certainly President Clinton made in reforming welfare.

I think one of the things we believe the substitute will do is an improvement on what the gentleman from Ohio (Mr. BOEHNER) and some of my friends on the other side are attempting to do, is to allow for people to go to work and

at the same time pursue some kind of job training. Many of us know we will vote on some kind of fast track or anticipate voting on it soon, and one of the things we are trying to do is ensure there is a reasonable component to help people get additional training for those who may experience dislocations. The same is true here, and that is why we think the substitute is better.

Two, this is an enormous unfunded mandate, as many of us know, and our effort on this side is to try to alleviate some of that pressure on the States. I have been informed the State of Oklahoma, this would cost them \$78 million. My home State of Tennessee, this will cost us an additional \$100 million in funding when my State is facing a \$400 million budget shortfall. This is not the way to go.

One of the things in which we hope on this side is that people can find ways to create that long-term sufficiency. It is my hope that, although I do not have enough time to say it, that indeed my friends will support this substitute and urge my friend the gentleman from Ohio (Mr. BOEHNER) to go back and negotiate a bill that makes senses for all people, not just his party in their reelection efforts.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BOEHNER) has 2½ minutes remaining. The gentleman from California (Mr. GEORGE MILLER) has 4 minutes remaining.

Mr. BOEHNER. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. SAM JOHNSON), the chairman of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, since 1996 nearly 9 million people have gone from collecting welfare checks to paychecks thanks to Republicans. One shining example of the success of welfare is a constituent of mine I will call Janice. Janice is a single mother of a 5-year-old. Last spring she lost her job in the soft economy. Thanks to welfare reform and the good people at the Texas Workforce Center in McKinney, Janice found a job and child care, becoming self-sufficient with full benefits and retirement after just 6 months.

Mr. Speaker, she illustrates what many of us have known all along, the 1996 Republican welfare reforms have worked. Child poverty has fallen sharply. Nearly 3 million children are no longer welfare kids, and that is because more parents are working. Employment by mothers most likely to go on welfare has risen by 40 percent. Welfare caseloads have fallen by 9 million. Nine million people. Is that not great news? Nearly 50 percent of Texas welfare recipients have left welfare because of the successful model created by Congress and enacted by then-Governor George Bush.

Critics ask if it is not broken, why fix it. Well, even the best race cars go for tune-ups, and that is what we are doing with this bill. This bill requires States to put 70 percent of their welfare caseloads to work 40 hours a week, 16 of which can be used for education and training. This bill encourages, not discourages work. It reflects the President's plan to encourage healthy, stable marriages.

Today we begin the next step in welfare reform based on the President's priorities. This legislation will help even more low income parents know the dignity that comes with a paycheck instead of a welfare check. By passing this bill we can help even more low income Americans improve their lives for themselves and their children, and that is what welfare reform is all about.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY), a leader on this issue in our committee and in the House and the Nation.

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I would like to inform the last speaker that the unfunded mandate in this bill would cost the State of Texas about \$688 million and Texas has 37,000 children on their child care waiting list.

This Republican bill does not reform welfare. It deforms welfare. H.R. 4737 pushes more low income parents into low paying workfare jobs while making it impossible for them to get the education they need to actually prepare themselves for jobs that pay a liveable wage, jobs that they can support their families on.

H.R. 4737 doubles the number of hours that mothers and children under the age of 6 will have to work each week and, even worse, this bill does not adequately fund child care for the children of all the new working parents that are going to have to go into the working world.

Mr. Speaker, I was a welfare mother 35 years ago. My children were 1, 3 and 5 years old. It was bad enough that their father abandoned us, but the worst thing about the whole situation was trying to get adequate child care. We had 13 different child care situations the first 12 months that I went to work. That was the hell year of our lives, and I am going to tell you, it is a miracle that my children are so wonderful. But it was not until our child care situation settled down, and my mother came to our town to take care of them that my job grew. Within a year of having stable child care, I became an executive at the company that I was working for.

I am telling you, child care is the essential ingredient, along with education, for getting moms off welfare and out of poverty.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the

gentlewoman from California (Mrs. Davis).

(Mrs. DAVIS of California asked and was given permission to revise and extend her remarks.)

Mrs. DAVIS of California. Mr. Speaker, I rise in support today of this important Democratic substitute.

Mr. Speaker, as both a former social worker and a former legislator in the California State Assembly, I understand firsthand the importance and the significance of State flexibility in program implementation. In particular, I would like to emphasize the importance of increasing access to educational and training opportunities for welfare recipients.

We have heard a lot today about the need for State flexibility, and I can tell you from my personal experience serving in the State legislature that when the 1996 welfare reform law went into effect, that allowing State and localities the room to tailor programs in their regions and communities is absolutely vital to the overall success of the program.

Under the TANF structure that was implemented in 1996, California was permitted creativity in program design and implementation to best meet the needs of our welfare recipients. The State legislature took advantage of this flexibility by creating a structure that rewarded work, included more opportunities for education and allowed counties to adapt the program to local economic needs and realities.

Please, a one-size-fits-all agenda does not fit for all of Californians or all Michiganites or Pennsylvanians. We need more flexibility.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BONIOR), the former Whip of the Democratic party.

Mr. BONIOR. Mr. Speaker, I read a story of a woman in Pontiac, Michigan with a 7-year-old son and through the Michigan Family Independent Agency she was able to enroll in a 6-month information training program in information technology at her local community college. After completing her training, she got a full-time job for a local construction company at \$11 an hour. Now she is able to provide for her son and for her family.

She would not have been able to do this under this bill. Michigan has a program. It is called 10-10-10, 10 hours of work, 10 hours of class time, 10 hours of study per week. It is a good program. This bill basically says no to that program. It eliminates it.

This bill is a step backwards because it promotes workfare, make-work jobs that do not teach skills, and that have no workplace protections. It is a step backwards because it does not provide adequate funds to help families with child care costs. It is a step backwards because it forces States to abandon successful programs like 10-10-10 in Michigan, and it is a step backwards

because it turns this assistance program back into a handout and not a leg up.

I urge my colleagues to vote against this bill.

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) has 1 minute remaining.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we close this part of the debate, I simply want to say that it is rather interesting that the party who took over the Congress on the theory of a Contract on America, of no unfunded mandates is about to foist onto the States of this Nation billions of dollars of additional costs.

Their answer is flexibility. Yes, those States can choose to cut job training. Those States can choose to cut educational benefits. Those States can choose to cut child care. They can choose to cut the quality of the child care. They can choose to cut the TANF grant to these families. That is not flexibility. That is a failure to meet the task at hand.

□ 1245

While we increase the requirement of people that need to go to work, and I think we should, the fact of the matter is we do not provide the States the means to support those individuals while they go to work and get off of welfare.

This is an unfunded mandate, it is that simple, because this bill, the Republican bill before us, fails to meet the demands that are going to be placed upon the States to provide the child care services.

The notion that somehow everybody who left welfare is now out of poverty and that children are out of poverty, the average person leaving welfare left and earned \$12,000 a year. \$12,000 a year, Mr. Speaker. That does not sound like we lifted them out of poverty.

Mr. BOEHNER. Mr. Speaker, I yield myself the balance of our time.

The success of the 1996 welfare reform law is beyond dispute. Even the New York Times has called it, "An obvious success."

The debate today has been how to build on that success. We believe that further flexibility to the States will, in fact, be helpful to them to package programs to meet the needs of each of those individual families.

The discussion we have heard from the other side about an unfunded mandate is almost laughable. Today, we have less than half the welfare caseload we had in 1996. Yet the amount of money being spent by the Federal Government for welfare block granting to the States is the same amount of money; and in the bill that we are proposing building on that success, this bill calls for \$2 billion of additional aid to go into child care.

We know that child care is, in fact, a key component to help make this system work and moving people from welfare to work.

In a recent speech in my home State of Ohio, President Bush captured what this issue is all about: dignity. It is about helping welfare recipients achieve independence, to become self-reliant, and to be able to provide for their own families.

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

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) each will control 15 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

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

I rise today in strong support of the Personal Responsibility, Work and Family Promotion Act of 2002.

Mr. Speaker, this bill extends funding for abstinence-only education and reauthorizes transitional medical assistance, two items of particular interest to the Committee on Energy and Commerce.

The 1996 welfare act included a permanent appropriation of \$50 million over 5 years for abstinence-only education under title V of the Social Security Act. With tight State budgets and a requirement that States have to match every \$4 Federal with \$3 of their own, it is noteworthy that nearly all the States of our Nation have participated in this block grant program.

The participation rates suggest high State interest in using abstinence-only education as one way to address teen pregnancy and even more importantly, in some cases, sexually transmitted diseases.

Last month, my friend and colleague, the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health, held a hearing on abstinence-only education; and at that hearing we learned some pretty interesting things.

We learned that problems stemming from increased sexual activity among teens has not abated. Even though teen birthrates have declined over the past decade, we still have among the highest teen birthrates of any industrialized nation in the world. Sexually transmitted diseases have grown dramatically. Every day in America 10,000 young people contract a sexually transmitted disease; 2,400 become pregnant; and 55 contract HIV.

In the 1960s really only two sexually transmitted diseases were of real concern. Now, our young people, senior population as well, face a population of sexually transmitted diseases that now total 25; and these diseases primarily infecting the young people happen to be viral diseases such as human papillomavirus, HPV virus, herpes and chlamydia. These viral diseases are incurable. So while our generation was concerned with basically two venereal diseases, young kids today face 25, some of which are totally incurable, only managed.

Chlamydia, for example, is a major cause of infertility in young women. It is asymptomatic in about 85 percent of the affected women but can still cause significant problems without the presence of noticeable symptoms. For example, in the population of young people entering the armed services, U.S. Army recruits, for example, we discovered that 9 percent of the female population entering the U.S. Army, 9 percent of these young women were affected with chlamydia and did not even know about it, and this is a sexually transmitted disease that leads very often to infertility in these young women, who were shocked to discover that they had this disease, apparently having been taught all along that if they protected themselves in so-called safe sex that they would be safe, only to discover to their great dismay that they were now infected with an incurable disease that could possibly ruin their chance of ever having a child.

Here is another number that shocked us. Over 50 percent of the sexually-active young women in this country between the ages of 18 and 22, over 50 percent of sexually-active young women in this category are infected with HPV. HPV, the human papillomavirus, is a precursor of cervical cancer. Fifty percent of our young women are affected by it, and here is the awful truth: there is no evidence that condoms reduce the sexual transmission of this infection. And so all the work we do in this country of teaching safe sex and of being careful if a child does become sexually active has never conveyed the notion to these young women that if they took that course they could be subjecting themselves to a disease that is a precursor to cervical cancer, and they did not even know, perhaps, that condoms are not a protection against this disease.

These statistics are terrifying. They show that the safer-sex model does not solve the problem; and despite more than 20 years of a variety of educational programs designed to promote condom and contraceptive use, young ladies are catching these incurable viral diseases that can ruin their lives and kill them, render them infertile and, in effect, take away their chance to ever be a mother.

I urge my colleagues to vote in favor of this bill, which includes a 5-year extension of the abstinence-only education. This bill maintains the status quo. It extends the funding level of \$50 million each year for the years 2003 to 2007.

New research is beginning to suggest that abstinence-only education can effectively address the sexually transmitted disease prevalence among young people and the proportion of babies occurring to unmarried mothers, the children that end up being the children of poverty in America all too often.

We must continue this effort begun in 1996 and support abstinence-only

education programs that empower students to choose abstinence for themselves for receiving all the relevant facts and information because abstinence in so many ways is a better choice for them.

In 1996, the welfare reform law also included a critical work support for former welfare recipients, something called "transitional medical assistance." Former welfare recipients typically enter the low-wage jobs that are available in this country, and those generally do not offer private health insurance coverage. They offer coverage but only at very expensive premiums. Traditional medical assistance extends up to 1 year of Medicaid coverage to those individuals and their families.

There is strong bipartisan support for this assistance. We provided it in 1996. We extended it in 2000 and 2001, and this bill would extend it again this year for another year. If we do not extend it, it is set to expire on September 30, 2002. This 1-year authorization, however, has a 5-year cost of \$355 million. And here is the awful truth: because this money was not included in the budget resolution, we have had to find a way to pay for it.

As my colleagues know, under our pay-go rule, if something is not funded specifically in the budget resolution, we have to find some other way of paying for it. Well, we have had to find that money, and so this bill includes an offset. We recognize the Medicaid budget difficulties that many States are experiencing, and we also understand that important functions are funded with Medicaid administrative costs; and for that reason, the offset included in this bill is merely a partial adjustment that lasts only 2 years to pay for this 1-year extension of this critical program of health coverage, particularly for women in welfare entering the workforce.

Before 1996, a common cost of administering the food stamp program, Medicare and welfare were often charged to the AFDC program, the predecessor of our TANF program. These common costs have been included in the calculation of the States' TANF fund. So in effect, we are double-paying for administrative costs of the States in these programs. The offset we are talking about reduces this double payment, this Federal reimbursement for administrative costs, to reflect the portion of these costs that are indeed already included in the TANF block grant the States receive.

We fully corrected this double reimbursement for food stamps in 1998, but we did not correct it for the Medicaid program. In effect, the States are still getting double the administrative cost reimbursements for the Medicaid program with Federal dollars, and we take some of that back. We take half of it back 1 year, three-quarters of it back the next year for this 2-year take-back in order to pay for this extraordinarily important 1-year extension of health

care benefits to welfare folks entering the workforce. So this partial adjustment lasts only for 2 years.

Let me also say that we are all busy seeing if we can find a better offset; and if we can, in the process of negotiating this bill with the Senate, we will certainly look for one, but in the meantime this is the offset that is available. It is a partial one, only lasts 2 years; and it makes this incredibly important program available.

Let me remind my colleagues, there has been a lot of requests for us to do a larger than 1-year extension. If a 1-year extension costs 355 and we did not have the money for it except through this offset, imagine trying to extend it for longer than that at this time. Do we intend to extend it again next year? I can tell my colleagues all on the floor that this program works. By extending medical health coverage under Medicaid to folks leaving welfare and going into work, we have encouraged more and more people out of welfare and into the dignity and self-worth of a paying job and the independence that comes with it; and we will work to extend this program as long as it is necessary to make sure that we continue the progress we have seen in this vital effort in America.

So we have to recognize the careful balance we have achieved with this offset and that 1-year reauthorization; and again, I want to commit we will revisit the issue next year, and, as we have in the past, continue our efforts to extend this program as long as we know it is working and as long as we know it is valuable.

I urge my colleagues to join me in full support of this legislation.

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

The SPEAKER pro tempore. Without objection, the gentleman from Ohio (Mr. BROWN) will control the time for the gentleman from Michigan (Mr. DINGELL).

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. KAPTUR).

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise in opposition to H.R. 4737, the Republican punishment bill that makes people work 40 hours without a minimum-wage guarantee.

Mr. Speaker, a half century ago, the old miner's song captured the plight of the working underclass—"16 tons and what do you get, another day older and deeper in debt."

Today, author Barbara Eisenreich in her contemporary book, *Nickel and Dime*—on Not Getting by in America, reports 1/3 of our workforce toils for \$8 an hour or less. Indeed, the fastest growing segment of our job market is part time jobs with no benefits.

Today, I rise in opposition to H.R. 4737, the Republican's punishment bill for needy, work-

ing families. It's their latest gimmick to keep our workforce's pay scales down.

Essentially this bill assures that individuals transitioning off welfare will be locked into the lowest paying jobs, 40 hours a week, because not only are Republicans not creating high paying jobs—in fact since George Bush became President we have lost 2 million more good jobs across our Nation—but this bill denies necessary education and training to help workers gain some skills to negotiate troubled employment waters.

Incredibly in this high tech age, this Republican bill restricts work-related training to no more than 3 consecutive months over a 24-month period. Punish them, indeed.

To vividly make my point: in the past 2 decades the poverty rate among working families has shot up 50 percent. The Bush plan doesn't reverse it but makes it worse. Essentially people in our country are working for less because our good jobs—in textiles, steel, automotive parts, electronics, and high tech—are being exported to China, Mexico and Latin America. We are seeing a race to the bottom of the wage scale. Now we have a whole new class of workers who are being relegated to fill these low wage slots, with no hope for a living wage. 16 tons and what have you got. Over 8 million children in the United States live in poor families that work. Half of all parents in working poor families lack health insurance.

Rather than produce a bill that links education and training to create some hope of a ladder of economic opportunity to true self sufficiency, this bill subjugates them to a shadow economy where even minimum wages are not guaranteed. Under the Republican bill, 39 states could not fulfill the bill's work requirement without violating the current minimum wage rate for a 2-person family.

Vote for the Democratic substitute as a life preserver in most difficult economic waters.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

The President and House Republicans' message on welfare reform has been loud and clear. States need greater flexibility, but when it comes to abstinence education, they are unwilling to afford that same flexibility. If States want the Federal match, they must do the Federal Government's bidding and use an abstinence-only curriculum. In other words, Mr. Speaker, schools cannot use these dollars to teach kids about AIDS, about STDs, or about birth control.

The substitute bill we are offering today does not affect the ability of States to use these grants for abstinence-only education if they choose to, if that is the direction they want to take. Our bill gives State and local systems the flexibility, a word that Republicans use on this floor regularly, the flexibility to provide additional information to students that can help protect them against STDs and teen pregnancy.

I would urge my colleagues to remember that more than 80 percent of parents support comprehensive sex education. Why is the Federal Government not listening?

Regarding the transitional Medicaid program, we support the extension of transitional medical assistance which

helps working families keep health insurance as they transition from welfare to work. We should make this common-sense program permanent, consistent with the welfare bill.

□ 1300

In the spirit of bipartisanship, we agreed to a 1-year extension in committee to ensure that this provision even made it into the TANF bill.

I commend the chairman, the gentleman from Louisiana (Mr. TAUZIN), who supported this measure despite the fact that House Republican leadership in the House Committee on the Budget included no money for Medicaid, and I appreciate the chairman's comments today that he would continue year after year to authorize this. However, Republican leadership has decided to pay for transitional medical assistance by cutting other parts of Medicaid.

The bill cuts payments to State Medicaid programs. Those dollars are critical. They fund activities like nursing home outreach and oversight and anti-fraud activities. States cannot afford to lose them. Republican leadership found more than \$1.5 trillion in the treasury to give tax cuts to the richest people in this country, but they cannot come up with \$355 million to help welfare families reenter and stay in the workplace. Where, Mr. Speaker, are our priorities?

Mr. TAUZIN. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. UPTON).

(Mr. UPTON asked and was given permission to revise and extend his remarks.)

Mr. UPTON. Mr. Speaker, I rise in strong support of this legislation. As a member of both the House Committee on Energy and Commerce and the Committee on Education and the Workforce, two of the three House committees with jurisdiction over welfare reform, I have worked very closely with my colleagues and chairmen to further strengthen this legislation so that so many more families can know the benefits of personal responsibility, work, and stronger family units.

I would like to focus on two components of this legislation today. The first one is the Transitional Medical Assistance. One of the most important items in the welfare reform bill that we passed in the Congress back in 1996 was removing the incentive that folks had which otherwise kept them on welfare rather than trying to seek and gain employment. Transitional Medical Assistance provided that bridge and the safety net to encourage people to look for work rather than stay on welfare.

When we passed reform in 1996, we emphasized work and personal responsibility. Important in this legislation is an abstinence program. Sexually transmitted diseases have reached epidemic proportions in our country. In the 1960s, 1 in 47 sexually active teens were infected with a sexually transmitted disease. Today, it is 1 in 4. Please pass this legislation.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS), a registered nurse and a very active advocate for health care.

Mrs. CAPPS. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in opposition to this bill and in support of the substitute.

In the last 6 years, welfare reform has produced some real successes, and now we have the opportunity to build upon these achievements. Unfortunately, the underlying bill does not do this, but the substitute does.

For example, we now know that for single mothers with young children to go to work, we must ensure that quality and affordable child care is available. And we should also ensure that legal immigrants are afforded the same safety net as other working families. The substitute includes these important provisions but the bill does not.

Mr. Speaker, the part of the bill I wish to address is the funding for abstinence-only education. I directed a teen parent and pregnancy program as part of our local high school district in Santa Barbara, California, and for several years worked daily with teenagers struggling with these very issues. These teen parents were the first to urge abstinence to their peers, to their younger brothers and sisters, even though they did not use that word. But their message was all about knowledge, comprehensive sex education. They did not use that term either, but they did know the power it gives when information is not based on fear or incomplete and half-truths.

Young people are quick to pick up on these half-truths and shoddy arguments, and then the trust is gone. This bill sets aside \$50 million for unproven abstinence-only programs that do not even ensure that the information they contain is truthful or medically accurate. And, unfortunately, some of these abstinence-only programs use terror tactics to try to keep teens from having sex, they exaggerate the failure rates of condoms, and some federally funded programs denigrate women, suggesting that they are not as smart or as capable as men.

The substitute would allow States the flexibility to support proven abstinence-based programs that are medically accurate. These comprehensive programs will help to reduce teen pregnancy and will give our young people real tools for success. So I urge my colleagues to learn from our teenage parents and support the substitute.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield ½ minute to the gentleman from Rockwall, Texas (Mr. HALL), our great friend.

(Mr. HALL of Texas asked and was given permission to revise and extend his remarks.)

Mr. HALL of Texas. Mr. Speaker, I am pleased that this legislation contains a provision that extends funding for abstinence-only education. It is a provision that I originally cosponsored.

This funding, a reauthorization of the 1996 program, I think deserves to be continued. Teen pregnancy is a problem that affects the entire country, not just the young women who are forced to make the difficult decisions at an early age.

The number of teen pregnancies and sexually transmitted diseases continues to increase despite the number of family planning style sex education programs that have been offered. It is time to give another approach a chance to succeed.

Abstinence-only education is a viable, traditional program that only first received funding in 1996. There are more than 20 sources of funding for sex education programs. Abstinence-only has only two. Let us give this program a chance to prove its effectiveness.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today in the strongest opposition to this irresponsible Republican welfare reform legislation which will devastate poor families, especially women and children.

We talk about family values a lot in this place, so when we have a chance to practice what we preach, we go in just the opposite direction. This bill limits access to education, does not adequately increase child care for millions of needy families, and does not make poverty reduction a real goal of welfare reform.

H.R. 4737 would double the amount of time required for a parent on welfare with children under the age of 6 to work from 20 hours to 40 hours a week, and yet we do not sufficiently increase child care funding to care for these children. What will happen to our children? We will have more latchkey kids at younger and younger ages because their parents are working without the child care they need.

We know that these children are more at risk for future difficulties; crime, drugs and teen pregnancy. This goes totally counter to family values preached by so many. Making welfare recipients spend even more time away from home and their children makes it totally anti-family. It just does not make any sense.

Real family values entails allowing parents on welfare to go to school to get better jobs and to take care of their families. Unfortunately, or fortunately, I have some experience in this area. I can tell my colleagues from personal experience that education does make a difference for those women on welfare.

We must also educate young men and women to prevent unwanted pregnancies, not to mention HIV and AIDS, and yet the GOP welfare bill continues the dangerous abstinence-only until marriage program, which will prohibit any mention of contraception, even in the context of preventing HIV and AIDS.

For all these reasons and many, many more we must defeat H.R. 4737. We cannot continue to put our children at risk. This will be the beginning of the end for any hope for a successful future. Vote "no" on H.R. 4737.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Ms. MCCARTHY), a member of the Committee on Energy and Commerce.

(Ms. MCCARTHY of Missouri asked and was given permission to revise and extend her remarks.)

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise in opposition to H.R. 4737, the bill before us today, and in support of the Democratic alternative.

In a time when the States are already facing serious budget cuts, this bill exacerbates their budget woes. Missouri, my State, would have to come up with over \$316 million to implement the mandates in this bill, but it is already facing a \$536 million budget deficit. The bill before us inadequately funds many of the programs and block grant monies States need in order to carry out welfare reform and improve upon it.

I supported the original welfare reform bill 5 years ago. I worked hard on the issue of ending unfunded Federal mandates in this House and was proud when we adopted it into law, and I am very chagrined and worried about what we are attempting to accomplish in this bill today.

The Democratic substitute provides both inflationary increases in our block grants and increases child care funding by \$11 billion over 5 years.

We must, if we are going to expect our welfare recipients to stay in the work force, provide these services.

The progress we have made as a result of the 1996 Welfare Reform Act, which I supported, will be undermined by this measure. It imposes up to \$11 billion in unfunded mandates on the States over the next 5 years. Missouri has been recognized nationally for its creative community-based partnerships with youth mentoring, before and after school programs, parenting classes and child development classes, all of which foster independence from public assistance and improve family well-being. Missouri also makes excellent use of case-by-case individual assessments, which assists in making the transition to work by offering job training, post secondary education, and job placement services. H.R. 4737 takes away Missouri's flexibility in providing these programs by eliminating educational and occupational opportunities that contribute to the outreach the State now provides.

The Democratic substitute provides both an inflationary increase in the TANF block grant, and additional \$6 billion over 5 years, and increases child care funding by \$11 billion over 5 years. H.R. 4737 adds no new money for childcare. My constituent Marcia, a mother of three, came to Missouri's Department of Family Services shortly after she and her family moved to Missouri to escape an abusive husband. The Democratic substitute gives Marcia the comfort in knowing that while she is working to improve her family's quality of life and getting support for her abusive situation her

children will be cared for. Without adequate childcare, welfare recipients who find themselves in situations like Marcia's will not be able to meet the increased work requirements mandated on them by H.R. 4737.

If my colleagues on both sides of the aisle truly want self sufficiency I urge them to adopt the Democratic substitute.

Mr. Speaker, stricter work requirements with fewer resources is a losing equation for the welfare mothers of Kansas City and for the children of our Nation.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health of the Committee on Energy and Commerce.

(Mr. BILIRAKIS asked and was given permission to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, I will limit myself here. The abstinence-only education funds were first included as part of the 1996 welfare reform law, and something that I do not think has been said to date is that 49 of the 50 States have elected to participate in this program.

During our hearing, we heard of a program taking place in Miami-Dade County, Florida, where the lady told us that they have only a 1.1 percent teen pregnancy rate. A 1.1 percent teen pregnancy rate. By continuing this funding for another 5 years, we can encourage the development of more successful programs. It is really, really critically important, as has already been pointed out.

I would like to accent that abstinence-only programs do not, do not prohibit educators from discussing the facts about the effectiveness of contraceptives, the spread of sexually transmitted diseases, or any other topic that might be raised. The only requirement is that the use of contraceptives cannot be advocated. Only abstinence can.

This is not a "just say no" type of a program. It is a program that is designed for the overall individual. It goes into character and all those dignity types of areas.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Houston, Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me say that this legislation that we now have before us, H.R. 4737, renders to those who have fallen upon bad luck bad deeds. This bill should not be passed, and let me just share with my colleagues why.

First of all, this gives to many of the States unfunded mandates. In my State alone, Texas, \$688 million will be needed to implement this legislation, and it is not funded. An additional \$344 million for child care will be needed, and it is not funded. Right now in the

State of Texas we have some 37,000 who are on the waiting list for child care.

With respect to the issue of abstinence, no one opposes it, but we like to have the truth. Teenagers want to know the whole truth and nothing but the truth. This bill is limiting, and my colleagues know that this is wrong.

In addition, we realize if young mothers are to transition from work to employment that provides a career, they need child care. We realize that in this bill there is no real child care.

In my County of Harris, where it is an enormously diverse community with legal immigrants, this is a burden upon our hospital system to discriminate against legal immigrants, tax-paying, hardworking individuals. The bill that we have before us discriminates against legal immigrants.

And let me also mention that this is a midnight hour bill. This is a bill that was brought to the floor without anyone understanding what is in it. That is why I support the substitute offered by the Democrats.

I presented amendments that would help to train teenage parents and give them parenting skills and to provide them with training on financial services or how to deal with finances. That was not ruled in order. I asked to have an inflation factor in increasing the amount of money to our welfare recipients if the economy went bad. Not allowed. I asked to increase child care dollars. Not allowed. I asked to determine whether this bill diminishes child abuse or helps people get off welfare. Not allowed.

This is a bad bill. We need to support the Democratic substitute. It is a shame we would rush to do this when the legislation does not expire until September 2002. I wonder why.

Mr. Speaker, I rise to oppose the adoption of the Republican welfare bill. The bill restructures welfare to focus on caseload reductions rather than poverty reduction. The Republicans offer a bill that does not allow the Democrats to provide one amendment. Democrats care about our less advantaged Americans. The bill would increase mandatory child care funding by only \$1 billion over the next 5 years. That's barely enough to keep pace with inflation, and nowhere near enough to implement the bill's new participation requirements. This funding at present does not provide child care coverage to the 15 million children who are now eligible for day care assistance but who are not currently covered because States lack sufficient resources. On Tuesday I attempted to offer an amendment to the legislation that would increase funding to childcare by 20 percent between fiscal years 2003 to 2007. The amendment was not accepted. The Congressional Budget Office estimates that the increased mandatory work hours imposed on States by the legislation will cost States an additional \$3.8 billion in child care costs according to the Congressional Research Service.

Many employed recipients surveyed, suffered when they were penalized for earning money which caused them to lose childcare benefits.

The University of Oregon conducted a 2-year study of welfare restructuring post the

1996 Personal Responsibility and Work Opportunity Reconciliation Act. The finding regarding childcare was more Federal funds are needed and expand eligibility for subsidized childcare.

The legislation restricts State discretion to provide education and training to welfare recipients. H.R. 4700 goes so far as to remove vocational education from the current-law list of work-related activities that count toward the core work requirement.

On Tuesday I offered an amendment to offer parenting and financial planning training to teenage parents. The amendment was not accepted. As the chair of the Children's Caucus I am concerned that the Republican bill hurts children, by hurting their parents. We must provide additional funding for childcare. We must provide funds for parenting skills training and financial management training. Last, we must provide funding for the legislation that takes inflation into account. I offered an amendment to provide for this but the Republicans did not accept it.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Pennsylvania (Mr. PITTS), a distinguished member of our committee.

Mr. PITTS. Mr. Speaker, the same group of liberals is crying foul the same way they did 6 years ago. There is only one thing that has done more to keep people in poverty than the old welfare system did: Mr. Speaker, I am talking about teen pregnancy.

Statistically speaking, when low-income teenage girls get pregnant, they are dooming themselves to a lifetime of poverty and they are dooming their kids to a lifetime of poverty. Now, some of them escape it and succeed despite the odds, but most do not. And, Mr. Speaker, there is only one way kids can avoid getting pregnant before they are ready, and that is to abstain from sex until they are married.

Some of our liberal friends say it is unrealistic to expect kids to abstain from sex. Some even say that it is dangerous to teach abstinence. That tells me they do not believe in America's kids. They expect them to fail, and when we expect a kid to fail, that kid probably will fail.

Let us be honest, the only real way to prevent our kids from getting STDs is to teach them to abstain until marriage. Now, I know a lot of kids who are saving themselves for marriage. I know them. They are proud of it.

The Commonwealth of Pennsylvania has a good program, and I urge support of the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to raise two issues. I want to raise first the issue of rural development, since my colleague gave me an extra minute. Those of us who live in rural America are always reminding our colleagues that there are differences in terms of our infrastructure and our resources and our institutions,

but yet we have the same aspirations as anyone else.

□ 1315

Now we have a welfare bill that indeed requires work. And by the way, work is good for anyone and most of us love to work because we enjoy doing something that gives us satisfaction. In addition, it allows us to bring income into our families.

In rural areas, there are very few jobs. If mothers are forced to leave, we should have day care. In rural areas, there are few qualified day care centers.

Also, if jobs are not available immediately nearby, we need transportation. Unless we speak to those issues that allow for rural areas to make up for that differential, this welfare bill is not adequate.

Let me speak about another issue on which I have been working, and that is teenage pregnancy. Indeed I do not claim any expertise in that area, but it is an issue that I have been engaged in. For 10 years I have been talking about the fact if we want to give our young people an opportunity, we must give them productive, positive alternatives so they do not get involved in destructive activities. Abstinence does work, but it is not the only method.

If Members are interested in teenagers, we will give them information that is based on science and also inspire them to believe in themselves and give them a reason to abstain. We should not say that they must have abstinence. If we are truly committed to our young people rather than ideology, we would do all of these things to make sure that they have a future.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the purpose of this legislation is not just to get people off of welfare, but to reduce poverty in this country and to get people to work.

Mr. Speaker, getting a job also means keeping a job. When we fall short, as this legislation does, as our hearings indicated, as our discussions indicated, as our debate indicates, when we fall short on helping Americans keep jobs, we have missed the point of this legislation. We have fallen far short on education.

The Democratic plan allows education to be counted towards the work requirement. We have fallen far short on child care funding. The Democratic plan provides several billion dollars for child care. We have fallen far short on restoring benefits for legal immigrants. All of those issues will help people not just get jobs, but keep jobs.

At the same time, the other side of the aisle talks about flexibility and giving States flexibility; yet from abstinence education to a whole host of other issues, the Republican bill falls far short on giving States the real flexibility they need to get people not just off the welfare rolls, but to make sure people have good jobs, meaningful work, good training, child care, health care, all of the things that are needed.

Mr. Speaker, especially on health care issues, this Congress has not taken the right approach. We should extend the State medical assistance program more than just 1 year. It should be at least 5 years, as this reauthorization does; or it should be permanent if we really do care about making sure that people can get off welfare and get to work and have meaningful jobs.

In the end, as Republicans have, on this legislation, on prescription drugs, on issue after issue after issue, Republicans have made a choice. They have chosen tax cuts for the wealthiest people in the country rather than providing services to help people keep those jobs, get educated, have the kind of health care benefits they need. They have chosen tax cuts for the richest Americans, to the tune of hundreds of billions of dollars overwhelmingly for the richest 1, 2 and 3 percent of the people in the country instead of a decent prescription drug benefit.

They have chosen tax cuts for the wealthiest people instead of funding adequately the education bill that this Congress passed.

Mr. Speaker, when we think about flexibility, when we think about alleviating poverty and about providing jobs so people can keep those jobs, think about the plan the Democrats have moved towards with flexibility, with support for education, with support for child care funding, and especially with support for medical care.

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

Mr. TAUZIN. Mr. Speaker, I yield the balance of my time to the gentleman from Nebraska (Mr. TERRY) to close.

(Mr. TERRY asked and was given permission to revise and extend his remarks.)

Mr. TERRY. Mr. Speaker, what we are talking about today at this point is our children; and it is about teaching our children, our boys and girls, it is not men and women, but boys and girls, about abstinence.

For many years this Congress only put dollars aside to teach safe sex, teaching our teenagers the proper way of putting on a condom. Fortunately, 6 years ago this Congress took control and said we will give the option to States and entities to have abstinence-only programs, and we will begin to fund those. It is not a mandate; it is an option for these organizations. It gives them the opportunity.

Since we have implemented this policy, teenage pregnancy has dropped, teenage sexually transmitted diseases have dropped. That is fantastic, yet anecdotal, evidence. Frankly, we have all talked to teenagers in our districts, and we have heard that they want a positive message and they want our support in abstaining from sex until married. President Bush said, "When our children face a choice between self-restraint and self-destruction, government should not be neutral. Government should not sell children short by assuming they are incapable of acting

responsibly. We must promote good choices.”

Ms. HARMAN. Mr. Speaker, preventing teen pregnancy is a key part of moving people from welfare to work and reducing poverty. Over half of all mothers on welfare had their first child as a teenager, and two-thirds of the families begun by teen mothers are poor.

For all these reasons, preventing teen pregnancy is an issue we all should be able to agree on in Congress. It should not be a Republican issue, not a Democratic issue. But the critical need to reduce the number of teen pregnancies too often gets lost in an ideological debate over abortion, creating federal policies that don't fit the reality of teen pregnancy prevention across the country.

Three weeks ago, the House Commerce Committee engaged in a disappointing debate over the abstinence-only education. The Committee rejected on ideological lines proposals to provide states flexibility in the way they use welfare funds for teen pregnancy, require abstinence-only programs to give out medically accurate information, and require that funds go to programs that have proven effective.

The amendment I offered in Committee would have modified existing law so that states have the option of funding programs according to the existing federal definition of abstinence-only, or another approach to abstinence education that they deem appropriate.

This amendment was not an anti-abstinence amendment—it specifically stated that programs should promote abstinence. But it would have allowed states the option to choose the type of abstinence education they believe will help students, and most importantly, reduce the incidence of teen pregnancy.

Between 1992 and 1994, under a Republican governor, California instituted an abstinence-only education program across the entire state—only to discover through evaluations that this program was not effective. As a result, California turns down the welfare money for abstinence-only education—a loss of approximately \$30 million from 1998–2002.

The purpose and spirit of the 1996 welfare reform law I voted for allowed states to craft work promotion and poverty reduction programs that worked best for them. This has worked remarkably well—states should have some flexibility on teen pregnancy prevention programs.

President Bush, in his FY 2003 Budget, argues for the elimination of federal programs that he says have not undergone rigorous evaluation. But this focus proven programs is missing from the Republican approach to welfare reform.

Abstinence is an extremely important message to send students, particularly younger teens. But current research shows that there are no “magic bullets” for preventing teen pregnancy—not sex education alone, not abstinence alone. Indeed, the programs with the strongest evidence for success may work better for some populations and communities than others.

Rather than having ideology drive our teen pregnancy policy, we should focus on local solutions and solid research. This will allow us to make progress on a goal we all agree on—preventing unwanted pregnancy and abortion.

Mr. POMBO. Mr. Speaker, as you may well know, in 1996, Congress was faced with a failing welfare program that did little to assist indi-

viduals in the transition from dependence on a government welfare check—to independence to earn a paycheck. For far too many, under the old Welfare program that American dream was out of reach.

In response, the Republican Congress rose to the challenge and produced public policy with remarkable results that created hope and opportunity. In the past 6 years, the reformed Welfare program reduced poverty, child hunger, and dependency on government welfare checks for survival.

Today we have a chance to build upon this success through improving our current welfare program through the passage of the Personal Responsibility, Work, and Family Protection Act.

The challenge of making the transition from welfare to stable jobs is very difficult. Congress must make the commitment to ensure all Americans have a chance of reaching the American Dream. The actions Congress takes today will have a lasting impact as future generations will continue to break the cycle of welfare and enjoy brighter futures.

Mr. CONDIT. Mr. Speaker, I rise today in opposition of H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act of 2002. Unfortunately, the bill before us today does not live up to its title and will actually undermine the successful reforms enacted in 1996.

For several reasons this proposal does not merit Congress's approval. First of all, the bill would impose an almost \$2.5 billion unfunded mandate on the state of California. Without providing the funds necessary to implement the new work requirement provisions in H.R. 4737, this attempt to reform welfare will fail. And these unfunded mandates could not come at a worse time for states struggling to balance their budgets.

This proposal also fails to address the most rudimentary obstacles in attempting to move individuals from welfare to work. We will pay the price for the lack of emphasis on worker training and basic reading and writing skills. It is short sighted to believe welfare recipients will successfully make the transition to self-sufficiency without the necessary literacy skills.

Removing vocational education from the current list of work-related activities that satisfy the core work requirement in current law is an exceptionally bad idea and shortsighted idea. There is also inadequate funding for child-care. We can't expect to break the cycle of poverty, if we are not willing to commit the needed resources.

For all of these reasons, I urge my colleagues to join me opposing H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act of 2002.

Mr. CRANE. Mr. Speaker, I rise in strong support of the legislation before us today, H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act of 2002. I would like to commend Chairmen HERGER, THOMAS and BOEHNER for their work in promulgating this important legislation.

Mr. Speaker, this bill builds upon and improves the historic welfare reforms enacted in 1996. The hallmark of the 1996 legislation was that it changed welfare from an entitlement program to a block grant to the individual states. The significance of this was twofold: states were given a lot of flexibility to spend money where they needed to, but no longer

would people receive a welfare check in perpetuity if they refused to work. The success of this is irrefutable: since 1996, welfare rolls have decreased by over 50 percent, and millions of people who were once collecting welfare checks are now collecting pay checks. Historic indeed, Mr. Speaker.

Today we consider legislation that increases work requirements over the next 5 years, and simultaneously rewards states that have been particularly effective in moving people from welfare to work. It also protects children by increasing child care funding by \$2 billion and by increasing State flexibility in providing child care for low-income working families. Finally, it encourages healthy marriages and two-parent married families by directing up to \$300 million annually for programs such as pre-marital education and counseling. Mr. Speaker, surely that is something we can all support.

I am somewhat concerned about a few provisions in this legislation. While this bill does improve upon some work requirements passed in 1996, in some cases it does not go far enough. For instance, for purposes of TANF, it increases the number of hours a welfare beneficiary must be involved in work or job training programs, but it allows the states to define “work” in almost any way they see fit for some of these additional hours. Thus, a father could coach his son's baseball team and get credit for “work training.” Mr. Speaker, I am all for allowing states flexibility in administering welfare programs—flexibility is, after all, the lynchpin of the terrifically effective reforms we enacted in 1996—but in my view we should set some sort of minimal standards and then let the states implement them as they see fit.

In general, the reauthorization bill builds upon the successes of the 1996 legislation, and I believe it will continue to help break the cycle of poverty and dependence that millions of Americans had become stuck in during the period when welfare was an entitlement. It is a very good piece of legislation, and I strongly support it. I urge my colleagues to do the same.

Mr. EVANS. Mr. Speaker, this welfare reauthorization legislation does nothing to prepare welfare recipients to leave welfare and enter the workforce and it is an profound fiscal burden on our state governments.

I believe that since we reformed welfare six years ago, we have been successful in transitioning millions of people off of assistance. But, this remaining group of beneficiaries will be much harder to prepare to enter the workforce. That is why I do not support this “one size fits all” program whose only goal is to drop beneficiaries.

Welfare reform should give beneficiaries the tools they need to enter the workforce. Missing in this Republican legislation is a program that allows welfare recipients to receive a GED and if necessary, learn or improve their English. It also lacks a real increase in child care assistance and the necessary flexibility for innovative state programs to reach out to those on welfare who are least prepared to get a job. Mr. Speaker, it is inevitable this Republican welfare bill will only lead to more families falling between the cracks.

Further, this legislation lacks alternatives to abstinence-only education. We should not put money into these programs before we have real debate on their actual effectiveness. This money could be more wisely spent on education and child care benefits.

This legislation will also cost our state governments \$11 billion by imposing costly new mandates and it will force Illinois to direct a much larger share of resources to welfare. My state of Illinois currently has a \$1.35 billion budget shortfall. The Governor has threatened to cut student aid, empty prisons, and close mental health centers in order to make up for the shortfall. Illinois simply cannot afford this.

Mr. Speaker, I am proud to support the Democratic alternative because it is a serious attempt to move welfare recipients into jobs and does it humanely without shifting the burden to the states. It provides a real increase in child care benefits and allows beneficiaries to earn a GED and learn or improve their English language skills if needed. The Democratic alternative also allows states the flexibility needed to provide innovative programs to get people into the workforce.

We cannot throw millions of people into the streets when our economy is limping into a recovery and not even give them the incentives and tools they need to enter the workforce. I urge my colleagues to vote no on this legislation and vote yes for the Democratic substitute.

Mr. LAFALCE. Mr. Speaker, I rise in opposition to the procedure under which this welfare bill was put together and brought to the House floor.

Specifically, I object to the fact that without any hearings or markups in the Financial Services Committee, the bill's superwaiver provision would authorize States, with approval of the HUD Secretary, to sweep away all of the rules and regulations that govern our Federal public housing and homeless programs. This is an outrageous usurpation of our committee's authority.

Just 4 years ago Congress enacted a comprehensive bill to reform our public housing laws. Provisions dealing with rent burdens, enhanced local flexibility, resident participation, and other key public housing issues were carefully developed over several years. Notably, the bill was enacted after the 1996 welfare reform bill was passed, and included many provisions designed to complement welfare reform, including eliminating work disincentives.

Now, with a single sweep of the pen, all these provisions could be ignored under the "superwaiver." This could jeopardize carefully crafted protections for the over 1 million low-income families in public housing. Under the superwaiver, rent payments could skyrocket, families with small children could be evicted for technical violations of new rules, resident appeal procedures and lease protections could be wiped away. And, protections for use of housing funds for our Nation's most vulnerable, the homeless, could be eviscerated.

Worse, because this bill has never even seen the light of day within our committee, we cannot even be sure the extent to which existing public housing and homeless laws could be undermined.

Representative FRANK and I offered an amendment to delete the applicability of the superwaiver to housing programs. Of course, the Rules Committee blocked debate on this and other amendments.

This is a terrible way to do business. We ought to send the different sections of this bill back to the relevant committees for consideration the old fashioned way—hold hearings, then mark up the bill in subcommittee and committee.

Mr. HASTINGS of Florida. Mr. Speaker, this is sweeping legislation affecting more than 5 million families and we owe it to them to engage in thoughtful debate about the best ways to help them achieve permanent self sufficiency.

There has been lively and thoughtful discussion on the best ways to do this—more than 43 amendments were submitted to the Rules Committee for consideration. I would have welcomed the opportunity to debate these options on the House floor. However, this closed rule, allowing a substitute but no other amendments, denies us the opportunity. Frankly, this is offensive to me and should be to the whole House as well.

My concerns about the shortfalls in this legislation are numerous. This bill imposes a huge unfunded mandate on the States and reduces the States' flexibility in determining the optimum mix of activities to help recipients become more self-sufficient. In addition, it doubles the number of required work hours for mothers with young children but provides minimal new child care funding to support this increased work requirement. Two particular items in this legislation are of serious concern to me.

First, this bill fails to provide individuals and families the opportunities and help they require to rise out of poverty and gain self sufficiency. To attain a job with promotion potential and earnings above the poverty level requires experience, education, and job skills. I wish that success could be achieved as easily as the supporters of this bill lead us to believe. But while an entry level or minimum wage job is certainly a laudable start, the only way to get out of poverty and achieve permanent self sufficiency is through education and training. If you train someone for a dead end job, you will lead them to a dead end.

With its emphasis on "make-work" jobs that fail to offer any training or promotion opportunities, couple with its failure to acknowledge the importance of education, this bill fails to offer any substantive solutions to help our Nation's poor out of poverty.

Mr. Speaker, the second issue I have with this bill is that it discriminates against legal immigrants by denying them Federal assistance.

Both the National Governors Association and the National Conference of States Legislatures have recommended that States be given the option to use TANF funds to serve legal immigrants immediately. However, under the Republican bill, legal immigrants must be living in this country for 5 years before they are eligible for Federal aid. Even more distressing is the fact that many of those affected by this discrimination are children who were born in this country and are, in fact, U.S. citizens.

In 1996, the most current year for which records are available, 28,565 refugees were granted permanent residence in the United States.

The responsibility for housing, feeding, and caring for those who require assistance falls to the States—and the top four States carrying this responsibility are California, New York, Texas, and Florida.

I believe that States should be granted the option of using TANF dollars for legal immigrants.

I regret that this closed rule has denied us the opportunity to debate these and a host of other issues on the floor.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in opposition to the base bill, and in strong support of the Democratic substitute.

In good conscience, I cannot support H.R. 4737. The Republican base bill, which does not allow for amendments, would increase poverty and its sequelae, instead of reducing it as it purports to do. This bill imposes massive new mandates and additional costs on states at a time when they are struggling and cannot absorb not one penny more of new costs. In light of the fact that 39 States and the territories are struggling to meet work requirements in an atmosphere of recession and lack of available jobs, this bill would create the scenario where precious resources are spent on fines and the safety net becomes full of holes.

This country's offshore areas, would be particularly negatively impacted, because of even less resources, and poor economic conditions with fewer jobs within geographical limitations.

Even worse, Mr. Speaker, this bill tightens the vise on those trying to transition from welfare to work. It eliminates education from the list that count as work related activity and does not provide adequate resources for childcare. On the other hand it doubles the amount of hours that recipients are required to work, creating more hardship for mothers with children under school age.

Mr. Speaker, there is a lot of conservative ideology represented here. Where is the compassion?

The Democratic substitute would give States and territories more flexibility by giving them the option to require 40 hours if childcare and educational resources are available, but would only require 30 hours of work if not. The Democratic substitute would also remove the ban that prohibits states from serving legal immigrants. The Democratic substitute would also give the territories the tools they need to successfully transition people from welfare to work.

Mr. Speaker, H.R. 4737 is a set back, not forward. If the reactionary political climate of an election year precludes us getting a good bill, lets simply extend the current authorization for one more year, and lets sit down again next year and do it right.

Let's this of the people who are most affected by our actions, Let's give our states and territories flexibility and let's give our people hope.

Mr. ALLEN. Mr. Speaker, I rise in opposition to this misguided bill.

If this is welfare reform, our States don't need it. They will have to raise taxes or cut services to compensate for the 5-year, \$11 billion State government cost of this one-size-fits-all, heavy-handed Federal policy. Maine will need \$56 million to meet the new work requirements.

If this is welfare reform, our families can't take it. The bill requires mothers with children under 6 to double their required work week from 20 hours to 40 hours per week.

For these mothers, this bill means less time with their children, and not enough money to cover expanded child care costs. It probably means at least two jobs for many mothers, because low-wage jobs are usually part time.

For States like Maine, this bill reduces flexibility. For example, Maine's successful "Parents as Scholars" program, which provides access to post-secondary education, has increased the wages and benefits of participants

when compared to other strategies. But Maine would probably be forced to divert those dollars to other mandated work activities in order to meet the requirements of this bill.

To all those wealthy individuals who came to Congress last year with their hands out, the Republican party said, "Here are your tax cuts."

To all those families who need a hand up to move from welfare to work, this Republican bill says get off welfare, but do it by yourself, with inadequate child care, longer work hours, and less vocational education.

I urge my colleagues to reject this bill and vote in favor of the Democratic substitute. The Democratic substitute would give States the option of raising the work requirement to 40 hours where adequate childcare and educational resources are available, allow States to credit education toward the work requirement, and increase childcare funding by \$11 billion over 5 years.

Ms. SCHAKOWSKY. Mr. Speaker, I rise today to urge my colleagues to vote against H.R. 4737, the Republican TANF reauthorization bill. Anyone who looks at this bill can see that the Republican plan does not provide real assistance to needy families. Instead, this bill aims to place further restrictions and requirements on those most in need and those who already face tremendous barriers to work and self-sufficiency.

If the Republican leadership truly cared about providing assistance to needy families, it would have considered the needs of those families—the women, children, and parents who are directly affected by this program. Their bill would have focused on what TANF should really be about—helping families out of poverty so they will have an acceptable standard of living. Instead, this bill only succeeds in defining those families as statistics that should be controlled and told what to do.

First and foremost, the amount of funding this Republican proposal gives to TANF, the primary program in this country to help poor women and children, is pitiful. Last week the House passed a \$400 billion Department of Defense authorization bill that included a \$48 billion increase. Not only is this the biggest increase in Defense spending since the cold war, but it was also provided despite the fact that the Department cannot pass an audit and cannot account for \$1.2 trillion in spending. Yet, this increase is three times greater than the amount the Republicans propose for the TANF block grant. This Congress has bailed out the airlines and given a \$254 million rebate to Enron. It is a disgrace that we cannot give more to those in this country that need it most. It is a disgrace that this bill does not provide a single additional dollar in TANF funds. In my State of Illinois, it would cost at least an additional \$322 million in order to implement the increased work requirements and meet the child care needs that this bill would require.

Second, this bill neglects to help women get assistance to overcome barriers, such as substance abuse, limited English proficiency, and domestic and sexual abuse. Instead, it requires that recipients work longer hours. Besides causing great hardship on single moms and children, this increase from a 30-hour requirement to one that demands women work 40 hours a week will likely force States to create workfare programs—programs that have been proven not to work and which threaten

workers' rights to earn at least minimum wage and have other protections afforded all other workers in this country.

Third, this bill does not provide adequate training for jobs that would open the door for people to earn a living wage so they can support their families. Instead, H.R. 4737 takes away recipients' ability to fully engage in vocational education, often a necessary step in getting a job that pays and provides the opportunity for advancement. This bill also does not provide support to women who care for young children or children with disabilities, and instead it doubles the amount of hours women with children under 6 years old are required to work. Furthermore, H.R. 4737 continues to deny legal immigrants access to benefits, instead of allowing these families who pay taxes and work hard to receive assistance when they hit tough times.

Besides placing further restrictions on TANF recipients, H.R. 4737 also places further restrictions on States. Instead of helping States to be innovative in addressing the particular needs of their low-income population, this bill applies a one-size-fits-all philosophy and dramatically diminishes States rights.

And, if all that was not bad enough, this Republican bill includes a "superwaiver" provision that extends to programs far beyond TANF and could bring greater hardship to low-income people helped by these programs. For example, this provision would have adverse effects on Federal public housing and homelessness programs because the rules and regulations governing them could be swept away at the whim of the Federal agencies. In these cases, the real impact would be felt by families who would then be threatened with losing their housing assistance and being forced onto the streets. Such far-reaching changes are unacceptable, particularly given that the various committees with jurisdiction over programs affected by this "superwaiver" did not have the opportunity to consider them nor to assess their negative impact.

But none of this should come at any surprise. This Republican bill is in line with all the other legislation this leadership and the Bush administration have offered in this Congress, legislation that has aimed to deprive those most in need while giving to those who have plenty.

Fortunately, we have an alternative in a Democratic substitute that actually gives families the tools they need to become self-sufficient. This substitute allows women more opportunity to access vocational or post-secondary education, or go to ESL or GED classes if needed; it restores benefits to legal immigrants; it provides worker protections to all TANF recipients; it provides resources to states to foster employment advancement and promotion among recipients; it makes Puerto Rico and the territories eligible for assistance; it gives States the incentive to actually work toward decreasing poverty. In addition, the Democratic substitute increases child care funding by \$11 billion dollars and accounts for inflation in TANF block grant funding.

I urge every one of my colleagues to reject the Republican bill, H.R. 4737, and instead, to think about all the individual lives we are affecting. H.R. 4737 does not provide assistance to needy families, it places arbitrary and restrictive mandates on needy families. If we truly want to help people leave poverty and become self-sufficient we must vote for the Democratic substitute and against H.R. 4737.

Mr. ENGLISH. Mr. Speaker, when I came to Congress, the welfare system was in crisis—a record number of families were on welfare, dependency on the system was enormous and caseloads were rising. But in 1996, in the face of fierce ideological resistance, we reformed the welfare program, establishing work standards and setting time limits while giving states the flexibility to implement them in a way that suited their local situation. We did this after a 30-year period when the Democratically controlled House had spent \$5 trillion of taxpayer money on the welfare program, which resulted in skyrocketing poverty rates and welfare cases.

It was compassionate conservatism—and it was marvelously successful. The results speak for themselves: Caseloads have fallen by 60 percent to their lowest levels since 1965 and 9 million recipients have gone from welfare to work—from dependency to independence. In Pennsylvania alone, more than 319,000 people were graduated from the caseloads, working their way out of the welfare system. This change is not only extraordinary, but unprecedented.

It was clear that the welfare system was the biggest, most costly domestic policy failure of our time. And today, we have been hearing complaints from many who consistently opposed welfare reform until just before the bill signing ceremony. But we have learned from experience that you can strengthen work requirements; require states to closely monitor caseloads. And what we have learned is that we can help people prosper and become self-reliant, independent and proud.

We have the opportunity to build on our success without creating a personal entitlement program which deadens individual responsibility, creating incentives for dependency. The Personal Responsibility, Work, and Family Protection Act takes dramatic steps to maintain and strengthen the current program. Despite the enormous declines in caseloads, this bill gives states the same record federal welfare and child care funding, which means more money per family.

H.R. 4737 maintains the flexibility that has allowed states to tailor the program to meet the specific needs of its residents, rewarding states for engaging recipients and reducing caseloads. More importantly, it also provides an additional \$2 billion for child care, ensuring that parents who are working hard to improve the lives of their families are not being slammed back to the ground by staggering child care costs.

But my colleagues on the other side of the aisle are not interested in building on the welfare reform of 1996, but rather that they want to dismantle it. They want to allow welfare recipients to work two days per week and stay on welfare forever.

Let me share with you some facts about the Democratic substitute—it allows welfare recipients to work two days per week and stay on welfare forever. It also provides partial credit towards work rates for adults who work as few as 10 hours per week while collecting full welfare benefits. In fact, according to the Department of Health and Human Services, the Democrat's new "employed leaver credit" would effectively eliminate the work requirements in 2003—reducing from 50 percent to 2 percent the share of the welfare caseload expected to work.

The Democratic proposal increases welfare dependence and poverty while seriously undermining the time limits designed to promote self-sufficiency. But Mr. Speaker, if that is not enough let's look at the cost. For about \$70 billion over 10 years, the American taxpayers would see welfare return to a program where able-bodied people do not work for their benefits and bear little personal responsibility. The Democratic substitute is expensive and would increase deficits.

Unlike the Republican bill, the Democratic substitute includes NO offsets for its new spending, so it simply adds to deficits in the future. These are the same Democrats who consistently opposed welfare reform until just before the bill signing ceremony in 1996. The Democrats also want to place additional, burdensome mandates on the states, essentially tying the hands of states who know how best to meet the needs of their residents.

We cannot take a step backward—as the Democrats advocate—returning to a welfare program where able-bodied people do not work for their benefits and bear little personal responsibility. No public policy rationale exists for the additional spending they propose to mandate. This is not to say that at some point in the future more money will be needed for this program but the case for that has not been made today. I urge my colleagues to vote no on the substitute, ensuring that the reforms we enact maintain and strengthen the current program, not return us to an entitlement program with a staggering price tag and even greater social costs.

Six years ago, we changed the way people look at welfare, making it a program that helped people find work, renew their self-sufficiency and gave them financial freedom and personal dignity. We must act responsibly and continue these reforms. Vote yes on H.R. 4737.

Mr. SERRANO. Mr. Speaker, if self-sufficiency can be defined as raising a family just on or below the poverty level, with little or no chance of increasing earning potential because the breadwinner is not equipped with competitive education or job training, then I agree with my colleagues that 1996 welfare reform has been a success. If self-sufficiency means earning a median hourly wage of \$6.61 or \$13,788 annually, as the Urban Institute reported former welfare recipients earned in 2000, in jobs that 60% of time do not provide health care benefits, according to NOW, then I agree with my colleagues that welfare reform has been a resounding success. However, I am reluctant to believe that my colleagues would consider any of those circumstances to be anything near self-sufficiency and therefore I implore you to rethink this idea that welfare reform has been genuinely successful.

The goal of welfare reform should be to create a system that promotes self-sufficiency, not just lower numbers on the rolls and higher numbers in low-wage, unstable jobs. H.R. 4737 provides a short term solution to a long term problem. We should not be battling welfare dependency as much as we should be battling poverty. H.R. 4737 will only encourage pushing recipients off the rolls and into the league of the working poor, under-educated and constantly struggling to make ends meet. So that one negative circumstance, one setback, such as illness or domestic violence, could see them plummeting back into poverty. Living one paycheck away from homelessness

is not self-sufficiency by anyone's standards. We need reform that will arm welfare recipients with the artillery they need to permanently improve their economic situations.

This necessary artillery is education and training for marketable jobs. Improving education never stops paying off for an individual or for society as a whole; 82.2% of high school graduates with parents who attained a bachelor's degree or higher go on to college. This is compared to only 36.6% with parents who attained less than a high school diploma, according to the American Association of University Women. It should be clear that education is hereditary and the more education parents have, the more likely their children are to go on to college. Why in the world would we advocate legislation that impedes access to education for these individuals? H.R. 4737, which imposes a 40-hour work week on single mothers, significantly hinders their chances of furthering their education. It is plainly counterproductive to finding a long-term solution to poverty.

Mr. Speaker, H.R. 4737, says clearly to America's struggling families, "We don't really care about helping you. We don't care that the jobs we are pushing you into will do little to help you provide a better life for your children. What we are most concerned with is no longer having to support you." We are dealing with human beings here, and more importantly, with children, and H.R. 4737 is legislation about numbers. Please vote no on H.R. 4737.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today as the Representative of California's 37th Congressional District and representing some of the country's most impoverished areas! I would like to draw the attention of Congress to one of the key issues relating to the reauthorization of TANF.

My concern is with the mandates imposed by H.R. 4737. By forcing states to absorb costs that will total up to \$11 billion over the next 5 years, we are in effect crippling their ability to help people transition to work. The Republicans' emphasis on creating "make work" workfare programs will defeat the purpose of trying to move individuals and families off of welfare. Workfare programs have been problematic for states to implement for years and have in fact been scaled back.

Without guaranteeing minimum wage protections, let alone creating jobs imparting meaningful work experience, we are dooming our states and the people they serve to fail. We can do better. By limiting states' ability to be flexible, and by forcing them to reinstate work requirements that have already been rejected, we're preventing welfare recipients from attaining financial independence.

If we are serious about wanting to move people from welfare to work, we must enact legislation that preserves state flexibility, creates real work, and elevates families from poverty to full-time work. We cannot help anyone become self-sufficient by giving a "super-waiver" authority to the executive branch that would sanction the waiver of any and every federal requirement pertaining to food stamps and housing. The proposed changes to TANF could cause this state of affairs to change.

The reason for this relates to the level of funding, which does not take into account how inflation will negatively impact the \$1 billion now proposed by the Republicans to provide for child care. This proposal will require families to work longer hours. In order for Cali-

fornia to fulfill its work participation requirements, parents would have to participate in work-related activities for 40 hours each week.

If we double the number of hours mothers with children younger than 6 must work from 20 to 40, we simply must allot a more realistic level of funding for child care.

California now has 280,000 children waiting to be placed into child care programs, and H.R. 4700 would require \$1.23 billion in additional child care funding over the next 5 years. With California facing a deficit, due to Enron's rogue statics with our energy, H.R. 4737 will not allow us to help individuals successfully transition to full-time work.

By enacting the Democratic Substitute, we will require states to increase to 70 percent the number of individuals who must work out of the overall population receiving benefits. Further, states will be able to raise the work requirement to 40 hours provided they have sufficient child care and educational resources, as current law permits. Under the Substitute, \$11 billion in additional child care funding will be available over the next 5 years so the stringent work requirements will be achieved without hurting children. The Substitute will remove the ban that now prohibits states from serving legal immigrants.

Under the Democratic substitute to H.R. 4737, we would have up to \$6 billion in additional funding which must be earmarked in part to provide access to transportation so that individuals can get their children to child care providers and get to work on time. Yet another reason why current funding levels will be insufficient to maintain child care assistance in the future is related to the problem of inflation.

The proposed TANF bill will freeze funding for both the TANF and child care block grants at the current levels. Over the next 5 years, the purchasing power of these funding sources would erode steadily with inflation. This could occur at the same time that states such as California could be required to meet costly new work requirements.

In the case of California, the non-partisan Legislative Analyst's Office (LAO) estimates that California will have to spend an addition \$2.8 billion over 5 years to meet the proposed work requirements. About half the \$2.8 billion will go toward increased employment services' costs. The other half, \$1.4 billion, will be spent on increased child care costs. An annual rate of inflation of 3 percent would increase costs to California by nearly \$250 million between 2003 and 2007.

Mr. Speaker, I believe that the TANF reauthorization provisions do not take into account the points that I have brought up and that the new provisions will not achieve their purpose. In addition, extra burdens will be placed on the states, and, in the long run, children and families will suffer.

I will be voting against the TANF reauthorization bill. It will do nothing to help persons to become self-sufficient who are trying to move from welfare to work.

Mr. REYES. Mr. Speaker, I rise today in strong opposition to H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act of 2002. The federal restrictions on state flexibility in H.R. 4737 are counter productive to achieving Temporary Assistance for Needy Families (TANF) primary goal to assist impoverished families and to end the dependence of needy parents on government benefits by promoting job preparation. Despite its faults, the

1996 Welfare Reform Act was able to help many families reach self-sufficiency. This was possible largely because of the amount of state flexibility allowed in the TANF program. H.R. 4737 removes that state flexibility and replaces it with unfunded mandates that undermine the state's ability to help needy families achieve sustained self-sufficiency. This bill will destroy the key and successful elements of TANF.

The changes made to the work requirements in this bill eliminate each state's ability to determine the best approach to place their recipients into paying jobs. In particular, this bill will remove current state discretion to assign work requirements and amount of work hours. It mandates that the work participation rate be at 70 percent by 2007, it requires all recipients be assigned 40 hours work or work related activities a week—even for mothers with children under six years of age, and compounds the restrictions by narrowing the definition of work related activities. Rather than allowing states to develop their own plans based on the unique needs of their recipients, this bill restricts what work-related activities can count toward the work participation rate and the mandated 40 hours of work.

States need the flexibility to assign the most appropriate activities to recipients based on an assessment of individual needs. For example, recipients with Limited English Proficiency (LEP) need access to English as a second language programs before they can gain the needed job skills and training that result in lasting jobs that pay livable wages and include benefits. Recipients with children need access to quality child care before they can leave home to work. In 2000, the Department of Health and Human Services (HHS), Administration for Children and Families issued a report stating that only 12 percent of those eligible for federal child care assistance receive this much needed assistance. Instead of providing the funding necessary to offer assistance to the 88 percent of parents in need of child care, this bill doubles their amount of work hours required.

Most importantly this bill does nothing to restore federal assistance to Legal Permanent Residents (LPRs). On the contrary, H.R. 4737 contains two extremely harmful provisions that would further restrict LPR access to federal assistance, including to the food stamp program. The superwaiver provision will allow the Executive Branch to waive virtually all program rules completely disregarding Congressional intent. Additionally, the food stamp block grant provision would allow five states to opt for a fixed amount of food stamp funds for the next five years. The incentive to ensure program participation will be eliminated. These two provisions have the potential of reversing the gains made by the restoration of food stamp benefits for LPRs in the Farm Bill, which was just signed into law earlier this week. In times when states face increasing budgetary deficits, a fixed block grant that can be used for other programs sends the wrong message.

LPRs are disproportionately represented in industries that are most affected during economic downturns. During these times LPRs are often hit the hardest, and they, like all Americans, must be allowed to access the program that can help them to get back to work. States have recognized the importance of providing services to LPRs, but with more and more states running budgetary deficits re-

strictions on immigrant access to federal programs impose a serious dilemma. The federal government should not continue to ignore the needs of LPRs. Since many LPRs work in the service industries that are affected most acutely by recessions, they are in need of the back to work assistance that TANF can provide.

Mr. Speaker, this bill does nothing to address the barriers that prevent recipients from achieving sustained independence and self-sufficiency. It does nothing to facilitate the education or job skills needed for recipients to gain employment. It does nothing to address the overwhelming backlog of single parents who need adequate child care. It does nothing to restore federal assistance to LPRs. It does nothing to address poverty reduction or advance employment.

For these reasons and more, I urge Members to oppose H.R. 4737.

Ms. BALDWIN. Mr. Speaker, I urge my colleagues to vote against this bill. I believe that the test of success of welfare reform is its capacity to lift families (especially children) out of poverty. This bill fails that test.

I recently attended a listening session at the Vera Court Neighborhood Center in Madison, Wisconsin to hear from people in my district who are affected by the changes being proposed in this TANF reauthorization. The personal stories of those who came to this listening session were powerful, and they made it clear how important child care and education are to enabling people to break the cycle of poverty.

H.R. 4737 would limit opportunities for education and training to 16 hours per week, at the most, and participants would have to be working at least 24 hours per week at the same time—a difficult task for parents caring for infants and young children. For parents to even think about expanding their work hours they need affordable, reliable and safe child care. Unfortunately, the increase in child care funding over the next 5 years in this bill is barely enough to keep up with inflation let alone the expanded work requirements in this bill. It is estimated that in order to implement this bill, it would cost Wisconsin about \$44.5 million over 5 years in additional child care funding. Meanwhile, Wisconsin is suffering from a deficit of \$1.1 billion. We cannot shift this burden to the states and, more importantly, we cannot let our children be the ones who suffer because of this policy.

As many of my colleagues know, Wisconsin was at the forefront of the welfare reform debate 5 years ago. Today, Wisconsin parents are making a good-faith effort to support their families through work but are not succeeding in raising their families standard of living—even to the poverty level. A Wisconsin Legislative Audit Bureau Report found that of those who left the Wisconsin Works (W-2) program in the first quarter of 1998 (a period when the economy continued to expand), more than two-thirds reported having incomes below the federal poverty level. An even sadder statistic is that one-third of those who left W-2 had no reported earnings at all.

H.R. 4737 would discourage efforts in Wisconsin to change W-2 in order to serve low-income families better. The audit bureau report recommended that legislators, in order to ensure the future success of W-2, focus on increasing former W-2 participants income above the poverty level, addressing the needs

of returning participants, and responding to a possible downturn in the economy. We should be helping Wisconsin implement these recommendations by increasing education and training opportunities, not by cutting back on them as this bill does.

Martha Garel could benefit from these educational opportunities. Martha lives in Madison and has received W-2 payments for 3 years. When she first applied in 1999, she had recently left an extremely abusive husband. Martha does not have a college degree, but she would like to obtain a degree in social work. Two of her three children living at home have disabilities. Her 10-year-old son has a disorder that requires him to take medication, and during the summer, Martha cannot find a child care provider who will watch him. Her oldest daughter receives Supplemental Security Income due to brain damage she received at birth.

Martha has been avidly searching for a job and interviewing since last fall, but nothing has come through. The only jobs Martha appears to be qualified for pay only minimum wage, and she knows that a minimum wage job will not meet the needs of her family. The medications her family requires run over \$1,000 per month. It is clear that we need to expand the educational and job-training opportunities for people like Martha.

I urge my colleagues to help families escape poverty by giving them the support they need to secure jobs that can support a family. I urge my colleagues to vote against H.R. 4737.

Mr. MOORE. Mr. Speaker, I rise today to discuss my views on H.R. 4737 and explain my reasons for opposing this legislation and supporting a moderate, workable substitute.

I believe in a "work first" policy for welfare recipients—the best path to independence for welfare recipients is a job. I also believe that we should do all that we can to ensure that work pays and remember that the reduction of poverty, especially child poverty, is the ultimate goal of this reauthorization.

I have entered into the RECORD a letter from Janet Schalansky, Secretary of the Kansas Department of Social Services. Ms. Schalansky's letter expresses clearly many of my concerns with H.R. 4737, and I believe that the substitute that I support addresses many of her concerns with the underlying legislation, especially her concerns regarding unfunded mandates and the need for education, training and other supports for individuals leaving welfare.

States, including my own state of Kansas under Secretary Schalansky's leadership, have done a good job implementing the provisions of the 1996 law. Kansas has reduced the cash assistance caseload by more than half, and helped approximately 37,000 adults become employed and retain employment. I want to continue to do what I can to ensure that the states have the tools and flexibility they need to help welfare recipients move from welfare to work, but H.R. 4737 falls far short of that goal.

Education is the path through which welfare recipients will truly find long-term, well-paying, permanent employment. Only education and training will give welfare recipients the skills they need to move permanently to a life of self-sufficiency. Unfortunately, H.R. 4737 greatly reduces the states' discretion to allow welfare recipients to get education and training

to pull themselves out of poverty. This legislation removes vocational education from the list of work-related activities that count toward the core work requirement. In addition, the bill does not provide an employment credit to the states when individuals leave welfare for work.

That is why I am supporting a substitute that will allow states to combine successful "work first" initiatives with education and training. The substitute will give states credit when they move individuals from welfare to private-sector jobs, rather than giving them an incentive to create government "make work" programs.

H.R. 4600 imposes an unfunded mandate on the states to the tune of \$11 billion—\$67 million for the state of Kansas alone. Kansas is currently facing a budget crisis and its leaders are cutting services and raising taxes as we speak just to balance next year's budget. An unfunded mandate of this magnitude could devastate the state budget. If we are going to raise the bar for the states, we must provide support so that states can reach the bar. As Secretary Schalansky notes in her letter, level funding for TANF is not sufficient to accomplish and sustain the goals of the TANF program. Furthermore, H.R. 4737 allocates funding for child care that barely keeps pace with inflation and does not begin to provide the funding necessary to provide the child care that the additional work hours will demand.

For these reasons, I am supporting a substitute that will provide an extra \$11 billion for child care funding over five years to help states provide child care for working welfare recipients and provide an inflationary increase for the TANF block grant.

Finally, I have great concerns about the so-called "superwaiver" provisions of this legislation. Although I am pleased that the authors of H.R. 4737 decided to remove some of the most egregious provisions of the superwaiver, I am still concerned that the legislation will permit broad and unaccountable waivers of federal requirements in several programs, including the Food Stamp program, Workforce Investment Act, Adult Education, and the Child Care Development Fund. The states should be given the funds and flexibility they need to run a welfare program, and they should be accountable for the result. The substitute that I support includes no such broad waiver.

Mr. Speaker, the House should reject H.R. 4737 and approve the substitute. Our goal is to move welfare recipients to work and help people lift themselves out of poverty. The substitute gives the states the tools they need to achieve that goal.

KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES,
Topeka, KS, March 14, 2002.

Hon. DENNIS MOORE,
U.S. Representative, Cannon House Office
Building, Washington, DC.

DEAR REPRESENTATIVE MOORE: As you study the issues surrounding the reauthorization of the Temporary Assistance for Needy Families (TANF) program during this Congressional session, please keep in mind that it is the flexibility afforded the states by TANF that has allowed Kansas to develop programs and initiatives which promote adult self-sufficiency and strengthen families. As a result of this flexibility, Kansas has been able to:

Reduce the cash assistance caseload by 10,000 families since welfare reform began on October 1, 1996.

Help approximately 37,000 adults become employed and retain employment for a year or longer.

Provide cash assistance to approximately 9,030 adults and 22,465 children each month.

Create unique employment preparation strategies and support services for addressing the multiple employment barriers of many TANF recipients.

Provide innovative child care improvements, including an Early Head Start Program; an infant/toddler specialist in each of the sixteen child care resource and referral agencies; and an early care and education professional development initiative.

Integrate child welfare services and TANF to help more children remain in their own home or be returned to their homes more quickly.

On February 26, the Bush Administration introduced the outline of its TANF reauthorization proposal. Although the department supports the President's overall goals for the TANF program, we do not support all of his recommended changes to the program. His proposal to require all families to participate in work activities for 40 hours per week with 24 of those hours mandated to be in subsidized or unsubsidized work is especially problematic. Attached to this letter is a review of the department's position on the key provisions of the President's proposal. I hope you will consider the agency's position when these issues are debated and voted on in Congress.

The Temporary Assistance for Needy Families block grant has been successful in getting families employed and off cash assistance. While much has been achieved, there is an unfinished agenda of welfare reform, one that involves on-going supports to low-income working families as well as one that seeks to remove the barriers for TANF recipients with multiple barriers to employment. The work of the TANF agency does not end when families exit the cash assistance caseload.

SRS supports continued emphasis on the work first approach which is appropriate and integral to continued success. The Department recognizes that the caseload is not homogeneous and some clients can move to work easily while others require more intense interventions. In order for employed clients to remain employed, to increase wages, and to seek and obtain new and better opportunities, the state's work must continue. In order to continue helping families be successful, it is important that the flexibility currently afforded to states be continued and federal funding levels for the program remain adequate. We need to stay the course to accomplish the goals of welfare reform.

If you have any questions about the President's proposal or other TANF reauthorization bills that are introduced, please feel free to contact me. I would like to keep you updated on how these proposals will affect the low income citizens of Kansas.

Sincerely,

JANET SCHALANSKY,
Secretary.

Enclosure.

KANSAS DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES

On February 26, 2002, the Bush Administration introduced the outline of its TANF reauthorization proposal, called Working Toward Independence. The administration indicates that child well-being is the overall goal of its plan. The plan also incorporates fatherhood and the formation and maintenance of healthy two-parent married families into the fourth purpose of the TANF program. Main components of the President's reauthorization proposal include the following:

Mandates More Stringent Work Requirements. The President's proposal requires

that all families engage in constructive activities leading to self-sufficiency for 40 hours per week, at least 24 hours of which must be in unsubsidized or subsidized work, on-the-job training, supervised work experience or supervised community service. Kansas does not support this change. There is overwhelming evidence from states that persons now receiving TANF cash assistance have significant barriers to employment, such as mental illness, IQ's below 75, domestic violence etc. Until these barriers are overcome or accommodated, it is unrealistic to require TANF recipients to work 24 hours per week. Many of the current TANF recipients will always struggle to find and keep even part time jobs in a competitive work environment. States will have to start-up or expand subsidized work, on the job training (OJT), supervised work experience and community service in order to meet the 24 hour per week work requirement. According to recent press releases states will also have to continue paying minimum wage for work experience or community service jobs. The result of these proposals will require increased expenses not funded in the Bush plan. Funding cuts in other TANF services, such as post employment services that assist the working poor to retain or advance in their jobs, will likely be the result. Additionally, employers do not hire employees for twenty-four hour per week jobs. They generally hire for either 20 hours per week or 40 hours per week. The TANF program has been successful due to the design flexibility given states to develop programs tailored to the needs of their recipients. The Department believes the more stringent work requirement is counterproductive and unnecessary to achieving the purposes of the TANF program.

Increases Work Participation Rates. Under the Bush proposal, the state will be required to have 70 percent of its adults participating in 40 hours a week of constructive activities leading to self-sufficiency, 24 of which must be actual work, by the year 2007. There will no longer be a caseload reduction credit or a separate two-parent participation rate. Under the work participation requirements of the current TANF law, Kansas has 86 percent of its families participating 30 hours per week, and 60 percent participating 40 hours per week. Kansas would support the proposed participation rate change only if the 24/40 hour work requirement explained above is removed. Should the Bush plan be passed as is, the state will have to choose between requiring recipients, who may not be ready, to work for 24 hours a week knowing they will fail; or placing them in the right activities and accepting a penalty for failure to meet the participation rate requirement. The right activities might include remedial education, learning disability accommodation training, substance abuse, mental health or domestic violence counseling, or basic job skills training. The penalty for not meeting the work participation requirement would be a loss of \$5.095 million in federal funds and a requirement to make up the loss with state funds for a total penalty of \$10.19 million. In lieu of the 24 hour work requirement of the Bush plan, Kansas supports retention of the current law which designates that 20 hours of participation must be in primary activities, which include work, on the job training, work experience, and job readiness activities.

Requires universal engagement of all TANF families. States will be required to engage all families in work and other constructive activities leading to self-sufficiency. Within 60 days each family must have a self-sufficiency plan for pursuing their maximum degree of self sufficiency. The family's progress must be monitored. Kansas supports this requirement as we currently develop and

monitor self sufficiency plans for all TANF families.

Retains the Current Five Year Time Limit and 20 Percent Exemption Limit. The Department supports retention of these provisions. The five year time limit has been a good motivational tool for those recipients who are capable of working. Continuation of the twenty percent exemption will allow persons with documented hardship conditions to receive assistance past the 60 month limit.

Maintains TANF and Child Care Funding Levels. The President's proposal maintains the current level of funding for both the TANF and Child Care programs with no indexing of grants for inflation. Level funding will not be sufficient to accomplish and sustain the goals of the TANF program for the following reasons: Families now receiving cash assistance face serious work, family, and social barriers which they must overcome before becoming successfully employed. These services are expensive and far exceed the expenditures for cash grants. Working poor families continue to need support services, such as child care, transportation, tools, uniforms and other work related items, long after cash assistance eligibility ends, to retain work, advance in their jobs, and improve their prospects to become self-sufficient. As states transform TANF from cash assistance to work supports, a larger clientele becomes eligible for these benefits. With the additional participation requirements placed on states by the Bush proposal, Kansas will not be able to continue funding all needed child care services. For example, expanding the participation requirement to 24/40 will cost \$1.89 million more for child care each year if the parent and child are apart during all of the participation activities. If new work requirements are mandated for TANF, federal child care funding must be increased as well. In Kansas, the cash assistance caseload has increased due to the weakened economy. This trend puts Kansas and other states in a difficult financial position as the increasing demands for cash assistance make it difficult to continue providing the child care, diversion benefits, state income tax credits, and job and transportation assistance to the working poor who are no longer receiving cash assistance. Unless TANF and child care funding levels remain adequate, states will be forced to choose between reducing work support services and turning away some of the neediest families. Kansas, therefore, supports indexing the block grants for inflation and providing increased funding for additional federal mandates. Kansas also supports the continuation of the states' Maintenance of Effort (MOE) requirement as it exists in the current law.

Restores Supplemental and Contingency Funds, Allows for Rainy Day Funds, and Restores Ability to Transfer 10 Percent of TANF Grant to Social Services Block Grant. Although these provisions will be of no help to Kansas, they will greatly benefit some states. Kansas does not have the low rates of unemployment or poverty required to benefit from the supplemental or contingency funds and does not have any carry-over funds to benefit from the rainy day allowance. Since all TANF funds are now obligated, transferring additional TANF funds to the Social Services Block Grant would require cuts to TANF services. Kansas supports restored federal funding of the Social Services Block Grant.

Discontinues State Program Waivers. The Bush administration proposes to discontinue TANF program waivers granted prior to the 1996 welfare reform legislation. Kansas does not support this recommendations. Kansas has received much national recognition for the programs it has developed to address

learning disabilities, substance abuse, and domestic violence. The state has been able to accomplish this because of its waiver which allows all participation in job readiness activities to count toward meeting the state's work participation rate. With the administration's proposal to discontinue current waivers, impose a new 24/40 work participation requirement, and limit full time rehabilitative and substance abuse treatment to 3 months out of each 24 months, Kansas will be forced to drop the successful programs described above, or fail the work participation requirement and accept a financial penalty. Kansas does support removing the limitation that exists in current TANF law of not allowing more than 6 weeks of job readiness activities (only 4 of which may be consecutive). The family, social and work barriers faced by TANF recipients require much more than 6 weeks of job readiness activities to resolve.

Promotes Child Well-Being and Health Marriages. The Bush plan includes enhanced funding for research, demonstrations, technical assistance, and matching grants to states. An increased focus on marriage and child well-being will be added to both the purposes of the program and the state plan requirements. This approach is designed to provide states with greater resources to pursue these goals while maintaining flexibility so that states can design programs that work.

Encourages Abstinence and Prevention of Teen Pregnancy. The administration's goal for federal policy is to emphasize abstinence as the only certain way to avoid both unintended pregnancies and STDs. Although the scientific evaluation funded by Congress to study the effectiveness of abstinence-only programs will not be completed until 2003, the administration proposes refunding the Abstinence Education program at the same level as in 1996 and retaining its strong definition of how funds may be spent. The administration also proposes increasing funding for community-based abstinence education grants by 83 percent to \$73 million in 2003, including funding for comprehensive evaluations of abstinence education programs. While the government's evaluation of abstinence education programs has not yet been completed, many independent evaluations have found that abstinence-only programs are ineffective in reducing unintended pregnancies, including teen pregnancies, and STD's. Because comprehensive programs which include both abstinence education and birth control information have been found to be the most effective, especially if they have a youth development focus, Kansas does not support dedicating funds exclusively to abstinence education. If the goal is to reduce out-of-wedlock births, teen pregnancies, STD's, and deaths from AIDS and Hepatitis, then states should be allowed the flexibility to develop the programs that work best in reaching the youth and adults in their states.

Focuses More on Program Performance. States will be required to set performance standards in their state plans for addressing each purpose of the TANF program, to annually update their progress in meeting their goals, and to provide data to HHS to allow federal oversight of the program. The Secretary of HHS will annually rank all states in the order of their performance on indicators measuring employment, retention, and wage increase. The administration will establish a \$100 million a year bonus to reward employment achievement. Each state will have numerical targets to strive for and will compete against their performance in the previous year. All states could be eligible for a bonus in any given year if their performance meets established targets. Kansas sup-

ports this bonus plan which is superior to the current bonuses measuring high performance and reduction of out-of-wedlock births. The state plan requirements, however, will be more stringent and intrusive, and thus is not supported. More authority is given to HHS for oversight in the approval process, which will hinder state flexibility.

Enhances Child Support Enforcement Strategies. The administration's proposal continues rigorous enforcement of child support obligations while targeting additional child support collections to the families with greatest need by: Providing federal matching for states to provide or improve a pass through of child support to families that receive TANF; giving states the option of providing families that have left TANF the full amount of child support collected on their behalf with federal sharing of the costs; collecting a \$25 annual user fee from families that have never received welfare; lowering the threshold for passport denial to \$2,500; and expanding the federal offset program to allow states to collect past-due child support by withholding a limited amount of Social Security Disability Insurance payments from appropriate beneficiaries if benefits exceed \$760 per month. Kansas supports these proposals if they remain options to the state.

Reforms Food Stamp Program. The reforms proposed by the administration, such as simplifying some program rules, will make it easier for states to fashion a food stamp program that is friendlier to working families. However, the President's proposals are not as extensive as those in the recently passed Senate version of the Farm Bill. We support the Senate proposals. Kansas supports the President's proposal to provide food stamps to legal immigrants and to eliminate the cap on EBT costs. Kansas is not supportive of the President's proposals regarding Quality Control. If the proposals had been in place for FY 2000, the impact would have been substantial. Our sanction would have increased from \$79,313 to \$804,036.

Integration Waivers. Kansas is supportive of the ability to coordination among agencies that provide services to TANF recipients. Waivers have the potential to increase cost-effectiveness, reduce duplication, improve performance, streamline services, and forge a client-friendly seamless system. Waivers may be a means of: Coordinating data collection and reporting requirements across programs and agencies; developing common goals, policies, and performance measures for relevant aspects of TANF, Food Stamp, Medicaid, child care, child support, child welfare, and workforce development programs; coordinating eligibility standards, definitions, etc., for programs serving similar populations; enhancing federal funding for cross-program information technology initiatives, including the sharing of administrative and program data across agencies; simplifying federal procurement rules to better meet state needs; modifying federal confidentiality rules to allow for client eligibility verification activities and tracking; and integrating federal funding streams at the state level for programs with similar goals for serving common clients.

Mr. CROWLEY. Mr. Speaker, I rise today in opposition to H.R. 4737, the Republican welfare bill. This bill does nothing to improve the welfare system.

Six years ago, Congress passed a sweeping welfare reform bill to fix the failed system of cash payouts that rewarded not working. That bi-partisan bill encouraged work through both job training and child care services and by mandating a cut off of benefits after a fixed period of time for those who refused to find work. The result, millions taken off the welfare

rolls and put into jobs. This was good for America and great for working, tax-paying Americans.

But that bill was not perfect. For one, it excluded millions of tax-paying residents from qualifying for these work assistance programs, namely America's legal immigrants.

Today, we have the opportunity to make changes in those sections that failed and improve upon our successes. Unfortunately, that will not happen.

Congressman XAVIER BECERRA and I planned on offering an amendment that would have rectified this biggest of injustices of the 1996 welfare bill. Our amendment would have allowed legal immigrants—legal, tax paying residents—to participate in the education, job training and pregnancy prevention programs of this personal responsibility bill. But the House Republican leadership overruled us and threw away the hopes of millions of our constituents.

Essentially, this bill discriminates against legal, tax-paying, residents, leaving them hungry and out in the cold without assistance.

I am particularly concerned about the effect this bill will have on my immigrant constituents. Queens is the fastest growing borough of New York City and my Congressional District is one of the most diverse in the world. Over 100 languages are spoken in my part of Western Queens, many by immigrants who came here for a better life for themselves and for their children.

Most of these people are here legally. They pay taxes, and they contribute to the social and economic character of the United States. We are richer for their presence, and I am proud to represent them. However, many need a temporary helping hand to get on their feet, get a job and taste their slice of the American pie.

This bill however would leave these families, and their children, without any resources when in need of a helping hand.

I do not believe that this is right or fair and I am greatly concerned that it will have a significant impact on the one in five children in this country with immigrant parents. This bill undermines the civil rights of the over 35 million Latinos living in the U.S. legally and is not responsive to the needs of all immigrant families struggling through tough times.

This bill limits access to job-training and higher education opportunities, ensuring that individuals on welfare stay on welfare. Under this bill, those who do, by some miracle, manage to get off of public assistance, would not be given any additional support, such as transitional healthcare coverage, to stay off of welfare.

Perhaps most importantly, this bill devotes almost nothing to child care, while increasing work requirements, effectively forcing working mothers to leave their children unattended in order to earn enough money to feed them. In short this bill is a disgrace. However does such a law serve our society?

Every 93 seconds a child is born into poverty in this country, and this bill does nothing to help them. The GOP bill would increase mandatory child care funding by only \$1 billion over the next five years, that's barely enough to keep pace with inflation, and nowhere near enough to implement the bill's new work participation requirements, not to mention provide child care coverage to the 15 million children who are now eligible for day care assistance but who are not currently covered because States lack sufficient resources.

Again, I worked to add an amendment to the bill to allow for \$20 billion to be invested over the next 5 years for child care for all of those participating in this program, but was again denied by Congressional Republicans. The result, a greater difficulty getting families with children either into jobs and off welfare, or more latch-key kids left alone in the after school hours to do whatever they please without parental supervision.

And so, not only does this bill not give welfare beneficiaries the tools necessary to become economically self-sufficient. But the process of bringing this bill to the floor has been geared towards silencing dissenting voices.

My friends on the other side will try to say that I am trying to give taxpayer money to people who, they claim, refuse to work.

If we are to believe their premise that the 1996 welfare bill was a proven success at providing a temporary helping hand to get people off the dole and into jobs, then why shouldn't Congress extend this same helping hand to all of our residents in need. Shouldn't we encourage, as opposed to discourage, work?

This current bill leaves more of my working constituents paying a greater share of their hard earned taxes to provide for those who are not given the tools to enter the workforce and get off of government assistance.

This Republican bill makes no sense. Let's vote it down and start again. Let's invest in our people and give them the tools to get jobs, get off welfare and contribute to our national economy.

This is not a question of budgets, this is about priorities. I urge the House to reject this Republican bill.

Mr. BLUMENAUER. Mr. Speaker, there's no small amount of irony that just one week after Congress reinstated welfare for some of the largest agricultural interests in this country in the farm bill, the Bush Administration and Republican leadership in the House are imposing new burdens on the poorest and most vulnerable of our citizens. This Welfare Bill denies states the ability to use their own approaches, field-tested and improved by real-world experience, to meet their own citizens' needs. That's why the majority of governors, both Republicans and Democrats, have opposed the approach in the Republican Welfare Bill.

As the national unemployment rate has increased, Oregon has had the highest rate in the country. Welfare reform is no longer propped up by a full-employment economy, and moving from welfare to work has become much more difficult. The Administration and Republican leadership bill offers a rigid, designed-in-Washington, one size fits all approach. Instead, we should focus on supporting what works: flexibility for the states, and total support for families through a combination of work experience, training, education and child care.

I support the substitute offered by my colleague, BEN CARDIN, because it meets our goals, and supports efforts in the State of Oregon. Instead of unfunded mandates, the substitute increases flexibility and encourages real work. It also provides increased funding to make a down payment towards the needs of the 15 million unserved children eligible for childcare. Most importantly, it provides guarantees that our poorest and most vulnerable citizens who have the least political power will get real help moving into the workforce, not just more rules and requirements.

Mr. GILMAN. Mr. Speaker, I rise today in support of our Nation's families. As co-chair of the Congressional Child Care Caucus, child care should not be a partisan issue. Every day in this country, thirteen million children under the age of six are cared for by someone other than their parents. And each day, children are needlessly placed in harm's way because parents cannot afford to use high quality child care services.

The need for quality child care and after school care continues to grow throughout the country and with the President's recent call for increased welfare work requirements, which I support, it is imperative that the child care development block grants, CCDBG, are increased by \$11 billion over the next 5 years.

In New York State alone, there is a need for an increase of \$1.4 billion in CCDBG money over the next 6 years, which would allow an additional 79,000 families to enroll in the program each year.

Without this increase, many families are forced to choose more affordable, yet low quality child care services, and in turn, put their children at an unnecessary risk. In other cases, parents work 3 and 4 jobs in order to pay for child care, which increases their need for child care due to additional work hours.

This endless cycle of working to pay for child care and needing child care because of work, serves no one and in the long run, it only hurts families as the number of hours spent together diminishes.

Each year, hundreds of children are injured or killed as a result of deplorable conditions, unqualified personnel and the blatant lack of respect for the laws intended to protect our children.

Many parents know that they are leaving their children in an unlicensed or unaccredited center, but their hands are tied because this is all that they can afford. By providing additional funds for the CCDBG, We can expand the availability of child care services and increase the amount of assistance to those families already enrolled in the program, allowing them to place their children in safe child care conditions.

There are already too many horror stories on the news about infants left in the hands of unqualified caregiver. This is our opportunity to make a difference and to ensure that every child, regardless of economic background, has access to quality child care opportunities. Accordingly, I urge colleagues to support the \$11 billion increase in the CCDBG to provide a better future for our children by making them our priority.

Ms. KILPATRICK. Mr. Speaker, today, the House of Representatives debated key legislation on Welfare Reform Reauthorization. Unfortunately, the legislation we passed does not represent a step forward in welfare policy. Since Congress passed the 1996 Welfare Reform law, many have touted its success in reducing welfare rolls. While this is true, it paints a distorted picture on the realities of welfare. Yes, many States have seen a reduction in welfare rolls, but many of the families that are moving off welfare are moving straight into low-income, minimum wage jobs. Many still rely on federal supports, such as Medicaid and food stamps to stay afloat. Is this success?

We cannot expect families to move forward unless we provide them with the essentials to succeed in life. Unfortunately, the bill that the

Republicans introduced does not address or contain sound policies and provisions that will help lift individuals out of poverty and off of welfare. This should be the focus of welfare reform reauthorization—to help lift families out of poverty. If this isn't the main goal, and it is not in the Republican bill, then we are failing the system and more importantly we are failing families.

We need to improve upon what we know from the 1996 Welfare Reform law and work with States to provide them with the funds and flexibility they need to help families and children not simply move off of welfare, but more importantly, move out of poverty. Greater emphasis should be placed on educational opportunities and programs—an approach that would ensure that families are able to move up the economic ladder. Without the opportunity to learn a trade or pursue post-secondary educational options, the outlook for families being able to move off of welfare and improve their economic status is bleak.

Education is the key to success—we all know that. Yet, the Republican bill does not stress the importance of education. Instead of providing States with the flexibility of offering more educational programs, the provisions in the Republican bill put States in a compromising position. In order to adhere to the strict work requirement of a 70 percent participation rate by 2007 and a 40 hour work week requirement, States would need to focus more on pushing recipients into low-income or workfare type programs that offer no chance of a brighter future. This is the wrong choice for families.

While the Republican bill puts forth unrealistic expectations on States and welfare recipients, it does not, at the same time, adequately increase Temporary Assistance for Needy Families (TANF) funding and child care funding to States to help them meet the requirements. In fact, there is no increase in TANF spending and only a \$1 billion increase in mandatory child care funding over five years. Currently, many working parents on welfare are not able to find quality child care. How can we expect working mothers to work a 40 hour week if they do not have access to quality child care? Children should be our first priority, but they are not in this bill.

The Republican Welfare Reform bill focuses on a one-size-fits-all policy that is concerned more with moving families off of welfare rolls than providing families with opportunities to succeed. Instead of looking at disingenuous numbers on paper, Congress needs to focus more on looking at individual families when implementing policies. If Republicans did this they would realize how unrealistic their bill truly is. It restricts States instead of providing them with more flexibility to determine what is the right approach for individual families in their State. Helping families to succeed is the Democratic approach—and the right approach. If we fail to enact policies that will give families a chance to create a better life, we fail families and we fail children.

For these reasons, I vote “no” on H.R. 4737.

Mr. MORAN of Virginia. Mr. Speaker, I rise in strong opposition to this legislation which is falsely named, the Personal Responsibility, Work and Family Promotion Act.

In 1996, when this body passed the “welfare to work” bill, we changed welfare forever and it was a giant in the right direction. Now

6 years later, we have seen results from this law being put in place. However, this welfare bill is a step in the wrong direction.

No one will argue that the “welfare to work” law isn't successful. I believe that in our hopes to move forward on welfare reform, we are ignoring an important population in our communities: our children. How can we support a bill that wants welfare recipients to work 40 hour work weeks but provides no additional funding for care? And how can we as a body entertain providing tax benefits for stay at home mothers, while at the same time, forcing low-income mothers to work more hours and be separated from their children for longer periods of time? The bottom line is that you cannot expand work requirements without expanding child care.

Should welfare recipients really have to choose between being a good worker or a good parent? The Democratic substitute provides states with the necessary resources, such as child care funding, to meet the stronger work requirements. The Republican bill does not. The Democratic substitute provides recipients with the chance to allow education, vocational education as well as training, as well as participation in English as a second language and GED programs to count toward the participation rate. The Republican bill eliminates vocational education from the list of work-related activities.

Most of us are parents. We know the daily struggles of balancing work and family. Sometimes these struggles prove even more difficult for single-parent families. We need a system that does not discriminate by family type or marital status. The Republican bill does just that.

In a perfect America, children would be raised in two-parent families. In a perfect America, all citizens would be trained and educated in order to choose any job they wanted, not limited to only the ones they are qualified to do. Regrettably, this bill imposes heavier work responsibilities on welfare recipients without providing the tools to protect their families.

Another population that is largely ignored by the Republican bill is our immigrant population. While I still have many concerns with the farm bill that was signed into law on Monday, I was pleased to support the provision which restores food stamp benefits to legal immigrants. Let's do one better for our immigrant population. Let's allow states to be able to provide welfare benefits to legal immigrants. The welfare of all our nation's children, whether they are born here in the United States, or somewhere else, should be today's most important consideration. The Democratic substitute does just that. It will also allow states to provide Medicaid to legal immigrant pregnant women and children, certainly our most underserved citizens.

Today, let's send a message to America that we want citizens on the road to economic independence. Let's arm these citizens with the training and education necessary to sustain and advance employment, while ensuring their family's security by providing child care. Let's protect the welfare of our most important commodity, our children. I urge all my colleagues to vote against H.R. 4700 and vote in favor of the Democratic substitute. Let's pass a meaningful welfare reform bill today.

Mrs. MCCARTHY of New York. Mr. Speaker, as the House debates Welfare Reform, we

must focus on how we are going to help families move from welfare and poverty to work and prosperity. As I looked at both the Republican and Democratic bills, I found the Democrat proposal did a lot more to move families from handouts to becoming active workers in today's market.

To begin with, the Democrat substitute strengthens the current work requirements by: Increasing the number of work-focus activity hours from 20 to 24 hours; requiring a minimum of 30 hours of work and provides states the option of increasing the number of required hours to 40 hours a week; and replaces the current caseload reduction credit with an employment credit that reduces states participation rate according to the number of people leaving welfare to work.

In addition, the Democratic substitute provides the state with the necessary resources to meet the stronger work requirements.

The Republican bill places a large unfunded mandate burden on the states. The Democratic substitute raises the bar on the work requirements and provides the states with the resources to meet these changes.

For example, it provides an additional \$11 billion for mandatory childcare funding over five years to meet the work requirements. In addition, the bill increases the set-aside for child care quality from 4 to 12 percent.

Furthermore, the Democratic substitute provides states with the flexibility. The most promising state programs that help welfare recipients obtain and advance in a job combine a “work first” approach with supplemental training and education. The Republican proposal eliminates vocational education training from the list of work related activities that count toward the state's participation rate.

Finally, the Democratic substitute rewards self-sufficiency and gives families the help they need to successfully move from welfare to work. It improves the Individual Responsibility Plan so that every family has a specific plan detailing the steps and work supports needed to move the parent into meaningful work activities and achieve self-sufficiency. It also provides a 5-year extension of Transitional Medical Assistance (TMA) for parents and children leaving welfare. The Republican bill only extends TMA for 1 year.

Mr. Speaker, I urge all my colleagues to support this Democrat alternative and reject the underlying bill that hurts American families.

Mr. SHAYS. Mr. Speaker, I rise in support of H.R. 4737, the Personal Responsibility, Work and Family Promotion Act.

The 1996 welfare law was the most significant change in American social policy in a generation. By linking benefits to work, the law introduced economic rewards to families isolated in a cycle of dependence and despair.

Welfare reform has changed many lives in dramatic ways, but there is still more to do. Despite the emphasis on work, nearly 58 percent of adult welfare recipients today are not working. Far too many individuals still do not know the satisfaction of a job well-done and the dignity of a steady paycheck. This legislation sets a more challenging standard on work, one that is tough but achievable.

H.R. 4737 requires states to engage at least 70 percent of their welfare recipients in 24 hours of direct work each week, and the other 16 hours in job-related activities like education, training, or counseling. This will allow individuals to work 3 days and go to school 2

days each week. Meaningful work requirements blended with education and training will lead to greater self-sufficiency.

As we set a higher standard of work and require welfare recipients to be active participants in improving their lives, Congress must give families the support necessary to make this transition. A combination of work and social services will provide a more effective approach to fighting welfare dependency and poverty than an approach that relies primarily on government handouts.

We also must remain responsive to people with multiple barriers to employment. As the reauthorization process moves forward, I am hopeful there will be a focus on allowing older individuals to take the time necessary to get a GED, as well as a greater emphasis on helping those who need intensive drug rehabilitation.

I applaud the decision to provide an additional \$2 billion in child care funds. Safe, affordable, high-quality child care is an important part of the support network needed to move people from welfare to work. Additional child care funds will allow parents to hold jobs.

I am also pleased this bill helps states address the unique challenges faced by their populations. H.R. 4737 enables states to conduct innovative demonstration projects and coordinate a range of problems in order to improve services. It gives states the freedom to better meet the needs of welfare recipients as they work toward independence.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. PAUL. Mr. Speaker, no one can deny that welfare programs have undermined America's moral fabric and constitutional system. Therefore, all those concerned with restoring liberty and protecting civil society from the maw of the omnipotent state should support efforts to eliminate the welfare state, or, at the very last, reduce federal control over the provision of social services. Unfortunately, the misnamed Personal Responsibility, Work and Family Promotion Act (H.R. 4737) actually increases the unconstitutional federal welfare state and thus undermines personal responsibility, the work ethic, and the family.

H.R. 4737 reauthorizes the Temporary Assistance to Needy Families (TANF) block grant program, the main federal welfare program. Mr. Speaker, increasing federal funds always increases federal control as the recipients of the funds must tailor their programs to meet federal mandates and regulations. More importantly, since federal funds represent resources taken out of the hands of private individuals, increasing federal funding leaves fewer resources available for the voluntary provision of social services, which, as I will explain in more detail later, is a more effective, moral, and constitutional means of meeting the needs of the poor.

H.R. 4737 further increases federal control over welfare policy by increasing federal mandates on welfare recipients. This bill even goes so far as to dictate to states how they must spend their own funds! Many of the new mandates imposed by this legislation concern work requirements. Of course, Mr. Speaker, there is a sound argument for requiring recipients of welfare benefits to work. Among other benefits, a work requirement can help a welfare recipient obtain useful job skills and thus increase the likelihood that they will find productive employment. However, forcing welfare

recipients to work does raise valid concerns regarding how much control over one's life should be ceded to the government in exchange for government benefits.

In addition, Mr. Speaker, it is highly unlikely that a "one-size-fits-all" approach dictated from Washington will meet the diverse needs of every welfare recipient in every state and locality in the nation. Proponents of this bill claim to support allowing states, localities, and private charities the flexibility to design welfare-to-work programs that fit their particular circumstances. Yet, as Minnesota Governor Jesse Ventura points out in the attached article, this proposal constricts the ability of the states to design welfare-to-work programs that meet the unique needs of their citizens.

As Governor Ventura points out in reference to this proposal's effects on Minnesota's welfare-to-work program, "We know what we are doing in Minnesota works. We have evidence. And our way of doing things has broad support in the state. Why should we be forced by the federal government to put our system at risk?" Why indeed, Mr. Speaker, should any state be forced to abandon its individual welfare programs because a group of self-appointed experts in Congress, the federal bureaucracy, and inside-the-beltway "think tanks" have decided there is only one correct way to transition people from welfare to work?

Mr. Speaker, H.R. 4737 further expands the reach of the federal government by authorizing \$100 million dollars for new "marriage promotion" programs. I certainly recognize how the welfare state has contributed to the decline of the institution of marriage. As an ob-gyn with over 30 years of private practice. I know better than most the importance of stable, two parent families to a healthy society. However, I am skeptical, to say the least, of claims that government "education" programs can fix the deep-rooted cultural problems responsible for the decline of the American family.

Furthermore, Mr. Speaker, federal promotion of marriage opens the door for a level of social engineering that should worry all those concerned with preserving a free society. The federal government has no constitutional authority to promote any particular social arrangement; instead, the founders recognized that people are better off when they form their own social arrangements free from federal interference. The history of the failed experiments with welfarism and socialism shows that government can only destroy a culture; when a government tries to build a culture, it only further erodes the people's liberty.

H.R. 4737 further raises serious privacy concerns by expanding the use of the "New Hires Database" to allow states to use the database to verify unemployment claims. The New Hires Database contains the name and social security number of everyone lawfully employed in the United States. Increasing the states' ability to identify fraudulent unemployment claims is a worthwhile public policy goal. However, every time Congress authorizes a new use for the New Hires Database it takes a step toward transforming it into a universal national database that can be used by government officials to monitor the lives of American citizens.

As with all proponents of welfare programs, the supporters of H.R. 4737 show a remarkable lack of trust in the American people. They would have us believe that without the federal

government, the lives of the poor would be "nasty, brutish and short." However, as scholar Sheldon Richman of the Future of Freedom Foundation and others have shown, voluntary charities and organizations, such as friendly societies that devoted themselves to helping those in need, flourished in the days before the welfare state turned charity into a government function. Today, government welfare programs have supplemented the old-style private programs. One major reason for this is that the policy of high taxes and the inflationary monetary policy imposed on the American people in order to finance the welfare state have reduced the income available for charitable giving. Many over-taxed Americans take the attitude toward private charity that "I give at the (tax) office."

Releasing the charitable impulses of the American people by freeing them from the excessive tax burden so they can devote more of their resources to charity, is a moral and constitutional means of helping the needy. By contrast, the federal welfare state is neither moral or constitutional. Nowhere in the Constitution is the federal government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. In the words of the famous essay by former Congressman Dave Crockett, this money is "Not Yours to Give."

Voluntary charities also promote self-reliance, but government welfare programs foster dependency. In fact, it is the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off of welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

In conclusion, H.R. 4737 furthers federal control over welfare programs by imposing new mandates on the states which furthers unconstitutional interference in matters best left to state local governments, and individuals. Therefore, I urge my colleagues to oppose it. Instead, I hope my colleagues will learn the lessons of the failure of the welfare state and embrace a constitutional and compassionate agenda of returning control over the welfare programs to the American people through large tax cuts.

WELFARE: NOT THE FED'S JOB

(By Jesse Ventura)

In 1996, the federal government ended 60 years of failed welfare policy that trapped families in dependency rather than helping them to self-sufficiency. The 1996 law scrapped the federally centralized welfare system in favor of broad flexibility so states could come up with their own welfare programs. It was a move that had bipartisan support, was smart public policy and worked.

Welfare reform has been a huge success. Even those who criticized the 1996 law now agree it is working. Welfare case loads are down, more families are working, family income is up, and child poverty has dropped.

The reason is simple: state flexibility. In six short years the states undid a 60-year-old federally prescribed welfare system and created their own programs which are far better for poor families and for taxpayers.

But now it appears the Bush administration is having second thoughts about empowering the states. The administration's proposal would return us to a federally prescribed system. It would impose rules on how states work with each family, forcing a "one size fits all" model for a system that for the past six years has produced individualized systems that have been successful in states across the country.

I would hope that as a former governor, President Bush would understand that these problems are better handled by the individual states. The administration's proposal would cripple welfare reform in my state and many others.

I know that my friend Health and Human Services Secretary Tommy Thompson did a wonderful job of reforming Wisconsin's welfare system. But that doesn't mean the Wisconsin system would be as effective in Vermont. My state of Minnesota is also a national model for welfare reform. It is a national model, in part because we make sure welfare reform gets families out of poverty. How do we do this? Exactly the way President Bush and Secretary Thompson would want us to do it: by putting people to work.

But here's the rub—it matters how families on welfare get to work. In Minnesota, we work with each family one on one and use a broad range of services to make sure the family breadwinner gets and keeps a decent job. For some families it might take a little longer that what the president is comfortable with, but the results are overwhelmingly positive. A three-year follow-up of Minnesota families on welfare found that more than three-quarters have left welfare or gone to work. Families that have left welfare for work earn more than \$9 an hour, higher than comparable figures in other states. The federal government has twice cited Minnesota as a leader among the states in job retention and advancement.

An independent evaluation of Minnesota's welfare reform pilot found it to be perhaps the most successful welfare reform effort in the nation. The evaluation found Minnesota's program not only increased employment and earnings but also reduced poverty, reduced domestic abuse, reduced behavioral problems with kids and improved their school performance. It also found that marriage and marital stability increased as a result of higher family incomes.

The administration's proposal would have Minnesota set all this aside and focus instead on make-work activities. In Minnesota we believe that success in welfare reform is about helping families progress to a self-sufficiency that will last. While it may be politically appealing to demand that all welfare recipients have shovels in their hands, it makes sense to me that the states—and not the feds—are in the best position to make those decisions.

We know what we are doing in Minnesota works. We have evidence. And our way of doing things has broad support in the state. Why should we be forced by the federal government to put our system at risk?

I believe in accountable and responsive government, and have no problem with the federal government holding states accountable for results in welfare reform. But I also believe that in this case the people closest to the problem should be trusted to solve the problem and be left alone if they have.

Secretary Thompson, with the blessing of the president, seems to be taking us down a road that violates the tenets of states' rights.

Say it ain't so, Tommy. As long as it's working, why not let the states do our own thing?

Ms. EDDIE BERNICE JOHNSON of Texas.
Mr. Speaker since the historic overhaul of this

country's welfare system in 1996, we have witnessed dramatic changes in how this nation treats our poor children and families. While welfare rolls have dropped by more than 50 percent, many families have lost Food stamp benefits and Medicaid despite continued eligibility. In addition, numerous low-income families remain below the poverty line despite employment.

One of the most important issues Congress must address when considering reauthorization of the 1996 Welfare Reform Act is how race and ethnicity factor in why some welfare recipients have failed to obtain gainful and lasting employment. Research has shown that minorities face significantly more discrimination in the services they receive from welfare agencies as well as in the treatment they receive on the job.

Numerous studies have documented cases of racial disparities in Welfare Reform, and I believe they are worth mentioning.

A recent Chicago Urban League study found that while more than 50 percent of white recipients were referred to education programs, less than 20 percent of African Americans were referred to the same programs.

A statewide study of welfare recipients in Virginia by Professor Susan Gooden of Virginia Tech found that although African American program participants were, on average, better educated than whites, zero African Americans were directed to education programs to fulfill their requirements. At the same time, 41 percent of whites were steered to education programs. The study also found that African Americans were also less likely to receive discretionary support such as transportation assistance, less likely to be placed in jobs by the state employment agency, and more likely to be subjected to drug and background tests, than white recipients.

A Gooden Employer study (1999) found that whites were more likely to have longer interviews than blacks (25 min v. 11 min), less likely to have a negative relationship with their supervisor (29 percent v. 64 percent), and less likely to undergo pre-employment testing (24 percent v. 45 percent).

Cruel and Usual, an Applied Research Center survey of more than 1,500 welfare recipients in 13 states, found that discriminatory treatment on the basis of gender, race, language, and national origin was a common experience. Forty-eight percent of African American women and 56 percent of Native American women who received job training were sent to demeaning "Dress for Success" classes, compared with only 24 percent of white women.

At the same time that people of color are being marginalized by our welfare system, (according to an Applied Research Center study) African Americans and other minorities are disproportionately affected by our current recession:

After September 11, the increase in unemployment rates for African Americans and Latinos was more than double that for whites. Unemployment among African Americans soared to 11.2 percent in April of this year and rose to 7.9 percent for Hispanics. African Americans has reached its highest point in 8 years, while Latino unemployment is its highest in 5.

In New York City, where unemployment has skyrocketed since the events of September 11, the New York Times reported in February

that African American workers accounted for only 27 percent of those collecting unemployment insurance benefits, even though they account for about 37 percent of the jobless. For Latinos, the Pew Hispanic Center reports that out of 1.26 million unemployed Latinos in December 2001, only 40 percent are likely to be receiving unemployment benefits, leaving some 756,000 unable to access the benefits to support their families.

Let me be clear: efforts to improve our economy are not reaching people of color. African Americans are losing their jobs at nearly twice the national average. Latino unemployment hovers near 5 year high. These numbers are an outrage and are unacceptable. But, they don't even tell the whole story. While these workers are losing their jobs and their families are suffering, the Bush Administration is proposing cutbacks in job training programs and reductions in education funding that would help put people in a better position to earn a living wage.

Here we are poised to reauthorize welfare reform with Members on both sides of the aisle calling for an increase in the number of hours recipients must work to stay eligible for transitional assistance. I hope that these new unemployment numbers indicating that more Americans are getting laid off will force Members to rethink their positions. How can we look these people in the eye and tell them to work longer hours when there aren't even jobs available to them?

In 1996, we handed the administration of the welfare programs over to states. And who know better than the states that have been administering the TANF programs what will and what won't work?

The National Governors Association (NGA) is very concerned about how the Republican plan takes away the state's flexibility in administering TANF programs. In April of this year the National Governors Association (NGA) and the American Public Human Services Association (APHSA) conducted a joint survey of Governors and state TANF administrators to assess the impact proposed changes to the work requirements would have on current state welfare reform initiatives. This study found that: "As states work with families on a more individualized basis, many states are finding that a combination of activities on a limited basis, such as work, job training, education, and substance abuse treatment, leads to the greatest success for some individuals. Governors believe the federal government should recognize the success of these tailored approaches to addressing an individual's needs by providing states greater discretion in defining appropriate work activities."

Also in the NGA report, "States expressed concerns over the impact of level funding of the TANF block grant; citing inflation having reduced the purchasing power of the block grant, making it unlikely that the block grant will keep pace with the rising costs of services, such as case management, employment and training, transportation and child care."

The majority of states (33) responding cited concerns about meeting the proposed work requirements in rural areas where the economy is often lagging and employment opportunities are limited.

The State of Illinois responded, "A 70 percent participation rate with a 40 hour a week requirement will probably require two things. First, creation of a number of make work activities or greater use of current ones, whether

or not warranted, just to fill the requirement. Second, a near total abandonment of allowing any client that is able to work at all to participate in such things as GED programs or post-secondary education."

Once we force States to send all these people to work in 40-hour workweek jobs that don't exist, what are we going to do with their children? Childcare is expensive! The states recognize this. In the NGA report, States were asked to estimate the annual increase in child care costs associated with the proposal to require 70 percent participation in activities totaling 40-hours per week. Of the 32 states responding to the question, 30 states indicated that the costs would increase and two states indicated that there would be no additional costs associated with the proposal.

But the Republican plan doesn't even begin to meet this enormous expense—The CBO estimates the increased mandatory work hours imposed on states by the Republican plan will increase child care cost an additional \$3.8 billion—almost 4 times as much as the Republican plan provides! In fact, my state of Texas alone would have an estimate of over 36,000 children on childcare waiting list.

For these reasons, I have introduced legislation that addresses racial inequalities and mistreatment of minorities in welfare program. While we are providing states the flexibility and funding they need to empower welfare recipients and address important issues like access to child care, education, and job training. The key provisions of this legislation include ensuring equal access by expanding education and training opportunities, strengthening fair treatment and anti-discrimination protections and encouraging racial equality.

I believe we should all agree that welfare reform measures should not punish racial and ethnic minorities attempting to better themselves. Every American must be provided with the opportunity and the obligation to be a productive member of society. As we continue to debate welfare authorization, we must make certain that racial and ethnic discrimination are not vehicles used to hinder access to the road from poverty.

I urge my colleagues to vote "no" on the Republican bill.

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this bill before us today. I was proud to be a member of the conference committee that wrote the welfare reform bill that was enacted in 1996. At the time, there were many critics of welfare reform who said that the bill would be a disaster for those truly in need. We found out that they were for the most part wrong about welfare reform. We could move people from dependence to work in a responsible way and not shortchange our commitment to the neediest in our society.

States have proven that if we give them flexibility to develop programs that work in their state they can effectively serve those citizens who strive to break the cycle of welfare dependence. That is why I am troubled by the provisions in the bill before us today that severely restrict the flexibility of states such as Texas to continue the activities that have been successful in their welfare to work programs and place a tremendous unfunded mandate on states.

For my own state of Texas, this bill would create an unfunded mandate of \$166 million a year, in addition to the \$78 million shortfall they will face under current law by 2007.

Texas would be forced to implement a subsidized employment program which it has already rejected as unworkable and change parts of its welfare reform effort that have been a success in moving welfare recipients into real jobs. It would be the height of arrogance for me to stand here in Washington and vote to require Texas to implement policies on welfare reform that the Texas legislature has already considered and rejected.

I must express my strong concern for the process that has brought us to the floor today. On February 7, 8, 9 and 14, 1995 the Committee on Agriculture held hearings on Reforming the Present Welfare System (Serial 104-2). That is 4 days of hearings. That does not include other related hearings that the Committee held on other nutrition issues. A record was built on the issues regarding welfare reform. I will grant you that the eventual path to enactment of Welfare Reform was a tortuous and contentious one, but everyone understood the issues compiling the legislation.

Today is a totally different situation. We are considering a bill that was only recently introduced. The Committee on Agriculture which has jurisdiction over the Food Stamp provisions contained in the Welfare Reform Reauthorization legislation has not even considered the bill. Welfare Reform Reauthorization should be accorded the same consideration as other important legislation. We should hold hearings on the proposals, mark it up in Committee and then bring it to the floor. No one here today can tell us if the provisions concerning food stamps are reasonable. They are concepts that the majority is willing to put into law without asking any of the affected—nutrition advocates, state welfare administrators, and others what the practical effect will be upon the food stamp program.

We have a largely positive record to build upon with welfare reform. Why are we risking that success for cheap political expediency. If the concepts contained in the legislation are good, public scrutiny will only strengthen them.

I have grave concerns about this process. The people that participate in these programs are the most vulnerable in the country. The programs that they rely on deserve a thorough examination.

The so-called "super-waivers" advocated in this legislation has the potential to undermine current food stamp policy of providing nutrition assistance to all eligible citizens if they face economic hardships. The question is not whether states should or should not receive the flexibility under waiver authority to tailor the food stamp program rules. States already have that flexibility. The question is whether states should be allowed even greater flexibility to change the very nature of the food stamp program.

If there are innovative reforms that states would like to implement that are prohibited under current law, should examine how to address those specific problems. That is what the Committee process is intended to do. Let state administrators testify before the Agriculture Committee about the changes they believe would allow them to run the program better and, let the Committee come up with legislation to address those concerns.

The delay in bringing this bill to the floor today highlights the problems of ignoring the committee process and writing bills in the leadership offices. Welfare reform is too im-

portant of an issue to consider under a process that has more to do with scoring political points than building on what has been successful.

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today in support of our continued effort to reform welfare. Since 1996, more people across the country and in my state of Kentucky have become independent and free from their dependency on welfare. While in my district and through our work in the Ways and Means committee, I've heard their success stories and also learned that we can do more to build upon the 1996 reforms. That is exactly what we are doing today. Our bill focuses on work and education options, provides more flexibility for states and offers more assistance to strengthen families.

One of the things we do in this bill is allow participants in their state welfare programs to choose between job readiness activities and job search activities. They have flexibility to receive the services they need the most, whether that is job search help, basic education, training for a new skill to help them find a job or recovering from substance abuse. For up to five months, taking part in any of these services fulfills their work requirement. Beyond that time, welfare recipients still are able to receive a combination of education-focused and work-focused services so they can become employed and can be successful on their own. Requiring work helps welfare recipients achieve independence and gives them the ability to care for their families.

Last month I attended the graduation ceremony for the Reach Higher welfare to work program in Bowling Green, Kentucky. The state and local flexibility in the 1996 law allowed Reach Higher to develop services to meet community needs, and the program has turned people's lives around. Participants in Reach Higher must work 32 hours per week. They also spend one day each week in life-skills and job training. Reach Higher asks a lot of the participants, and they respond to the challenge because they want a better life and find out that they are able to succeed.

In 1998, a participant found herself trying to raise two small children in public housing with no money and no job. Then she was assigned to Reach Higher and completed the program. She now holds a full time job with the Bowling Green Housing Authority and was approved for a home loan this year. Here is what she had to say: "I began to accomplish things that I thought I would never accomplish alone. I began to want more out of life for myself as well as my children. I worked hard and had additional training classes that I knew would further my skills."

We have been on the right track with welfare. And this bill continues to build on that success. I encourage all of my colleagues to vote for this legislation that gives more families who need help the chance to succeed.

Mr. BUYER. Mr. Speaker, today the House is considering the Personal Responsibility, Work, and Family Promotion Act, H.R. 4737. In keeping with the strong welfare reform principles outlined by President Bush, this legislation would reauthorize a very successful program that encourages personal responsibility and work. H.R. 4737 builds upon the successful reforms instituted in 1996 that I was pleased to support.

Welfare rolls have sharply declined since reform was enacted in 1996. Poverty rates have

declined, employment rates have climbed and wages have increased. H.R. 4737 will build on those successes. This legislation will maintain full funding for the Temporary Assistance for Needy Families (TANF), increase funding by \$2 billion for improved child care programs over the next 5 years, increase State flexibility in use of welfare funding, and promote individuals in job preparation, work, and marriage.

Building on the successful work requirements of the 1996 reform, H.R. 4737 requires welfare recipients to work 40 hours per week, either at a job or in a program designed to help them gain independence.

This is important legislation in the monumental task of bringing Americans out of poverty into independence by raising expectations for work and personal responsibility. H.R. 4737 will further strengthen this nation's economy and workforce to prepare all our citizens for the future. I urge the House to approve this legislation so that the Personal Responsibility, Work and Family Promotion Act can be reauthorized without delay.

Mr. CONYERS. Mr. Speaker, I rise in strong opposition to the Republican Welfare Bill, H.R. 4737.

This welfare bill, of such far-reaching importance, does nothing to help move families out of poverty. In fact, this bill would mean that welfare families would be placed in an impossible situation. The Republican bill requires a 40 hour work week for mothers with children under six. That is twice the current work hour requirement, yet there is an allotment of only \$1 billion additional dollars for child care. Can someone please tell me how a working mother of children under the age of six is supposed to work a minimum 40 hour week without a way to fund the care of her children? And too add insult to injury, this bill doesn't even ensure that she will be compensated with minimum wage for her forty hours of work.

A paltry child care allotment of \$1 billion dollars over the next 5 years is unconscionable. It does not even keep pace with the current rate of inflation, and there are already 15 million American children eligible for child care who are not receiving it due to inadequate funding. This increase does not address the current need, and will certainly not address the need that will grow exponentially if the 40 hour requirement is imposed.

Also, this bill removes education from the current law-list of work related activities. This measure strips needy families of their ability to participate in GED and English literacy programs. With a mandate which strips the ability to obtain a GED and learn English, the playing field can never be level and the condition of needy Americans will continue to deteriorate.

I cannot leave this debate without also addressing the renewed omission of immigrant families from the welfare bill. For the second time, my Republican colleagues intend to deny immigrant families the tools they require to capture the American dream that brought them here. It is hypocritical to celebrate the tradition of America's melting pot while denying the people who make our rich diversity possible.

All of this has been done in the interest of lowering welfare roles. But, inhumanely forcing people off of welfare rolls by requiring them to adhere to conditions that are both fiscally and practically impossible does not constitute progress. Our constituents want the freedom to work while trusting their children to com-

petent and affordable child care providers. Working families in America deserve better than what this Republican inadequacy has to offer.

It is for this reason that I urge my Democratic colleagues to vote yes for the Democratic substitute. It provides a realistic increase of \$11 billion dollars in mandatory child care funding, and increases the role of training and education in improving the condition of our neediest citizens. In addition it includes provisions for our neighbors who have immigrated to this country. Vote "yes" on the Democratic substitute. It is a true step toward ensuring that no child or family is left behind.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong opposition to H.R. 4735, a bill to reauthorize the Temporary Assistance for Needy Families program.

Unfortunately, many of the provisions in this bill are unfair and misguided. One of the most egregious examples, is the impact this legislation will have on single mothers with young children. For example, this bill provides insufficient funding for childcare, yet increases the work requirement from 20 hours a week to 40 hours for mothers with children under the age of 6. While the Republican bill touts the \$1 billion increase in childcare funding over the next 5 years, they fail to note that this increase barely keeps up with inflation, let alone meets the increased demand for childcare created under the bill.

Mr. Speaker, mothers already find it extremely difficult to find safe and adequate day care. With the current backlog of approximately 15 million children waiting for day care due to a lack of funding, this bill will only make a bad situation worse. Disadvantaged single mothers and children are already a vulnerable population. Without sufficient funding for childcare, many of these mothers will be forced to choose between leaving their young children alone, or losing the benefits that help them provide for their children. Congress should be working to help these families get back on their feet—not penalizing them with unrealistic requirements that keep mothers away from their children.

I urge my colleagues to vote against this punitive, unfair and unrealistic bill.

Mr. PETRI. Mr. Speaker, I rise today in support of this bill, which will build upon the tremendous successes of the 1996 welfare reforms. When those reforms were enacted, opponents predicted apocalyptic scenes of poverty and suffering among America's low-income families. Time has proven, however, that those reforms were right. Child poverty is at its lowest level in 25 years and poverty among African-American children is at its lowest level in history. By requiring welfare beneficiaries to work and engage in productive activities, Congress helped change society. Former welfare beneficiaries now testify that by being pushed into work activities, they are now better members of society and better parents to their children.

Although we have moved millions of families off welfare and into work, the road to advancement and self-sufficiency remains a difficult challenge. For a longtime I have been concerned by the disincentives to working hard, earning more money, and marriage that we have created over time. The lack of coordination between federal programs directed towards low-income families has resulted in what I call "The Poverty Trap." As the earn-

ings of low-income families increase, most of their benefits, such as housing, food-stamps, child-care co-payments, and the Earned Income Tax Credit, phase-out in a manner that discourages working harder and advancing in a job. In some cases a pay raise of a dollar an hour can mean the loss of benefits at a rate that exceeds that raise. This effective marginal tax can exceed 100 percent and trap families in poverty. I am pleased that this bill requires the General Accounting Office to undertake a comprehensive study of the obstacles created by the combined phase-outs of low-income support programs and recommend ways to coordinate and reform these programs.

Because of this "Poverty Trap," I also enthusiastically support provisions within this bill which provide states and local governments with the flexibility to implement demonstration projects that coordinate multiple low-income support programs. Under these provisions states can integrate eligible programs as long as those projects serve the populations and achieve the purposes of the underlying programs. This requirement further ensures that beneficiaries of these underlying programs are going to gain, not lose, as a result of these demonstration projects. While I wish these flexibility provisions went further, they are an important step that will enable needed innovation at the state and local level to help families escape poverty. The states have proven to be the laboratories for successful change in our welfare system, and this flexibility will enhance their capabilities. As a recent Wall Street Journal editorial said, the state flexibility provisions help get Washington out of the way of local progress.

I urge all my colleagues who want to help low-income families leave welfare and achieve self-sufficiency to support this bill and the state and local flexibility provisions within it.

Mr. DINGELL. Mr. Speaker, today we are debating the reauthorization of the welfare program. I believe that we have a responsibility to help families transition into the work force and provide essential support to make work pay. The Democratic substitute will do that. Regrettably, the Republican bill will not.

I focus these remarks on two provisions within this reauthorization that were considered by the Committee on Energy and Commerce: transitional medical assistance (TMA) and abstinence-only education. TMA is a program that provides health insurance coverage for families leaving welfare to go back to work. It is a program that makes good sense. Individuals moving off welfare often wind up in jobs that do not offer health insurance coverage or find that employer-sponsored coverage is too costly on the family's limited budget. TMA allows these families to keep their health insurance coverage in Medicaid so that getting a job doesn't mean losing health coverage. The Republican bill, however, only extends this program for one year; many of us prefer making this common-sense program permanent, as the Democratic substitute provides. Of added concern, Republicans would cut other parts of the Medicaid program in order to pay for this extension. For some reason, Republicans believe the only way they can afford to help working families is if they cut other parts of safety net programs that truly allow the poor to work. This is illogical and I oppose it.

The second provision extends the Title V abstinence-only sex education program, but

locks states in to an inflexible curriculum; it is controversial, and rightly so. The Democratic substitute to this bill provides states with the flexibility to offer programs that are best suited to the needs and desires of their citizens and to ensure that federal funds are spent on effective programs that provide medically accurate information. State flexibility allows each state to use federal funds to support the abstinence-based comprehensive sex education program it determines will be most effective in protecting its young people's health. Many leading public and private sector health experts recommend school-based comprehensive sex education programs, yet states are unable to fund these types of programs with federal dollars.

The Democratic substitute also contains a requirement that Title V programs provide information that is determined to be "medically accurate" by leading medical, psychological, psychiatric, and public health organizations. Some abstinence-only programs are actually harmful to teenagers because they provide incomplete, inaccurate, and misleading information with regard to contraceptives, pregnancy, and sexually transmitted diseases. Depriving teens of medically accurate information will not protect them; it will only make them more vulnerable to the very problems that such information is supposed to prevent.

The substitute also requires Title V programs be based on models that have demonstrated effectiveness in reducing teen pregnancies or the transmission of sexually transmitted diseases or HIV/AIDS, and calls for a comparative evaluation of programs so policymakers can determine the relative merits of abstinence-only programs versus comprehensive school-based, age-appropriate, sex education curricula.

The Democratic substitute maintains state flexibility, helps welfare recipients to find real work, helps families escape poverty, removes the sunset on TMA, and makes important changes in the abstinence education provisions. I support it.

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 4737—the "Personal Responsibility, Work, and Family Promotion Act."

As Chairman of the Committee on Financial Services, and an original cosponsor of the legislation, I want to lend my support to H.R. 4737's State flexibility authority that cuts statutory and regulatory red tape, to allow States and/or local governments to conduct demonstration projects to integrate Federal programs and funds. Under the plan, entities, such as the public housing authority, and the local and State governments could petition a Federal review board for this broadened authority, with the appropriate Secretary exercising veto authority over the plan.

As example of this waiver could be a childcare center and a local public housing agency jointly petitioning the Federal Review Board to waive the regulations and requirements of their applicable programs to achieve a certain purpose. H.R. 4737 will knock down firewalls and bureaucratic obstacles that many housing organizations complain about when attempting to blend programs from different agencies.

This proposal represents an opportunity to permit some innovation in Federal programs aimed at tackling the problem of service delivery, poverty, and a permanent underclass. Everyone should have the opportunity to move beyond public housing and homeless shelters

to fully integrate in the private sector through rental and homeownership opportunities. We have heard time and time again that we need to blend more of the programs from HHS and HUD, for example, to tackle hopelessness. H.R. 4737 gives us that opportunity.

Moreover, to ensure that residents in public housing have an opportunity to comment and participate in the development's strategic plan, H.R. 4737 requires that the concerns of the residents to be incorporated into not only the annual strategic plan submitted by the Public Housing Authority but also the application for State flexibility. This will provide a significant opportunity for collaboration between the public housing authority management, residents and the administrators of other entities to craft demonstrations that will achieve meaningful results, as opposed to a dictate from top-management only. I can't underscore the importance of resident/tenant participation to the eventual success of these applications and demonstrations. For that purpose, H.R. 4737 is noteworthy.

One of the reasons the '96 welfare reforms were so successful is that states had the flexibility and leeway to shape their welfare programs in innovative ways. This bill enhances that flexibility, offering "flexibility" to allow states to integrate funding to improve services. As Health & Human Services Secretary and former Wisconsin Gov. Tommy Thompson said, flexibility is "what the governors need and that's what the governors will have."

This new flexibility will help States create broad, comprehensive assistance programs for needy families—as long as they achieve the purpose of the underlying program and continue to target those in need. This new flexibility will help States design fully integrated assistance programs that could revolutionize service delivery. The exemptions included in H.R. 4737 should alleviate any concerns that fundamental rights and protections are jeopardized. Those exemptions are: (1) civil rights; (2) purposes or goals of any program; (3) maintenance of effort requirements; (4) health and safety; (5) labor standards under the Fair Labor Standards Act of 1938; or (6) environmental protection.

I urge my colleagues to support H.R. 4737.

Ms. SOLIS. Mr. Speaker, I rise in strong opposition to this welfare bill.

It does nothing to help people get the education and training they need to earn high-paying jobs that will lift them out of poverty and support their families. In California, more than half of our welfare caseload doesn't have a high school degree. And in my community in Los Angeles County, 41 percent of the welfare caseload has limited proficiency in English.

These women and men want to be working, but they need education and training that includes English as a Second Language courses, high school equivalency programs, and college courses first. Only the Democratic substitute allows this kind of education. So I urge my colleagues to vote against the Republican bill.

Mr. STARK. Mr. Speaker, I rise in strong opposition to H.R. 4737, the so-called Personal Responsibility, Work and Family Promotion Act of 2002.

This Republican bill is bad public policy and hurts people who really need help. The Republicans, unfortunately, care more about looking tough on welfare than they do about lifting poor people out of poverty. Poor people

don't vote, they think, so it's easy to write them off. That's a disgrace. This bill abrogates our responsibility to make laws that protect and lift up all of our citizens.

The bill's added work requirements reduce state flexibility to tailor a work plan for each individual welfare recipient. The Republican plan limits the activities that states can count as work activities for the first 24 hours out of 40 hours of work. This eliminates the capability for poor people to spend most of their first years on welfare building their jobs skills through education. The more skills a worker has, the better job he or she will get. Moreover, this requirement traps poor people in welfare or traps them at the poverty level. In Alabama, Louisiana, Mississippi, Wyoming, and Texas, for example, anyone who works 24 hours a week at minimum wage would not be eligible for welfare at all. In other words, they would earn too much to get state help, but not enough to get out of poverty. It's a catch-22!

The next major flaw in this bill is its paltry, inadequate commitment to child care. Evidence shows that an overwhelming obstacle for welfare parents who want to work is the lack of quality, affordable childcare for their children. This bill totally ignores the current need for childcare funds. Right now, less than one in five children who are eligible for childcare assistance actually get it. Not only does this bill do nothing for the current childcare pitfall, it also increases the amount of hours that welfare recipients must work without providing an equivalent increase in childcare funding.

Finally, the Republican bill spends \$300 million dollars to promote marriage between welfare recipients. This misguided policy intrudes on private decisions between adults and takes needed funds away from programs that actually help raise poor people out of poverty. In addition, government interference in promoting or coercing people to marry could have unintended, tragic consequences. According to a joint report by the Departments of Justice and Health and Human Services, 25 percent of women said they have been raped or physically assaulted by their current or former spouse. More alarming still, research shows that 60 percent of women on welfare have suffered from domestic violence. As these statistics confirm, if government were to encourage or coerce someone on welfare to get married, it would not guarantee a healthier or safer family, and it could endanger the lives of mothers and children.

Our Democratic alternative, on the other hand, addresses the real problems facing our welfare system today. Our bill makes poverty reduction an explicit goal of TANF. Republicans just want to kick people off of welfare; Democrats want to lift people out of poverty. Our bill has work requirements that are broad and flexible to allow welfare recipients to spend time job searching, to get vocational and post-secondary education, and to enroll in substance abuse programs, if necessary. The Democratic bill increases our commitment to affordable, quality childcare. If we want welfare parents to work, then they shouldn't have to abandon their kids to do so. Our bill rewards those states who reduce child poverty, giving them an incentive to really act on this issue.

The Republican welfare bill has the wrong priorities, spends money where it shouldn't

and does nothing to equip welfare beneficiaries with the tools they need to get out of poverty. I urge my colleagues to vote no on H.R. 4737 and to support the Democratic alternative.

Mr. HONDA. Mr. Speaker, I rise today to express my opposition to H.R. 4737, the Republican welfare reform bill; a bill that will push millions of American families off the welfare rolls into a life of poverty.

America is the land of opportunity and in today's economic market, education is the key to that opportunity. Higher levels of education lead to higher earnings. Greater educational opportunities also increase women's income, raise their children's educational goals, and have a dramatic impact on their quality of life. Research shows that families headed by someone with a high school diploma earn almost 50 percent more than families headed by someone without at least a GED. In California alone, recipients who participate in education and training activities enjoyed earnings almost 40 percent higher than those of untrained recipients after 5 years.

Welfare laws need to emphasize general education as a critical first step to achieving economic security. However, the Republican welfare reform bill goes in the wrong direction by restricting State discretion to provide education and training to welfare recipients. The bill goes so far as to remove vocational education from the current law's list of work-related activities that count toward the core work requirement.

When reviewing our Nation's welfare laws, we must also remember that work first policies do not just affect adult individuals. We are talking about families, with children who require quality and affordable child care while parents are working. It is an unfortunate reality that many of the jobs performed by TANF parents involve late night hours or irregular shifts, when quality child care is hard to find. These circumstances are especially harsh for families with young children and children with disabilities. Even when childcare is available, most jobs do not pay enough to cover food, housing and utilities, let alone cover the child care bill. This is especially critical in my district of San Jose, which has some of the highest child care costs in the State of California.

Congress needs to stand up for working families by making safe, quality child care accessible for all children. Fifteen million children in this country are now eligible for day care assistance, but are not currently covered because States lack sufficient resources. However, the Republican welfare reform bill increases mandatory child care funding by only \$1 billion over the next 5 years—barely enough to keep pace with inflation, and nowhere near enough to implement the bill's new participation requirements.

The Republican welfare reform bill also neglects a critical community in this country—legal immigrant families. Legal immigrant families work and pay taxes, yet cannot access TANF benefits. Legal immigrants pay the same taxes as citizens. This country reaps \$50 billion from taxes paid by immigrants to all levels of government. Legal immigrants should therefore share equally in taxpayer funded services. Current TANF regulations place undue burdens on State and local governments, who are forced to use state funding to extend benefits to these deserving families. This is especially true for states with large im-

migrant populations, such as my State of California which has a 25 percent immigrant population. The Republican welfare reform bill does nothing to correct this injustice. In fact, it maintains the current restrictions against legal immigrant families.

Welfare reform will only succeed when it is adequately funded. Our Nation's families cannot be expected to succeed off the welfare rolls if they lack access to TANF benefits, educational opportunities, and affordable child care. That is why I am pleased to support the Democratic proposal that maintains State flexibility, focuses on real work, and helps families escape poverty and achieve permanent employment. The Democratic proposal has tough work requirements, promotes education as a means of financial stability, and increases childcare funding \$11 billion over 5 years, so that the tough work requirements can be met without harming the children of those receiving benefits. The Democratic proposal also lifts the ban on federal funds for legal immigrant families.

Mr. Speaker, accountability is a two-way street. Congress must commit the necessary resources to make welfare reform a success. Only then will we leave no family behind.

Mr. UDALL of New Mexico. Mr. Speaker, let me begin by saying that if we are to be successful with moving people from welfare to work, then we must make sure there are adequate resources for transportation, childcare and training. In rural America, Mr. Speaker, I can tell you these services are critical.

I have several concerns with the H.R. 4737's strict and unrealistic work requirements. These requirements are a bad idea for any area of the country, but particularly in the areas of rural New Mexico that I represent. With the extreme unemployment in rural areas and in tribal lands, the idea of imposing harsher requirements is not just unrealistic, it is bad social policy.

For that reason, I introduced an amendment that would have provided much-needed flexibility to states struggling to cope with extremely poor areas with high unemployment. Unfortunately, the Republican leadership has chosen not to allow Democratic amendments today. As I said before, that is not a democratic process. It does not serve this body well. It does not serve the country well.

TANF recipients in rural or tribal areas who wish to move into gainful employment are faced with a tight job market aggravated by the lack of economic development. The last 6 years have shown that rural and Native American TANF recipients were far less likely to leave the TANF roles, and those who left were far more likely to quickly find themselves unemployed or barely scraping by. Some tribal lands have unemployment rates approaching 80 percent and the national poverty rate on tribal lands is 54 percent. Those who are lucky enough to find jobs must overcome the woeful inadequacy of transportation and childcare that is so common in rural and tribal areas.

In today's economic conditions, it is unreasonable to expect State and tribal TANF programs to enforce the strict and unfair work requirements being proposed by the administration. TANF recipients in these areas cannot be expected to find jobs where there simply are no jobs, or inadequate services to make a working lifestyle possible. Governors, legislatures, TANF caseworkers and the American people all agree that it is unreasonable to de-

mand quick results in areas where residents face such significant barriers to employment.

Even without the new work requirements, Native American tribes that have chosen to run their own TANF programs need assistance. While these programs have made admirable strides in serving their populations, they still face many problems. Many State TANF programs are unable to assist tribal programs, and tribes are left with insufficient funds to provide cash assistance and other programs. Ironically, those that can afford cash payments are often forced to forego programs intended to move people from welfare to work. This is all tribes can afford in the short term, but in the long term this path is extremely expensive, both in terms of dollars and in terms of human suffering.

Many tribal TANF programs need help to develop the infrastructure that state and Federal welfare programs already have. Tribal programs must struggle to provide services from dilapidated buildings, and they do not have the resources to reorganize and modernize their facilities.

The Nation's rural and tribal areas need flexibility and support, not unrealistic work requirements. As we work to bring TANF into the 21st century, let us not forget the obstacles and challenges facing rural areas; let us work to assist them in overcoming those challenges and pursuing a vibrant future.

Unfortunately, Mr. Speaker, the majority's bill falls far short in addressing these problems for rural Americans and those living in Indian country. I urge my colleagues to support the Democratic substitute and vote "no" on final passage of this unfair bill.

Mr. LANGEVIN. Mr. Speaker, I rise in opposition not only to this bill, but to the entire process for its consideration today.

Meaningful democracy in America requires open, honest debate in the U.S. Congress. The Republican leadership has blocked this opportunity by passing a rule that only allows for one substitute amendment. Their new rule just passed today is equally restrictive.

Welfare reform affects every State and locality throughout the country. Members have a right to engage in extended dialogue on this legislation and to offer amendments to strengthen the bill. This is particularly necessary due to the numerous problems with H.R. 4737.

This so-called welfare reform bill level funds one of the most important national programs Congress has ever created and imposes massive, costly new mandates on States that they cannot afford.

Today's economy is vastly different than it was when welfare reform was first enacted. Six years ago, the economy was booming, unemployment was at a 50-year low, and employers were straining to find qualified workers. Today, the unemployment level is higher than it's been in years. Workers are more vulnerable, and employers and struggling to keep costs down by laying people off cutting employee benefits and raising the workers' share of health insurance premiums. In Rhode Island, 35,000 children—15 percent of all the children in the State—are still living in poverty despite the fact that their parents are working. With the economic boon long gone, H.R. 4737 needs to provide increased funding, not level funding with expensive new mandates, for this vital program.

Eighty percent of the States report they would have to implement fundamental

changes to their current welfare programs in order to comply with H.R. 4737 which is precisely why I cannot support it.

Rhode Island has developed an effective welfare to work program that moves parents into sustainable jobs as quickly as possible in a way that is consistent with their employment readiness needs. Under the Rhode Island Family Independence Program (FIP), all parents are required to develop and participate in an employment plan within 40 days of applying for cash assistance.

Rhode Island also provides a cash supplement to low-wage-earning families and stops the 5-year clock in any month in which the parent works at least 30 hours. This provides much-needed stability for vulnerable families and ensures that children live in families with enough income to meet their basic needs.

What makes the Rhode Island Family Independence Program so effective is that its employment preparedness activities are tailored to the parents' needs and include a range of education and training services to help parents become job-ready. The program recognizes that 25 to 40 percent of welfare recipients have learning disabilities by identifying such individuals early and providing specialized assistance in preparing for, finding and maintaining a job. In fact, the Rhode Island Learning Disabilities Project, a collaboration between the Department of Human Services and the Vocational Rehabilitation program, has received national recognition for ensuring that parents receive the services they need to become gainfully employed.

Since 1997, Rhode Island has seen a slow but steady decrease in its caseload from 18,904 to 14,972. This progress is not due to harsh cuts in benefits or forcing people to work without access to education and job training, but to prudent State policies that examine the holistic needs of the family and tailor assistance to help individuals gain the skills to obtain and retain meaningful jobs.

Moreover, a recent report, "Rhode Island's Family Independence Act: Research Demonstrates Wisdom of Putting Families First," concluded that the Rhode Island Family Independence Program is working. Among other findings, the report found that parents who participated in education and training had significantly higher levels of both employment and earnings as compared to the period before welfare reform was begun in Rhode Island.

If H.R. 4737 becomes law, the progress Rhode Island has made in helping parents gain sustainable jobs and overcome significant barriers to employment will come to a halt. Rhode Island would need to radically change its program or risk significant fiscal penalty for failing to meet the new participation rates. In addition, since Federal TANF and childcare funds would not be increased, Rhode Island would need to find additional State funds to meet the new requirements. These funds simply do not exist.

If this bill is enacted, the Rhode Island Department of Human Services estimates it would cost an additional \$5.6 million in childcare costs—31.2 percent of the current expenditures for childcare—about \$3 million more for employment-related and other services designed to offer participation opportunities and get parents into work, and about \$1.1 million for additional social work and case management staff. In addition, if Rhode Island

does not follow the new participation rates, it will lose \$4.5 million per year in TANF funds. The bill also does not include guaranteed minimum wage protections even though 39 States could not fulfill the bill's work requirement without violating the current minimum wage rate for a two-person family.

Further, the bill's requirement that parents spend at least 24 of their 40 hours in "direct work activities" to count toward the participation rate, would turn Rhode Island FIP on its head. It would no longer be able to allow parents to engage in education or training prior to going to work, even though this is the best way to prepare a parent for sustainable employment.

Currently, there are 1,000 parents participating in vocational education programs that would no longer count toward the participation requirement.

Finally, the superwaiver policy in this bill is unnecessary and irresponsible. Allowing the Executive branch to override decisions made by Congress to target funds to specific populations or for specific programs undermines the safety net of services the States have worked so hard to build. Flexibility in Federal funding is precisely what was needed in 1996 to change the system and empower individuals to move from welfare dependence to self-sufficiency. That flexibility spurred the success we see today in States like Rhode Island. Maintaining the ability to waive certain program rules to improve service delivery and coordination makes sense. Giving authority to one branch of government to completely redesign and redirect resources does not.

The Republican so-called welfare reform bill is a sham. It ignores the accomplishments States have already made in moving people from welfare to work. It limits State flexibility and imposes work requirements most States have rejected, while making it much harder for welfare recipients to become economically independent by eliminating education from the list of activities that count as a work-related activity. Education opens the door to higher earnings and a better quality of life. It is critical to effectively move people from welfare to meaningful, long-term employment.

Mr. Speaker, I must encourage my colleagues to oppose this legislation. It does nothing to strengthen our welfare system and imposes costly burdens on our States at a time when they cannot afford it.

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CARDIN

Mr. CARDIN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. CARDIN:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Next Step in Reforming Welfare Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Amendment of Social Security Act.

TITLE I—CONTINUATION OF CERTAIN GRANTS

Sec. 101. Family assistance grants.

Sec. 102. Bonus to reward high performance States.

Sec. 103. Extension of supplemental grants.

Sec. 104. Additional grants for States with low Federal funding per poor child.

Sec. 105. Contingency Fund.

Sec. 106. Eligibility of Puerto Rico, the United States Virgin Islands, and Guam for the supplemental grant for population increases, the Contingency Fund, and mandatory child care funding.

Sec. 107. Direct funding and administration by Indian tribes.

TITLE II—POVERTY REDUCTION

Sec. 201. Additional purpose of TANF program.

Sec. 202. Child poverty reduction grants.

Sec. 203. Review and conciliation process.

Sec. 204. Replacement of caseload reduction credit with employment credit.

Sec. 205. States to receive partial credit toward work participation rate for recipients engaged in part-time work.

Sec. 206. TANF recipients who qualify for supplemental security income benefits removed from work participation rate calculation for entire year.

Sec. 207. State option to include recipients of substantial child care or transportation assistance in work participation rate.

Sec. 208. Effective date.

TITLE III—REQUIRING AND REWARDING WORK

Sec. 301. Effect of wage subsidies on 5-year limit.

Sec. 302. Child care.

Sec. 303. Competitive grants to improve access to various benefit programs.

Sec. 304. Assessments for TANF recipients.

Sec. 305. Applicability of workplace laws.

Sec. 306. Work participation requirements.

Sec. 307. Hours of work-related activities.

Sec. 308. State option to require recipients to engage in work for 40 hours per week.

Sec. 309. Revision and simplification of the transitional medical assistance program (tma).

Sec. 310. Ensuring TANF funds are not used to displace public employees.

TITLE IV—HELPING WELFARE LEAVERS CLIMB THE EMPLOYMENT LADDER

Sec. 401. State plan requirement on employment advancement.

Sec. 402. Employment Advancement Fund.

Sec. 403. Elimination of limit on number of TANF recipients enrolled in vocational education or high school who may be counted towards the work participation requirement.

Sec. 404. Counting of up to 2 years of vocational or educational training (including postsecondary education), work-study, and related internships as work activities.

Sec. 405. Limited counting of certain activities leading to employment as work activity.

Sec. 406. Clarification of authority of States to use TANF funds carried over from prior years to provide TANF benefits and services.

Sec. 407. Definition of assistance.

TITLE V—PROMOTING FAMILY FORMATION AND RESPONSIBLE PARENTING

- Sec. 501. Family Formation Fund.
 Sec. 502. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.
 Sec. 503. Elimination of separate work participation rate for 2-parent families.
 Sec. 504. Ban on imposition of stricter eligibility criteria for 2-parent families; State opt-out.
 Sec. 505. Extension of abstinence education funding under maternal and child health program.

TITLE VI—RESTORING FAIRNESS FOR IMMIGRANT FAMILIES

- Sec. 601. Treatment of aliens under the TANF program.
 Sec. 602. Optional coverage of legal immigrants under the medicaid program and SCHIP.
 Sec. 603. Eligibility of disabled children who are qualified aliens for SSI.

TITLE VII—ENSURING STATE ACCOUNTABILITY

- Sec. 701. Inflation adjustment of maintenance-of-effort requirement.
 Sec. 702. Ban on using Federal TANF funds to replace State and local spending that does not meet the definition of qualified State expenditures.

TITLE VIII—IMPROVING INFORMATION ABOUT TANF RECIPIENTS AND PROGRAMS

- Sec. 801. Extension of funding of studies and demonstrations.
 Sec. 802. Longitudinal studies of employment and earnings of TANF leavers.
 Sec. 803. Inclusion of disability status in information States report about TANF families.
 Sec. 804. Annual report to the Congress to include greater detail about State programs funded under TANF.
 Sec. 805. Enhancement of understanding of the reasons individuals leave State TANF programs.
 Sec. 806. Standardized State plans.
 Sec. 807. Study by the Census Bureau.
 Sec. 808. Access to welfare; welfare outcomes.

TITLE IX—EFFECTIVE DATE

- Sec. 901. Effective date.

SEC. 3. AMENDMENT OF SOCIAL SECURITY ACT.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—CONTINUATION OF CERTAIN GRANTS

SEC. 101. FAMILY ASSISTANCE GRANTS.

(a) IN GENERAL.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended by striking “1996” and all that follows through “2002” and inserting “2003 through 2007”.

(b) INFLATION ADJUSTMENT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended—

(1) in subparagraph (B)—
 (A) by striking “means the greatest of—” and inserting “means, with respect to a fiscal year specified in subparagraph (A) of this paragraph—

“(i) the greatest of—”;

(B) by redesignating each of clauses (i), (ii)(I), (ii)(II), and (iii) as subclauses (I), (II)(aa), (II)(bb), and (III), respectively;

(C) by indenting each of the provisions specified in subparagraph (B) of this paragraph 2 additional ems to the right;

(D) by striking the period and inserting “; multiplied by”;

(E) by adding at the end the following:

“(ii) 1.00, plus the inflation percentage (as defined in subparagraph (F) of this paragraph) in effect for the fiscal year specified in subparagraph (A) of this paragraph.”; and
 (2) by adding at the end the following:

“(F) INFLATION PERCENTAGE.—For purposes of subparagraph (B) of this paragraph, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

“(i) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on September 30 of the immediately preceding fiscal year; exceeds

“(ii) the average of the Consumer Price Index (as so defined) for the 12-month period ending on September 30, 2001.”.

SEC. 102. BONUS TO REWARD HIGH PERFORMANCE STATES.

Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended—

(1) in subparagraph (D), by striking “\$1,000,000,000” and inserting “\$1,800,000,000”;

(2) in subparagraph (E), by striking “and 2003” and inserting “2003, 2004, 2005, 2006, and 2007”;

(3) in subparagraph (F), by striking “2003 \$1,000,000,000” and inserting “2002 \$800,000,000, and for fiscal years 2003 through 2007 \$1,000,000,000.”.

SEC. 103. EXTENSION OF SUPPLEMENTAL GRANTS.

Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking “and” at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting “; and”;

(C) by adding at the end the following:

“(iii) for each of fiscal years 2003 through 2007, a grant in an amount equal to the amount required to be paid to the State under this paragraph in fiscal year 2001.”;

(2) in subparagraph (E), by striking “1998” and all that follows and inserting “2003 through 2007 \$1,597,250,000 for grants under this paragraph.”;

(3) by striking subparagraph (G).

SEC. 104. ADDITIONAL GRANTS FOR STATES WITH LOW FEDERAL FUNDING PER POOR CHILD.

Section 403(a) (42 U.S.C. 603(a)) is amended by adding at the end the following:

“(6) ADDITIONAL GRANTS FOR STATES WITH LOW FEDERAL FUNDING PER POOR CHILD.—

“(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to a State—

“(i) for fiscal year 2003, if the State is an inadequately poverty-funded State for fiscal year 2002; and

“(ii) for any of fiscal years 2004 through 2007, if the State is an inadequately poverty-funded State for any prior fiscal year after fiscal year 2002.

“(B) INADEQUATELY POVERTY-FUNDED STATE.—For purposes of this paragraph, a State is an inadequately poverty-funded State for a particular fiscal year if—

“(i) the total amount of the grants made to the State under paragraph (1), paragraph (3), and this paragraph for the particular fiscal year, divided by the number of children in poverty in the State with respect to the particular fiscal year is less than 75 percent of the total amount of grants made to all eligible States under paragraph (1), paragraph (3), and this paragraph for the particular fiscal year, divided by the total number of children living in poverty in all eligible States with respect to the particular fiscal year; and

“(ii) the total of the amounts paid to the State under this subsection for all prior fis-

cal years that have not been expended by the State by the end of the preceding fiscal year is less than 50 percent of State family assistance grant for the particular fiscal year.

“(C) AMOUNT OF GRANT.—The amount of the grant to be made under this paragraph to a State for a particular fiscal year shall be—
 “(i) if the particular fiscal year is fiscal year 2003, an amount equal to—

“(I) the number of children in poverty in the State for the then preceding fiscal year, divided by the total number of children in poverty in all States that are inadequately poverty-funded States for the then preceding fiscal year; multiplied by

“(II) the amount appropriated pursuant to subparagraph (G) for the particular fiscal year; or

“(ii) if the particular fiscal year is any of fiscal years 2004 through 2007, an amount equal to—

“(I) the amount required to be paid to the State under this paragraph for the then preceding fiscal year; plus

“(II) if the State is an inadequately poverty-funded State for the then preceding fiscal year—

“(aa) the number of children in poverty in the State for the then preceding fiscal year, divided by the total number of children in poverty in all States that are inadequately poverty-funded States for the then preceding fiscal year; multiplied by

“(bb) the amount appropriated pursuant to subparagraph (G) for the particular fiscal year.

“(D) USE OF GRANT.—A State to which a grant is made under this paragraph shall use the grant for any purpose for which a grant made under this part may be used.

“(E) DEFINITIONS.—In this paragraph:

“(i) CHILDREN IN POVERTY.—The term ‘children in poverty’ means, with respect to a State and a fiscal year, the number of children residing in the State who had not attained 18 years of age and whose family income was less than the poverty line then applicable to the family, as of the end of the fiscal year.

“(ii) POVERTY LINE.—The term ‘poverty line’ has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

“(F) FAMILY INCOME DETERMINATIONS.—For purposes of this paragraph, family income includes cash income, except cash benefits from means-tested public programs and child support payments.

“(G) APPROPRIATIONS.—

“(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for grants under this paragraph—

“(I) \$65,000,000 for fiscal year 2003;

“(II) \$130,000,000 for fiscal year 2004;

“(III) \$195,000,000 for fiscal year 2005;

“(IV) \$260,000,000 for fiscal year 2006; and

“(V) \$325,000,000 for fiscal year 2007.

“(ii) AVAILABILITY.—Amounts made available under clause (i) shall remain available until expended.”.

SEC. 105. CONTINGENCY FUND.

(a) IN GENERAL.—Section 403(b) (42 U.S.C. 603(b)) is amended—

(1) in paragraph (2), by striking “1997” and all that follows and inserting “2003 through 2007 such sums as are necessary for payments under this subsection”; and

(2) in paragraph (3), by striking subparagraph (C) and inserting the following:

“(C) LIMITATION ON MONTHLY PAYMENT TO A STATE.—The total amount paid to a single State under subparagraph (A) during a fiscal year shall not exceed 20 percent of the State family assistance grant.”.

(b) APPLICATION OF REGULAR MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10)

(42 U.S.C. 609(a)(10)) is amended by striking "100 percent of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection)" and inserting "the applicable percentage (as defined in paragraph (7)(B)(ii) of this subsection) of inflation-adjusted historic State expenditures (as defined in paragraph (7)(B)(vi) of this subsection)".

(c) **MODIFICATION OF UNEMPLOYMENT TEST TO BECOME NEEDY STATE.**—Section 403(b)(5)(A) (42 U.S.C. 603(b)(5)(A)) is amended to read as follows:

"(A) the average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the most recent 3 months for which data are available has increased by the lesser of 1.5 percentage points or by 50 percent over the corresponding 3-month period in the preceding fiscal year; or".

(d) **MODIFICATION OF FOOD STAMP TEST TO BECOME NEEDY STATE.**—Section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) is amended to read as follows:

"(B) as determined by the Secretary of Agriculture, the monthly average number of households (as of the last day of each month) that participated in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by at least 10 percent the monthly average number of households (as of the last day of each month) in the State that participated in the food stamp program in the corresponding 3-month period in the preceding fiscal year.".

(e) **SIMPLIFICATION OF RECONCILIATION FORMULA.**—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended to read as follows:

"(6) **ANNUAL RECONCILIATION.**—

"(A) **IN GENERAL.**—Notwithstanding paragraph (3), if the Secretary makes a payment to a State under this subsection in a fiscal year, then the State shall remit to the Secretary, within 1 year after the end of the first subsequent period of 3 consecutive months for which the State is not a needy State, an amount equal to the amount (if any) by which—

"(i) the maintenance of effort level (as defined in subparagraph (B)(i) of this paragraph) for the fiscal year, plus the State contribution (as defined in subparagraph (B)(ii) of this paragraph) in the fiscal year; exceeds

"(ii) the qualified State expenditures (as defined in section 409(a)(7)(B)(i) in the fiscal year.

"(B) **DEFINITIONS.**—In subparagraph (A):

"(i) **MAINTENANCE OF EFFORT LEVEL.**—The term "maintenance of effort level" means, with respect to a State and a fiscal year, an amount equal to the applicable percentage of historic State expenditures (as defined in section 409(a)(7)(B)) for the fiscal year.

"(ii) **STATE CONTRIBUTION.**—The term "State contribution" means, with respect to a fiscal year—

"(I) the total amount paid to the State under this subsection in the fiscal year; multiplied by

"(II) 1 minus the greater of 75 percent or the Federal medical assistance percentage for the State (as defined in section 1905(b)), divided by the greater of 75 percent or the Federal medical assistance percentage for the State (as defined in section 1905(b)).".

(f) **INCREASE IN NUMBER OF MONTHS FOR WHICH STATE MAY QUALIFY FOR PAYMENTS.**—Section 403(b)(4) (42 U.S.C. 603(b)(4)) is amended by striking "2-month" and inserting "3-month".

SEC. 106. ELIGIBILITY OF PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, AND GUAM FOR THE SUPPLEMENTAL GRANT FOR POPULATION INCREASES, THE CONTINGENCY FUND, AND MANDATORY CHILD CARE FUNDING.

(a) **SUPPLEMENTAL GRANT FOR POPULATION INCREASES.**—

(1) **IN GENERAL.**—Section 403(a)(3)(D)(iii) (42 U.S.C. 603(a)(3)(D)(iii)) is amended by striking "and the District of Columbia." and inserting "the District of Columbia, Puerto Rico, the United States Virgin Islands, and Guam. For fiscal years beginning after the effective date of this sentence, this paragraph shall be applied and administered as if the term 'State' included the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam for fiscal year 1998 and thereafter.".

(2) **GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.**—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by inserting "or any payment made to the Commonwealth of Puerto Rico, the United States Virgin Islands, or Guam under section 403(a)(3)" before the period.

(b) **CONTINGENCY FUND.**—

(1) **IN GENERAL.**—Section 403(b)(7) (42 U.S.C. 603(b)(7)) is amended by striking "and the District of Columbia" and inserting "the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam.".

(2) **GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.**—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by subsection (a)(2) of this section, is amended by inserting "or 403(b)" after "403(a)(3)" before the period.

(c) **CHILD CARE ENTITLEMENT FUNDS.**—

(1) **IN GENERAL.**—Section 418(d) (42 U.S.C. 618(d)) is amended by striking "and the District of Columbia" and inserting "the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam.".

(2) **AMOUNT OF PAYMENT.**—

(A) **GENERAL ENTITLEMENT.**—Section 418(a)(1) (42 U.S.C. 618(a)(1)) is amended by striking "the greater of—" and all that follows and inserting the following:

"(A) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam, 60 percent of the amount required to be paid to the State for fiscal year 2001 under the Child Care and Development Block Grant Act of 1990; or

"(B) in the case of any other State, the greater of—

"(i) the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to expenditures for child care under subsections (g) and (i) of section 402 (as in effect before October 1, 1995); or

"(ii) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the subsections referred to in clause (i).";

(B) **ALLOTMENT OF REMAINDER.**—Section 418(a)(2)(B) (42 U.S.C. 618(a)(2)(B)) is amended to read as follows:

"(B) **ALLOTMENTS TO STATES.**—Of the total amount available for payments to States under this paragraph, as determined under subparagraph (A) of this paragraph—

"(i) an amount equal to 65 percent of the amount required to be paid to each of the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam for fiscal year 2001 under the Child Care and Development Block Grant Act of 1990, shall be allotted to the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam, respectively; and

"(ii) the remainder shall be allotted among the other States based on the formula used

for determining the amount of Federal payments to each State under section 403(n) of this Act (as in effect before October 1, 1995).".

(3) **GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.**—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by subsections (a)(2) and (b)(2) of this section, is amended by striking "or 403(b)" and inserting "403(b), or 418".

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 2002, and shall apply to expenditures for fiscal years beginning with fiscal year 2003.

SEC. 107. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) **TRIBAL FAMILY ASSISTANCE GRANT.**—Section 412(a)(1) (42 U.S.C. 612(a)(1)) is amended by striking "1997, 1998, 1999, 2000, and 2001" and inserting "2003 through 2007".

(b) **GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.**—Section 412(a)(2) (42 U.S.C. 612(a)(2)) is amended by striking "1997, 1998, 1999, 2000, and 2001" and inserting "2003 through 2007".

TITLE II—POVERTY REDUCTION

SEC. 201. ADDITIONAL PURPOSE OF TANF PROGRAM.

Section 401(a) (42 U.S.C. 601(a)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "and"; and

(3) by adding at the end the following:

"(5) reduce the extent and severity of poverty and promote self-sufficiency among families with children.".

SEC. 202. CHILD POVERTY REDUCTION GRANTS.

Section 403(a) (42 U.S.C. 603(a)) is further amended by adding at the end the following:

"(7) **BONUS TO REWARD STATES THAT REDUCE CHILD POVERTY.**—

"(A) **IN GENERAL.**—Beginning with fiscal year 2003, the Secretary shall make a grant pursuant to this paragraph to each State for each fiscal year for which the State is a qualified child poverty reduction State.

"(B) **AMOUNT OF GRANT.**—

"(i) **IN GENERAL.**—Subject to this subparagraph, the amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be an amount equal to—

"(I) the number of children who had not attained 18 years of age by the end of the then most recently completed calendar year and who resided in the State as of the end of such calendar year, divided by the number of such children who resided in the United States as of the end of such calendar year; multiplied by

"(II) the amount appropriated pursuant to subparagraph (F) for the fiscal year.

"(ii) **LIMITATIONS.**—

"(I) **MINIMUM GRANT.**—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be not less than \$1,000,000.

"(II) **MAXIMUM GRANT.**—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall not exceed an amount equal to 5 percent of the State family assistance grant for the fiscal year.

"(iii) **PRO RATA INCREASE.**—If the amount available for grants under this paragraph for a fiscal year is greater than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(II), be increased by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.

“(iv) PRO RATA REDUCTION.—If the amount available for grants under this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(I), be reduced by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.”

“(C) USE OF GRANT.—A State to which a grant is made under this paragraph shall use the grant for any purpose for which a grant made under this part may be used.

“(D) DEFINITIONS.—In this paragraph:

“(i) QUALIFIED CHILD POVERTY REDUCTION STATE.—The term ‘qualified child poverty reduction State’ means, with respect to a fiscal year, a State if—

“(I) the child poverty rate achieved by the State for the then most recently completed calendar year for which such information is available is less than the lowest child poverty rate achieved by the State during the applicable period; and

“(II) the average depth of child poverty in the State for the then most recently completed calendar year for which such information is available is not greater than the average depth of child poverty in the State for the calendar year that precedes such then most recently completed calendar year.

“(ii) APPLICABLE PERIOD.—In clause (i), the term ‘applicable period’ means, with respect to a State and the calendar year referred to in clause (i)(I), the period that—

“(I) begins with the calendar year that, as of October 1, 2002, precedes the then most recently completed calendar year for which such information is available; and

“(II) ends with the calendar year that precedes the calendar year referred to clause (i)(I).

“(iii) CHILD POVERTY RATE.—The term ‘child poverty rate’ means, with respect to a State and a calendar year, the percentage of children residing in the State during the calendar year whose family income for the calendar year is less than the poverty line then applicable to the family.

“(iv) AVERAGE DEPTH OF CHILD POVERTY.—The term ‘average depth of child poverty’ means with respect to a State and a calendar year, the average dollar amount by which family income is exceeded by the poverty line, among children in the State whose family income for the calendar year is less than the applicable poverty line.

“(v) POVERTY LINE.—The term ‘poverty line’ has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved.

“(E) FAMILY INCOME DETERMINATIONS.—For purposes of this paragraph, family income includes cash income, child support payments, government cash payments, and benefits under the Food Stamp Act of 1977 that are received by any family member, and family income shall be determined after payment of all taxes and receipt of any tax refund or rebate by any family member.

“(F) APPROPRIATIONS.—

“(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2007 \$150,000,000 for grants under this paragraph.

“(ii) AVAILABILITY.—Amounts made available under clause (i) shall remain available until expended.”

SEC. 203. REVIEW AND CONCILIATION PROCESS.

(a) REQUIREMENT.—Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

“(12) REVIEW AND CONCILIATION PROCESS REQUIREMENTS.—A State to which a grant is made under section 403 shall not impose a sanction against a person under the State program funded under this part, unless the State—

“(A) has attempted at least twice (using at least 2 different methods) to notify the person of the impending imposition of the sanction, the reason for the proposed sanction, the amount of the sanction, the length of time during which the proposed sanction would be in effect, and the steps required to come into compliance or to show good cause for noncompliance;

“(B) has afforded the person an opportunity—

“(i) to meet with the caseworker involved or another individual who has authority to determine whether to impose the sanction; and

“(ii) to explain why the person did not comply with the requirement on the basis of which the sanction is to be imposed;

“(C) has considered and taken any such explanation into account in determining to impose the sanction;

“(D) has specifically considered whether certain conditions exist, such as a physical or mental impairment, domestic violence, or limited proficiency in English, that contributed to the noncompliance of the person; and

“(E) in determining whether to impose the sanction, has used screening tools developed in consultation with individuals or groups with expertise in matters described in subparagraph (D).”

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

“(15) PENALTY FOR FAILURE OF STATE TO USE REVIEW AND CONCILIATION PROCESS.—

“(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(12) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

“(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.”

SEC. 204. REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT.

(a) EMPLOYMENT CREDIT TO REWARD STATES IN WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDITIONAL CREDIT FOR FAMILIES WITH HIGHER EARNINGS.—

(1) IN GENERAL.—Section 407(a) (42 U.S.C. 607(a)), as amended by section 503 of this Act, is amended by adding at the end the following:

“(2) EMPLOYMENT CREDIT.—

“(A) IN GENERAL.—The minimum participation rate otherwise applicable to a State under this subsection for a fiscal year shall be reduced by the number of percentage points in the employment credit for the State for the fiscal year, as determined by the Secretary—

“(i) using information in the National Directory of New Hires, or

“(ii) with respect to a recipient of assistance under the State program funded under this part who is placed with an employer whose hiring information is not reported to the National Directory of New Hires, using quarterly wage information submitted by the State to the Secretary not later than such date as the Secretary shall prescribe in regulations.

“(B) CALCULATION OF CREDIT.—

“(i) IN GENERAL.—The employment credit for a State for a fiscal year is an amount equal to—

“(I) twice the average quarterly number of families that ceased to receive cash payments under the State program funded under this part during the most recent 4 quarters for which data is available and that were employed during the calendar quarter immediately succeeding the quarter in which the payments ceased, plus, at State option, the number of families that received a non-recurring short-term benefit under the State program funded under this part during the preceding fiscal year and that were employed in during the calendar quarter immediately succeeding the quarter in which the non-recurring short-term benefit was so received; divided by

“(II) the average monthly number of families that include an adult who received cash payments under the State program funded under this part during the preceding fiscal year, plus, if the State elected the option under subclause (I), the number of families that received a non-recurring short-term benefit under the State program funded under this part during the preceding fiscal year.

“(ii) SPECIAL RULE FOR FORMER RECIPIENTS WITH HIGHER EARNINGS.—In calculating the employment credit for a State for a fiscal year, a family that, during the preceding fiscal year, earned at least 33 percent of the average wage in the State (determined on the basis of State unemployment data) shall be considered to be 1.5 families.

“(C) PUBLICATION OF AMOUNT OF CREDIT.—Not later than August 30 of each fiscal year, the Secretary shall cause to be published in the Federal Register the amount of the employment credit that will be used in determining the minimum participation rate applicable to a State under this subsection for the immediately succeeding fiscal year.”

(2) AUTHORITY OF SECRETARY TO USE INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i) (42 U.S.C. 653(i)) is amended by adding at the end the following:

“(5) CALCULATION OF EMPLOYMENT CREDIT FOR PURPOSES OF DETERMINING STATE WORK PARTICIPATION RATES UNDER TANF.—The Secretary may use the information in the National Directory of New Hires for purposes of calculating State employment credits pursuant to section 407(a)(2).”

(b) ELIMINATION OF CASELOAD REDUCTION CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

SEC. 205. STATES TO RECEIVE PARTIAL CREDIT TOWARD WORK PARTICIPATION RATE FOR RECIPIENTS ENGAGED IN PART-TIME WORK.

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)), as amended by section 307 of this Act, is amended by adding at the end the following flush sentence:

“For purposes of subsection (b)(1)(B)(i), a family that does not include a recipient who is participating in work activities for an average of 30 hours per week during a month but includes a recipient who is participating in such activities during the month for an average of at least 50 percent of the minimum average number of hours per week specified for the month in the table set forth in this subparagraph shall be counted as a percentage of a family that includes an adult or minor child head of household who is engaged in work for the month, which percentage shall be the number of hours for which the recipient participated in such activities during the month divided by the number of hours of such participation required of the recipient under this section for the month.”

SEC. 206. TANF RECIPIENTS WHO QUALIFY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS REMOVED FROM WORK PARTICIPATION RATE CALCULATION FOR ENTIRE YEAR.

Section 407(b)(1)(B)(ii) (42 U.S.C. 607(b)(1)(B)(ii)) is amended—

(1) in subclause (I), by inserting “who has not become eligible for supplemental security income benefits under title XVI during the fiscal year” before the semicolon; and

(2) in subclause (II), by inserting “, and that do not include an adult or minor child head of household who has become eligible for supplemental security income benefits under title XVI during the fiscal year” before the period.

SEC. 207. STATE OPTION TO INCLUDE RECIPIENTS OF SUBSTANTIAL CHILD CARE OR TRANSPORTATION ASSISTANCE IN WORK PARTICIPATION RATE.

(a) IN GENERAL.—Section 407(a)(1) (42 U.S.C. 607(a)), as amended by sections 503 and 306 of this Act, is amended by inserting “(including, at the option of the State, a family that includes an adult who is receiving substantial child care or transportation benefits, as defined by the Secretary, in consultation with directors of State programs funded under this part, which definition shall specify for each type of benefits a threshold which is a dollar value or a length of time over which the benefits are received, and take account of large one-time transition payments, except any family taken into account under paragraph (2)(B)(i)(I))” before the colon.

(b) STATE OPTION.—Section 407(b)(1)(B)(i) (42 U.S.C. 607(b)(1)(B)(i)) is amended—

(1) in clause (i), by inserting “plus, at the option of the State, the number of families that include an adult who is receiving substantial child care or transportation benefits, as determined under section 407(a)(1)” before the semicolon.

(2) in subclause (ii)(I), by inserting “including, if the State has elected to include families with an adult who is receiving substantial child care or transportation benefits under clause (i), the number of such families” before the semicolon.

(c) DATA COLLECTION AND REPORTING.—Section 411(a)(1)(A) of such Act (42 U.S.C. 611(a)(1)(A)) is amended in the matter preceding clause (i) by inserting “(including any family with respect to whom the State has exercised its option under section 407(a)(1))” after “assistance”.

SEC. 208. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by sections 204 through 207 shall take effect on October 1, 2003.

(b) STATE OPTION TO PHASE-IN REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT AND DELAY APPLICABILITY OF OTHER PROVISIONS.—A State may elect to have the amendments made by sections 204(b) and 205 through 207 of this Act not apply to the State program funded under part A of title IV of the Social Security Act until October 1, 2004, and if the State makes the election, then, in determining the participation rate of the State for purposes of sections 407 and 409(a)(3) of the Social Security Act for fiscal year 2004, the State shall be credited with $\frac{1}{2}$ of the reduction in the rate that would otherwise result from applying section 407(a)(2) of the Social Security Act (as added by section 204(a)(1) of this Act) to the State for fiscal year 2004 and $\frac{1}{2}$ of the reduction in the rate that would otherwise result from applying such section 407(b)(2) to the State for fiscal year 2004.

TITLE III—REQUIRING AND REWARDING WORK

SEC. 301. EFFECT OF WAGE SUBSIDIES ON 5-YEAR LIMIT.

Section 408(a)(7) (42 U.S.C. 608(a)(7)) is amended by adding at the end the following:

“(H) LIMITATION ON MEANING OF ‘ASSISTANCE’ FOR FAMILIES WITH INCOME FROM EMPLOYMENT.—For purposes of this paragraph, at the option of the State, a benefit or service provided to a family during a month under the State program funded under this part shall not be considered assistance under the program if—

“(i) during the month, the family includes an adult or a minor child head of household who has received at least such amount of income from employment as the State may establish; and

“(ii) the average weekly earned income of the family for the month is at least \$100.”.

SEC. 302. CHILD CARE.

(a) INCREASE IN ENTITLEMENT FUNDING.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(3) by adding at the end the following:

“(G) \$3,967,000,000 for fiscal year 2003;

“(H) \$4,467,000,000 for fiscal year 2004;

“(I) \$4,967,000,000 for fiscal year 2005;

“(J) \$5,467,000,000 for fiscal year 2006; and

“(K) \$5,967,000,000 for fiscal year 2007.”.

(b) AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS; AMOUNTS AVAILABLE FOR INCENTIVE GRANTS TO IMPROVE QUALITY OF CHILD CARE SERVICES.

“(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subchapter \$2,350,000,000 for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007.

“(b) AMOUNTS AVAILABLE FOR INCENTIVE GRANTS TO IMPROVE QUALITY OF CHILD CARE SERVICES.—Of the amount made available to carry out this subchapter, \$500,000,000 shall be used for each of the fiscal years 2003 through 2007 to make grants under section 658H.”.

(2) STATE PLAN REQUIREMENTS.—Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858(c)(2)) is amended—

(A) in subparagraph (A)—

(i) in clause (ii) by striking “and” at the end;

(ii) in clause (iii) by adding “and” at the end; and

(iii) by inserting after clause (iii) the following:

“(iv) in order to help ensure that parents have the freedom to choose quality center-based child care services, the State shall make significant effort to develop contracts with accredited child care providers in low-income and rural communities;”;

(B) by amending subparagraph (D) to read as follows:

“(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices, and describe how the State will inform parents receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other low-income parents about eligibility for assistance under this subchapter.”;

(C) by amending subparagraph (H) to read as follows:

“(H) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assist-

ance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, families with children with disabilities and other special needs, low-income families not receiving cash assistance under a State program under part A of title IV of the Social Security Act, and families that are at risk of becoming dependent on such assistance.”;

and

(D) by adding at the end the following:

“(I) AVAILABILITY OF STAFF.—Describe how the State will ensure that staff from the lead agency described in section 658D will be available, at the offices of the State program funded under part A of title IV of the Social Security Act, to provide information about eligibility for assistance under this subchapter and to assist individuals in applying for such assistance.

“(J) ELIGIBILITY REDETERMINATION.—Demonstrate that each child that receives assistance under this subchapter in the State will receive such assistance for not less than 1 year before the State redetermines the eligibility of the child under this subchapter.

“(K) SUPPLEMENT NOT SUPPLANT.—Provide assurances that the amounts paid to a State under this subchapter shall be used to supplement and not supplant other State or local funds expended or otherwise available to support payments for child care assistance and to increase the quality of available child care for eligible families under this subchapter.”.

(3) PAYMENT RATES.—Section 658E(c)(4)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858(c)(4)(A)) is amended—

(A) by striking “such access” and inserting “equal access to comparable quality and types of services”; and

(B) by adding at the end the following:

“(i) Market rate surveys (that reflect variations in the cost of child care services by locality) shall be conducted by the State not less often than at 2-year intervals, and the results of such surveys shall be used to implement payment rates that ensure equal access to comparable services as required by this subparagraph.

“(ii) Payment rates shall be adjusted at intervals between such surveys to reflect increases in the cost of living, in such manner as the Secretary may specify.

“(iii) Payment rates shall reflect variations in the cost of providing child care services for children of different ages and providing different types of care.”.

(4) CHILD CARE ACCOUNTABILITY IMPROVEMENTS.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

“SEC. 658G. CHILD CARE ACCOUNTABILITY IMPROVEMENTS.

“(a) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.—A State that receives funds to carry out this subchapter shall reserve and use not less than 12 percent of the funds for improvements in the quality of child care services provided in the State and in political subdivisions of the State.

“(1) Not less than 35 percent of the funds reserved under this subsection shall be used for activities that are designed to increase the quality and supply of child care services for children from birth through 3 years of age.

“(2) Funds reserved under this subsection shall be used for 1 or more activities consisting of—

“(A) providing for the development, establishment, expansion, operation, and coordination of, child care resource and referral services;

“(B) making grants or providing loans to eligible child care providers to assist the

providers in meeting applicable State and local child care standards and recognized accreditation standards;

“(C) improving the ability of State or local government, as applicable, to monitor compliance with, and to enforce, State and local licensing and regulatory requirements (including registration requirements) applicable to child care providers;

“(D) providing training and technical assistance in areas relating to the provision of child care services, such as training relating to promotion of health and safety, promotion of good nutrition, provision of first aid, recognition of communicable diseases, child abuse detection and prevention, and care of children with disabilities and other special needs;

“(E) improving salaries and other compensation paid to full-time and part-time staff who provide child care services for which assistance is made available under this subchapter;

“(F) making grants or providing financial assistance to eligible child care providers for training in child development and early education;

“(G) making grants or providing financial assistance to eligible child care providers to support delivery of early education and child development activities;

“(H) making grants or providing financial assistance to eligible child care providers to make minor renovations to such providers’ physical environments that enhance the quality of the child care services they provide;

“(I) improving and expanding the supply of child care services for children with disabilities and other special needs;

“(J) increasing the supply of high quality inclusive child care for children with and without disabilities and other special needs;

“(K) supporting the system described in paragraph (2);

“(L) providing technical assistance to family child care providers and center-based child care providers to enable them to provide appropriate child care services for children with disabilities; and

“(M) other activities that can be demonstrated to increase the quality of child care services and parental choice.”.

“(b) **CHILD CARE RESOURCE AND REFERRAL SYSTEM.**—The State shall use a portion of the funds reserved under subsection (a) to support a system of local child care resource and referral organizations coordinated by a statewide, nonprofit, community-based child care resource and referral organization. The local child care resource and referral system shall—

“(1) provide parents in the State with information and support concerning child care options in their communities;

“(2) collect and analyze data on the supply of and demand for child care in political subdivisions within the State;

“(3) develop links with the business community or other organizations involved in providing child care services;

“(4) increase the supply and improve the quality of child care in the State and in political subdivisions in the State;

“(5) provide (or facilitate the provision of) specialists in health, mental health consultation, early literacy services for children with disabilities and other special needs, and infant and toddler care, to support or supplement community child care providers;

“(6) provide training or facilitate connections for training to community child care providers; or

“(7) hire disability specialists, and provide training and technical assistance to child care providers, to effectively meet the needs of children with disabilities.

(5) **INCENTIVE GRANTS TO STATES.**—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658G the following:

“**SEC. 658H. INCENTIVE GRANTS TO STATES.**

“(a) **AUTHORITY.**—

“(1) **IN GENERAL.**—The Secretary shall use the amount made available under section 658B(b) for a fiscal year to make grants to eligible States in accordance with this section.

“(2) **ANNUAL PAYMENTS.**—The Secretary shall make an annual payment for such a grant to each eligible State out of the allotment for that State determined under subsection (c).

“(b) **ELIGIBLE STATES.**—

“(1) **IN GENERAL.**—In this section, the term ‘eligible State’ means a State that—

“(A) has conducted a survey of the market rates for child care services in the State within the 2 years preceding the date of the submission of an application under paragraph (2); and

“(B) submits an application in accordance with paragraph (2).

“(2) **APPLICATION.**—

“(A) **IN GENERAL.**—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and accompanied by such information, in addition to the information required under subparagraph (B), as the Secretary may require.

“(B) **INFORMATION REQUIRED.**—Each application submitted for a grant under this section shall—

“(i) detail the methodology and results of the State market rates survey conducted pursuant to paragraph (1)(A);

“(ii) describe the State’s plan to increase payment rates from the initial baseline determined under clause (i);

“(iii) describe how the State will increase payment rates in accordance with the market survey results, for all types of child care providers who provide services for which assistance is made available under this subchapter;

“(iv) describe how rates are set to reflect the variations in the cost of providing care for children of different ages, different types of care, and in different localities in the State; and

“(v) describe how the State will prioritize increasing payment rates for care of higher-than-average quality, such as care by accredited providers, care that includes the provision of comprehensive services, care provided at nonstandard hours, care for children with disabilities and other special needs, care in low-income and rural communities, and care of a type that is in short supply.

“(3) **CONTINUING ELIGIBILITY REQUIREMENT.**—The Secretary may make an annual payment under this section to an eligible State only if—

“(A) the Secretary determines that the State has made progress, through the activities assisted under this subchapter, in maintaining increased payment rates; and

“(B) at least once every 2 years, the State conducts an update of the survey described in paragraph (1)(A).

“(4) **REQUIREMENT OF MATCHING FUNDS.**—

“(A) **IN GENERAL.**—To be eligible to receive a grant under this section, the State shall agree to make available State contributions from State sources toward the costs of the activities to be carried out by a State pursuant to subsection (d) in an amount that is not less than 20 percent of such costs.

“(B) **DETERMINATION OF STATE CONTRIBUTIONS.**—State contributions shall be in cash. Amounts provided by the Federal Government may not be included in determining the amount of such State contributions.

“(C) **ALLOTMENTS TO ELIGIBLE STATES.**—The amount made available under section

658B(b) for a fiscal year shall be allotted among the eligible States in the same manner as amounts are allotted under section 6580(b).

“(d) **USE OF FUNDS.**—An eligible State that receives a grant under this section shall use the funds received to significantly increase the payment rate for the provision of child care assistance in accordance with this subchapter up to the 150th percentile of the market rate survey described in subsection (b)(1)(A).

“(e) **EVALUATIONS AND REPORTS.**—

“(1) **STATE EVALUATIONS.**—Each eligible State shall submit to the Secretary, at such time and in such form and manner as the Secretary may require, information regarding the State’s efforts to increase payment rates and the impact increased rates are having on the quality of, and accessibility to, child care in the State.

“(2) **REPORTS TO CONGRESS.**—The Secretary shall submit biennial reports to Congress on the information described in paragraph (1). Such reports shall include data from the applications submitted under subsection (b)(2) as a baseline for determining the progress of each eligible State in maintaining increased payment rates.

“(f) **PAYMENT RATE.**—In this section, the term ‘payment rate’ means the rate of reimbursement to providers for subsidized child care.”.

(6) **ADMINISTRATION, ENFORCEMENT, AND EVALUATION.**—Section 658I of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g) is amended—

(A) in the heading by striking “and enforcement” and inserting “, enforcement, and evaluation”;

(B) in subsection (a)(3) by inserting before the period at the end “and including the establishment of a national training and technical assistance center specializing in infant and toddler care and their families”; and

(C) by adding at the end the following:

“(c) **FEDERAL ADMINISTRATION AND EVALUATION ACTIVITIES.**—The Secretary shall—

“(1) establish a national data system through grants, contracts or cooperative agreements to develop statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs, including use of data collected through child care resource and referral organizations at the national, State, and local levels; and

“(2) prepare and submit to Congress an annual report on the supply of, demand for, and quality of child care, early education, and non-school-hours programs, using data collected through State and local child care resource and referral organizations and other sources.”.

(7) **REPORTS.**—Section 658K(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)) is amended—

(A) in paragraph (1)(B)—

(i) in clause (ix) by striking “and” at the end;

(ii) in clause (x) by adding “and” at the end; and

(iii) by inserting after clause (x) the following:

“(xi) whether the child care provider is accredited by a national or State accrediting body;”; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A) by striking “aggregate data concerning”;

(ii) in subparagraph (D) by striking “and” at the end;

(iii) in subparagraph (E) by adding “and” at the end; and

(iv) by indenting the left margin of subparagraphs (A) through (E) 2 ems to the right and redesignating such subparagraphs as clauses (i) through (v), respectively;

(v) by inserting after clause (v), as so redesignated, the following:

“(vi) findings from market rate surveys, disaggregated by the types of services provided and by the sub-State localities, as appropriate;”; and

(vi) by inserting before clause (i), as so redesignated, the following:

“(A) information on how all of the funds reserved under section 658G were allocated and spent, and information on the effect of those expenditures, to the maximum extent practicable; and

“(B) aggregate date concerning—”.

(8) DEFINITIONS.—Section 658P(4)(C) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(C)) is amended—

(A) in clause (i) by striking “or” at the end;

(B) in clause (ii) by striking the period and inserting “; or”; and

(C) by adding at the end the following:

“(iii) is a foster child.”.

(9) CONFORMING AMENDMENTS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended—

(A) in section 658E(c)(3)—

(i) in subparagraph (B) by striking “through (5) of section 658A(b)” and inserting “through (6) of section 658A(c)”; and

(ii) in subparagraph (D) by striking “1997 through 2002” and inserting “2003 through 2007”;

(B) in section 658K(a)(2) by striking “1997” and inserting “2003”; and

(C) in section 658L—

(i) by striking “July 31, 1998” and inserting “October 1, 2004”; and

(ii) by striking “Economic and Educational Opportunities” and inserting “Education and the Workforce”; and

(iii) by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”.

(C) APPLICABILITY OF STATE OR LOCAL HEALTH AND SAFETY STANDARDS TO OTHER TANF CHILD CARE SPENDING.—Section 402(a) (42 U.S.C. 602(a)) is amended by adding at the end the following:

“(8) CERTIFICATION OF PROCEDURES TO ENSURE THAT CHILD CARE PROVIDERS COMPLY WITH APPLICABLE STATE OR LOCAL HEALTH AND SAFETY STANDARDS.—A certification by the chief executive officer of the State that procedures are in effect to ensure that any child care provider in the State that provides services for which assistance is provided under the State program funded under this part complies with all applicable State or local health and safety requirements as described in section 658E(c)(2)(F) of the Child Care and Development Block Grant Act of 1990.”.

(d) AVAILABILITY OF CHILD CARE FOR PARENTS REQUIRED TO WORK.—Section 407(e)(2) (42 U.S.C. 607(e)(2)) is amended by striking “6” and inserting “13”.

SEC. 303. COMPETITIVE GRANTS TO IMPROVE ACCESS TO VARIOUS BENEFIT PROGRAMS.

(a) PURPOSES.—The purposes of this section are to—

(1) inform low-income families with children about programs available to families leaving welfare and other programs to support low-income families with children;

(2) provide incentives to States and counties to improve and coordinate application and renewal procedures for low-income family with children support programs; and

(3) track the extent to which low-income families with children receive the benefits and services for which they are eligible.

(b) DEFINITIONS.—In this section:

(1) LOCALITY.—The term locality means a municipality that does not administer a temporary assistance for needy families program funded under part A of title IV of the

Social Security Act (42 U.S.C. 601 et seq.) (in this section referred to as “TANF”).

(2) LOW-INCOME FAMILY WITH CHILDREN SUPPORT PROGRAM.—The term “low-income family with children support program” means a program designed to provide low-income families with assistance or benefits to enable the family to become self-sufficient and includes—

(A) TANF;

(B) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) (in this section referred to as “food stamps”);

(C) the medicaid program funded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(D) the State children’s health insurance program (SCHIP) funded under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

(E) the child care program funded under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

(F) the child support program funded under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

(G) the earned income tax credit under section 32 of the Internal Revenue Code of 1986;

(H) the low-income home energy assistance program (LIHEAP) established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);

(I) the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(J) programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); and

(K) any other Federal or State funded program designed to provide family and work support to low-income families with children.

(3) NONPROFIT.—The term “nonprofit”, as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by 1 or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(4) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

(5) STATE.—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the United States Virgin Islands.

(c) AUTHORIZATION OF GRANTS.—

(1) STATES AND COUNTIES.—

(A) IN GENERAL.—The Secretary is authorized to award grants to States and counties to pay the Federal share of the costs involved in improving the administration of low-income family with children support programs, including simplifying application, recertification, reporting, and verification rules, and promoting participation in such programs.

(B) FEDERAL SHARE.—The Federal share shall be 80 percent.

(2) NONPROFITS AND LOCALITIES.—The Secretary is authorized to award grants to nonprofits and localities to promote participation in low-income family with children support programs, and distribute information about and develop service centers for low-income family with children support programs.

(d) GRANT APPROVAL CRITERIA.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Agriculture, shall establish criteria for approval of an application for a grant under this section that include consideration of—

(A) the extent to which the proposal, if funded, is likely to result in improved serv-

ice and higher participation rates in low-income children’s support programs;

(B) an applicant’s ability to reach hard-to-serve populations;

(C) the level of innovation in the applicant’s grant proposal; and

(D) any partnerships between the public and private sector in the applicant’s grant proposal.

(2) SEPARATE CRITERIA.—Separate criteria shall be established for the grants authorized under paragraphs (1) and (2) of subsection (c).

(e) USES OF FUNDS.—

(1) STATES AND COUNTIES.—

(A) IMPROVEMENTS IN PROGRAMS.—Grants awarded to States and counties under subsection (c)(1) shall be used to—

(i) simplify low-income family with children support program application, recertification, reporting, and verification rules;

(ii) create uniformity in eligibility criteria for low-income family with children support programs;

(iii) develop options for families to apply for low-income family with children support programs through the telephone, mail, facsimile, Internet, or electronic mail, and submit any recertifications or reports required for such families through these options;

(iv) co-locate eligibility workers for various low-income family with children support programs at strategically located sites;

(v) develop or enhance one-stop service centers for low-income family with children support programs, including establishing evening and weekend hours at these centers; and

(vi) improve training of staff in low-income families with children support programs to enhance their ability to enroll eligible applicants in low-income family with children support programs, provide case management, and refer eligible applicants to other appropriate programs.

(B) CUSTOMER SURVEYS.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used to carry out a customer survey.

(ii) MODEL SURVEYS.—The customer survey under clause (i) of this subparagraph shall be modeled after a form developed by the Secretary under subsection (g).

(iii) REPORTS TO SECRETARY.—Not later than 1 year after a State or county is awarded a grant under subsection (c)(1), and annually thereafter, the State or county shall submit a report to the Secretary detailing the results of the customer survey carried out under clause (i) of this subparagraph.

(iv) REPORTS TO PUBLIC.—A State or county receiving a grant under subsection (c)(1) and the Secretary shall make the report required under clause (iii) of this subparagraph available to the public.

(v) PUBLIC COMMENT.—A State or county receiving a grant under subsection (c)(1) shall accept public comments and hold public hearings on the report made available under clause (iv) of this subparagraph.

(C) TRACKING SYSTEMS.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used to implement a tracking system to determine the level of participation in low-income family with children support programs of the eligible population.

(ii) REPORTS.—Not later than 1 year after a State or county is awarded a grant under subsection (c)(1), and annually thereafter, the State or county shall submit a report to the Secretary detailing the effectiveness of the tracking system implemented under clause (i) of this subparagraph.

(D) IN-PERSON INTERVIEWS.—A State or county awarded a grant under subsection (c)(1) may expend funds made available under the grant to provide for reporting and

recertification procedures through the telephone, mail, facsimile, Internet, or electronic mail.

(E) JURISDICTION-WIDE IMPLEMENTATION.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used for activities throughout the jurisdiction.

(ii) EXCEPTION.—A State or county awarded a grant under subsection (c)(1) may use grant funds to develop one-stop service centers and telephone, mail, facsimile, Internet, or electronic mail application and renewal procedures for low-income family with children support programs without regard to the requirements of clause (i) of this subparagraph.

(F) SUPPLEMENT NOT SUPPLANT.—Funds provided to a State or county under a grant awarded under subsection (c)(1) shall be used to supplement and not supplant other State or county public funds expended to provide support services for low-income families.

(2) NONPROFITS AND LOCALITIES.—A grant awarded to a nonprofit or locality under subsection (c)(2) shall be used to—

(A) develop one-stop service centers for low-income family with children support programs in cooperation with States and counties; or

(B) provide information about and referrals to low-income family with children support programs through the dissemination of materials at strategic locations, including schools, clinics, and shopping locations.

(f) APPLICATION.—

(1) IN GENERAL.—Each applicant desiring a grant under paragraph (1) or (2) of subsection (c) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(2) STATES AND COUNTIES.—

(A) NON-FEDERAL SHARE.—Each State or county applicant shall provide assurances that the applicant will pay the non-Federal share of the activities for which a grant is sought.

(B) PARTNERSHIPS.—Each State or county applicant shall submit a memorandum of understanding demonstrating that the applicant has entered into a partnership to coordinate its efforts under the grant with the efforts of other State and county agencies that have responsibility for providing low-income families with assistance or benefits.

(g) DUTIES OF THE SECRETARY.—

(1) SURVEY FORM.—The Secretary, in cooperation with other relevant agencies, shall develop a customer survey form to determine whether low-income families—

(A) encounter any impediments in applying for or renewing their participation in low-income family with children support programs; and

(B) are unaware of low-income family with children support programs for which they are eligible.

(2) REPORTS.—

(A) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit a report to Congress describing the uses of grant funds awarded under this section.

(B) RESULTS OF TRACKING SYSTEMS AND SURVEYS.—The Secretary shall submit a report to Congress detailing the results of the tracking systems implemented and customer surveys carried out by States and counties under subsection (e) as the information becomes available.

(h) MISCELLANEOUS.—

(1) MATCHING FUNDS.—Matching funds required from a State or county awarded a grant under subsection (c)(1) of this section may—

(A) include in-kind services and expenditures by municipalities and private entities; and

(B) be considered a qualified State expenditure for purposes of determining whether the State has satisfied the maintenance of effort requirements of the temporary assistance for needy families program under section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7)).

(2) LIMITATION ON EXPENDITURES.—Subject to paragraph (3) of this subsection, not more than 20 percent of a grant awarded under subsection (c) shall be expended on customer surveys or tracking systems.

(3) REVERSION OF FUNDS.—Any funds not expended by a grantee within 2 years after awarded a grant shall be available for redistribution among other grantees in such manner and amount as the Secretary may determine, unless the Secretary extends by regulation the 2-year time period to expend funds.

(4) NONAPPORTIONMENT.—Notwithstanding any other provision of law, a State, county, locality, or nonprofit awarded a grant under subsection (c) is not required to apportion the costs of providing information about low-income family with children support programs among all low-income family with children support programs.

(5) ADMINISTRATIVE COSTS OF THE SECRETARY.—Not more than 5 percent of the funds appropriated to carry out this section shall be expended on administrative costs of the Secretary.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$500,000,000 for the period of fiscal years 2003 through 2007.

SEC. 304. ASSESSMENTS FOR TANF RECIPIENTS.

Section 408(b) (42 U.S.C. 608(b)) is amended—

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

“(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall, for each recipient of assistance under the program who is a head of household, make an initial assessment of the skills, prior work experience, and circumstances related to the employability of the recipient, including physical or mental impairments, proficiency in English, child care needs, and whether the recipient is a victim of domestic violence.”;

(2) in paragraph (2)(A), by striking “may develop” and inserting “shall develop”; and

(3) by striking paragraph (4).

SEC. 305. APPLICABILITY OF WORKPLACE LAWS.

Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

“(h) No individual engaged in any activity funded in whole or in part by the TANF program shall be subjected to discrimination based on race, color, religion, sex, national origin, age, or disability, nor shall such an individual be denied the benefits or protections of any Federal, State or local employment, civil rights, or health and safety law because of such individual's status as a participant in the TANF program.”.

SEC. 306. WORK PARTICIPATION REQUIREMENTS.

Section 407(a)(1) (42 U.S.C. 607(a)), as amended by section 503 of this Act, is amended to read as follows:

“(1) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

“(A) 50 percent for fiscal year 2003;

“(B) 55 percent for fiscal year 2004;

“(C) 60 percent for fiscal year 2005;

“(D) 65 percent for fiscal year 2006; and

“(E) 70 percent for fiscal year 2007 and each succeeding fiscal year.”.

SEC. 307. HOURS OF WORK-RELATED ACTIVITIES.

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by striking “20” and inserting “24”.

SEC. 308. STATE OPTION TO REQUIRE RECIPIENTS TO ENGAGE IN WORK FOR 40 HOURS PER WEEK.

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by adding at the end the following flush sentence:

“At the option of a State, the State may require, a recipient not referred to in paragraph (2)(B) to engage in work for an average of 40 hours per week in each month in a particular fiscal year.”.

SEC. 309. REVISION AND SIMPLIFICATION OF THE TRANSITIONAL MEDICAL ASSISTANCE PROGRAM (TMA).

(a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO AN ADDITIONAL YEAR.—

(1) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS BY MAKING REPORTING REQUIREMENTS OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

(A) in paragraph (1), by inserting “, at the option of a State,” after “and which”;

(B) in paragraph (2)(A), by inserting “Subject to subparagraph (C)—” after “(A) NOTICES.”;

(C) in paragraph (2)(B), by inserting “Subject to subparagraph (C)—” after “(B) REPORTING REQUIREMENTS.”;

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

“(C) STATE OPTION TO WAIVE NOTICE AND REPORTING REQUIREMENTS.—A State may waive some or all of the reporting requirements under clauses (i) and (ii) of subparagraph (B). Insofar as it waives such a reporting requirement, the State need not provide for a notice under subparagraph (A) relating to such requirement.”; and

(E) in paragraph (3)(A)(iii), by inserting “the State has not waived under paragraph (2)(C) the reporting requirement with respect to such month under paragraph (2)(B) and if” after “6-month period if”.

(2) STATE OPTION TO EXTEND ELIGIBILITY FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r-6) is further amended—

(A) by redesignating subsections (c) through (f) as subsections (d) through (g); and

(B) by inserting after subsection (b) the following new subsection:

“(c) STATE OPTION OF UP TO 12 MONTHS OF ADDITIONAL ELIGIBILITY.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which received assistance during the entire 6-month period under subsection (b) and which meets the applicable requirement of paragraph (2), in the last month of the period the option of extending coverage under this subsection for the succeeding period not to exceed 12 months.

“(2) INCOME RESTRICTION.—The option under paragraph (1) shall not be made available to a family for a succeeding period unless the State determines that the family's average gross monthly earnings (less such costs for such child care as is necessary for the employment of the caretaker relative) as of the end of the 6-month period under subsection (b) does not exceed 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

“(3) APPLICATION OF EXTENSION RULES.—The provisions of paragraphs (2), (3), (4), and

(5) of subsection (b) shall apply to the extension provided under this subsection in the same manner as they apply to the extension provided under subsection (b)(1), except that for purposes of this subsection—

“(A) any reference to a 6-month period under subsection (b)(1) is deemed a reference to the extension period provided under paragraph (1) and any deadlines for any notices or reporting and the premium payment periods shall be modified to correspond to the appropriate calendar quarters of coverage provided under this subsection; and

“(B) any reference to a provision of subsection (a) or (b) is deemed a reference to the corresponding provision of subsection (b) or of this subsection, respectively.”

(b) **STATE OPTION TO WAIVE RECEIPT OF MEDICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.**—Section 1925(a)(1) (42 U.S.C. 1396r-6(a)(1)) is amended by adding at the end the following: “A State may, at its option, also apply the previous sentence in the case of a family that was receiving such aid for fewer than 3 months, or that had applied for and was eligible for such aid for fewer than 3 months, during the 6 immediately preceding months described in such sentence.”

(c) **ELIMINATION OF SUNSET FOR TMA.**—

(1) Subsection (g) of section 1925 (42 U.S.C. 1396r-6), as redesignated under subsection (a)(2), is repealed.

(2) Section 1902(e)(1) of such Act (42 U.S.C. 1396a(e)(1)) is amended by striking “(A) Notwithstanding” and all that follows through “During such period, for” in subparagraph (B) and inserting “For”.

(d) **CMS REPORT ON ENROLLMENT AND PARTICIPATION RATES UNDER TMA.**—Section 1925, as amended by subsections (a)(2) and (c), is amended by adding at the end the following new subsection:

“(g) **ADDITIONAL PROVISIONS.**—

“(1) **COLLECTION AND REPORTING OF PARTICIPATION INFORMATION.**—Each State shall—

“(A) collect and submit to the Secretary, in a format specified by the Secretary, information on average monthly enrollment and average monthly participation rates for adults and children under this section; and

“(B) make such information publicly available.

Such information shall be submitted under subparagraph (A) at the same time and frequency in which other enrollment information under this title is submitted to the Secretary. Using such information, the Secretary shall submit to Congress annual reports concerning such rates.”

(e) **COORDINATION OF WORK.**—Section 1925(g), as added by subsection (d), is amended by adding at the end the following new paragraph:

“(2) **COORDINATION WITH ADMINISTRATION FOR CHILDREN AND FAMILIES.**—The Administrator of the Centers for Medicare & Medicaid Services, in carrying out this section, shall work with the Assistant Secretary for the Administration for Children and Families to develop guidance or other technical assistance for States regarding best practices in guaranteeing access to transitional medical assistance under this section.”

(f) **ELIMINATION OF TMA REQUIREMENT FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.**—

(1) **IN GENERAL.**—Section 1925 is further amended by adding at the end the following new subsection:

“(h) **PROVISIONS OPTIONAL FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.**—A State may (but is not required to) meet the requirements of subsections (a) and (b) if it provides for medical assistance under

this title (whether under section 1931, through a waiver under section 1115, or otherwise) to families (including both children and caretaker relatives) the average gross monthly earning of which (less such costs for such child care as is necessary for the employment of a caretaker relative) is at or below a level that is at least 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.”

(2) **CONFORMING AMENDMENTS.**—Such section is further amended, in subsections (a)(1) and (b)(1), by inserting “, but subject to subsection (h),” after “Notwithstanding any other provision of this title,” each place it appears.

(g) **REQUIREMENT OF NOTICE FOR ALL FAMILIES LOSING TANF.**—Subsection (a)(2) of such section is amended by adding after and below subparagraph (B), the following:

“Each State shall provide, to families whose aid under part A or E of title IV has terminated but whose eligibility for medical assistance under this title continues, written notice of their ongoing eligibility for such medical assistance. If a State makes a determination that any member of a family whose aid under part A or E of title IV is being terminated is also no longer eligible for medical assistance under this title, the notice of such determination shall be supplemented by a one-page notification form describing the different ways in which individuals and families may qualify for such medical assistance and explaining that individuals and families do not have to be receiving aid under part A or E of title IV in order to qualify for such medical assistance.”

(h) **EXTENDING USE OF OUTSTATIONED WORKERS TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE.**—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55)) is amended by inserting “and under section 1931” after “(a)(10)(A)(ii)(IX)”.

(i) **EFFECTIVE DATES.**—(1) Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 2001, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) The amendment made by subsection (g) shall take effect 6 months after the date of the enactment of this Act.

(3) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 310. ENSURING TANF FUNDS ARE NOT USED TO DISPLACE PUBLIC EMPLOYEES.

(a) **WELFARE-TO-WORK WORKER PROTECTIONS.**—Section 403(a)(5)(I) (42 U.S.C. 603(a)(5)(I)) is amended—

(1) by striking clauses (i) and (iv);

(2) by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively; and

(3) by inserting before clause (ii) the following:

“(i) **NONDISPLACEMENT.**—A State shall establish and maintain such procedures as are necessary to do the following with respect to activities funded in whole or in part under this part:

“(I) Prohibit the placement of an individual in a work activity specified in section 407(d) from resulting in the displacement of any employee or position (including partial displacement, such as a reduction in the hours of nonovertime work wages, or employment benefits, or fill any unfilled vacancy, or performing work when any other individual is on layoff from the same or any substantially equivalent job).

“(II) Prohibit the placement of an individual in a work activity specified in section 407(d) which would impair any contract for services, be inconsistent with any employment-related State or local law or regulation, or collective bargaining agreement, or infringe on the recall rights or promotional opportunities of any worker.

“(III) Maintain an impartial grievance procedure to resolve any complaints alleging violations of subclause (I) or (II) within 60 days after receipt of the complaint, and if a decision is adverse to the party who filed such a grievance or no decision has been reached, provided for the completion of an arbitration procedure within 75 days after receipt of the complaint or the adverse decision or conclusion of the 60-day period, whichever is earlier. The procedures shall include a right to a hearing. The procedures shall include remedies for violations of the requirement that shall include termination or suspension of payments, prohibition of the participant, reinstatement of an employee, and other appropriate relief. The procedures shall specify that if a direct work activity engaged in by a recipient of assistance under the State program funded under this part involves a placement in a State agency or local government agency pursuant to this section and the agency experiences a net reduction in its overall workforce in a given year, there is a rebuttable presumption that the placement has resulted in displacement of the employees of the agency in violation of this subparagraph.”

(b) **STATE PLAN REQUIREMENT.**—Section 402(a) (42 U.S.C. 602(a)) is amended by adding at the end the following:

“(5) A plan that outlines the resources and procedures that will be used to ensure that the State will establish and maintain the procedures described in section 403(a)(5)(I)(i).”

TITLE IV—HELPING WELFARE LEAVERS CLIMB THE EMPLOYMENT LADDER

SEC. 401. STATE PLAN REQUIREMENT ON EMPLOYMENT ADVANCEMENT.

(a) **IN GENERAL.**—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

“(vii) Establish goals and take action to improve initial earnings, job advancement, and employment retention for individuals in and individuals leaving the program.”

(b) **INCLUSION IN ANNUAL REPORTS OF PROGRESS IN ACHIEVING EMPLOYMENT ADVANCEMENT GOALS.**—Section 411(b) (42 U.S.C. 611(b)) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting “; and”; and

(3) by adding at the end the following:

“(5) in each report submitted after fiscal year 2003, the progress made by the State in achieving the goals referred to in section 402(a)(1)(A)(vii) in the most recent State plan submitted pursuant to section 402(a).”

SEC. 402. EMPLOYMENT ADVANCEMENT FUND.

Section 403(a) (42 U.S.C. 603(a)) is further amended by adding at the end the following:

“(8) EMPLOYMENT ADVANCEMENT FUND.—

“(A) IN GENERAL.—The Secretary shall provide grants to States and localities for research, evaluation, technical assistance, and demonstration projects that focus on—

“(i) improving wages for low-income workers, regardless of whether such workers are recipients of assistance under a State program funded under this part, through training and other services; and

“(ii) enhancing employment prospects for recipients of such assistance with barriers to employment, such as a physical or mental impairment, a substance abuse problem, or limited proficiency in English.

“(B) ADMINISTRATION.—

“(i) ALLOCATION OF FUNDS.—The Secretary shall allocate at least 40 percent of the funds made available pursuant to this paragraph for projects that focus on the matters described in subparagraph (A)(i), and at least 40 percent of the funds for projects that focus on the matters described in subparagraph (A)(ii).

“(ii) DIVERSITY OF PROJECTS.—The Secretary shall attempt to provide funds under this paragraph for diverse projects from geographically different areas.

“(C) AID UNDER THIS PARAGRAPH NOT ‘ASSISTANCE’.—A benefit or service provided with funds made available under this paragraph shall not, for any purpose, be considered assistance under a State program funded under this part.

“(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2007 \$150,000,000 for grants under this paragraph.”.

SEC. 403. ELIMINATION OF LIMIT ON NUMBER OF TANF RECIPIENTS ENROLLED IN VOCATIONAL EDUCATION OR HIGH SCHOOL WHO MAY BE COUNTED TOWARDS THE WORK PARTICIPATION REQUIREMENT.

Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by striking subparagraph (D).

SEC. 404. COUNTING OF UP TO 2 YEARS OF VOCATIONAL OR EDUCATIONAL TRAINING (INCLUDING POSTSECONDARY EDUCATION), WORK-STUDY, AND RELATED INTERNSHIPS AS WORK ACTIVITIES.

Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amended to read as follows:

“(8) not more than 24 months of participation by an individual in—

“(A) vocational or educational training (including postsecondary education), at an eligible educational institution (as defined in section 404(h)(5)(A)) leading to attainment of a credential from the institution related to employment or a job skill;

“(B) a State or Federal work-study program under part C of title IV of the Higher Education Act of 1965 or an internship related to vocational or postsecondary education, supervised by an eligible educational institution (as defined in section 404(h)(5)(A)); or

“(C) a course of study leading to adult literacy, in which English is taught as a second language, or leading to a certificate of high school equivalency, if the State considers the activities important to improving the ability of the individual to find and maintain employment.”.

SEC. 405. LIMITED COUNTING OF CERTAIN ACTIVITIES LEADING TO EMPLOYMENT AS WORK ACTIVITY.

(a) IN GENERAL.—Section 407(d) (42 U.S.C. 607(d)) is amended—

(1) by striking “and” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (12) and inserting “; and”; and

(3) by adding at the end the following:

“(13) Up to 6 months of participation (as determined by the State) in services designed to improve future employment opportunities, including substance abuse treatment services, services to address sexual or domestic violence, and physical rehabilitation and mental health services.”.

(b) CONFORMING AMENDMENT.—Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking “and (12)” each place it appears and inserting “(12), and (13)”.

SEC. 406. CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.

Section 404(e) (42 U.S.C. 604(e)) is amended—

(1) in the subsection heading, by striking “ASSISTANCE” and inserting “BENEFITS OR SERVICES”; and

(2) after the heading, by striking “assistance” and inserting “any benefit or service that may be provided”.

SEC. 407. DEFINITION OF ASSISTANCE.

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

“(6) ASSISTANCE.—

“(A) IN GENERAL.—The term ‘assistance’ means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

“(B) EXCEPTION.—The term ‘assistance’ does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking “assistance” and inserting “aid”.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking “assistance” and inserting “benefits or services”.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking “ASSISTANCE” and inserting “AID”.

TITLE V—PROMOTING FAMILY FORMATION AND RESPONSIBLE PARENTING**SEC. 501. FAMILY FORMATION FUND.**

Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

“(2) FAMILY FORMATION FUND.—

“(A) IN GENERAL.—The Secretary shall provide grants to States and localities for research, technical assistance, and demonstration projects to promote and fund best practices in the following areas:

“(i) Promoting the formation of 2-parent families.

“(ii) Reducing teenage pregnancies.

“(iii) Increasing the ability of noncustodial parents to financially support and be involved with their children.

“(B) ALLOCATION OF FUNDS.—In making grants under this paragraph, the Secretary shall ensure that not less than 30 percent of the funds made available pursuant to this paragraph for a fiscal year are used in each of the areas described in subparagraph (A).

“(C) CONSIDERATION OF DOMESTIC VIOLENCE IMPACT.—In making grants under this paragraph, the Secretary shall consider the potential impact of a project on the incidence of domestic violence.

“(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2007 \$100,000,000 for grants under this paragraph.”.

SEC. 502. DISTRIBUTION OF CHILD SUPPORT COLLECTED BY STATES ON BEHALF OF CHILDREN RECEIVING CERTAIN WELFARE BENEFITS.

(a) MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

“(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance paid to the family under the program, which accrues during the period that the family receives assistance under the program.”.

(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—

(1) DISTRIBUTION RULES.—

(A) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended to read as follows:

“(a) IN GENERAL.—Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

“(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

“(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

“(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

“(C) pay to the family any remaining amount.

“(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

“(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

“(B) ARREARAGES.—To the extent that the amount collected exceeds the current support amount, the State—

“(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3);

“(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

“(I) pay to the Federal Government, the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

“(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

“(iii) shall pay to the family any remaining amount.

“(3) LIMITATIONS.—

“(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3).

“(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3).

“(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall pay the amount collected to the family.

“(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (4), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.

“(6) STATE FINANCING OPTIONS.—To the extent that the State share of the amount payable to a family for a month pursuant to paragraph (2)(B) of this subsection exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family for the month pursuant to former section 457(a)(2) (as in effect for the State immediately before the date this subsection first applies to the State) if such former section had remained in effect, the State may elect to use the grant made to the State under section 403(a) to pay the amount, or to have the payment considered a qualified State expenditure for purposes of section 409(a)(7), but not both.

“(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

“(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is not a recipient of assistance under the State program funded under part A, to the extent that the State pays the amount to the family and disregards the payment for purposes of paying benefits under the State program funded under part A.

“(B) RECIPIENTS OF TANF FOR LESS THAN 5 YEARS.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is a recipient of assistance under the State program funded under part A and that has received the assistance for not more than 5 years after the date of the enactment of this paragraph, to the extent that the State pays the amount to the family.”

(B) APPROVAL OF ESTIMATION PROCEDURES.—Not later than October 1, 2002, the Secretary of Health and Human Services, in consultation with the States (as defined for purposes of part D of title IV of the Social Security Act), shall establish the procedures to be used to make the estimate described in section 457(a)(6) of such Act.

(2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:

“(5) CURRENT SUPPORT AMOUNT.—The term ‘current support amount’ means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the non-custodial parent in the order requiring the support.”

(C) BAN ON RECOVERY OF MEDICAID COSTS FOR CERTAIN BIRTHS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking “and” at the end of paragraph (32);

(2) by striking the period at the end of paragraph (33) and inserting “; and”; and

(3) by inserting after paragraph (33) the following:

“(34) provide that the State shall not use the State program operated under this part to collect any amount owed to the State by reason of costs incurred under the State plan approved under title XIX for the birth of a child for whom support rights have been assigned pursuant to section 408(a)(3), 471(a)(17), or 1912.”

(d) STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended by striking “shall” and inserting “may”.

(e) CONFORMING AMENDMENTS.—

(1) Section 409(a)(7)(B)(i)(I)(aa) (42 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by striking “457(a)(1)(B)” and inserting “457(a)(1)”.

(2) Section 404(a) (42 U.S.C. 604(a)) is amended—

(A) by striking “or” at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting “; or”; and

(C) by adding at the end the following:

“(3) to fund payment of an amount pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to use the grant to fund the payment.”

(3) Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

“(V) PORTIONS OF CERTAIN CHILD SUPPORT PAYMENTS COLLECTED ON BEHALF OF AND DISTRIBUTED TO FAMILIES NO LONGER RECEIVING ASSISTANCE.—Any amount paid by a State pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to have the payment considered a qualified State expenditure.”

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and section 901(b) of this Act, the amendments made by this section shall take effect on October 1, 2006, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(2) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—A State may elect to have the amendments made by this section apply to the State and to amounts collected by the State, on and after such date as the State may select that is after the date of the enactment of this Act and before the effective date provided in paragraph (1).

SEC. 503. ELIMINATION OF SEPARATE WORK PARTICIPATION RATE FOR 2-PARENT FAMILIES.

Section 407 (42 U.S.C. 607) is amended—

(1) in subsection (a), by striking paragraph (2); and

(2) in subsection (b)—

(A) by striking paragraphs (2) and (3);

(B) in paragraph (4), by striking “paragraphs (1)(B) and (2)(B)” and inserting “paragraph (1)(B)”;

(C) in paragraph (5), by striking “rates” and inserting “rate”; and

(D) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

SEC. 504. BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES; STATE OPT-OUT.

(a) PROHIBITION.—Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

“(13) BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

“(A) IN GENERAL.—In determining the eligibility of a 2-parent family for assistance under a State program funded under this part, the State shall not impose a requirement that does not apply in determining the eligibility of a 1-parent family for such assistance.

“(B) STATE OPT-OUT.—Subparagraph (A) shall not apply to a State if the State legislature, by law, has elected to make subparagraph (A) inapplicable to the State.”

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

“(16) PENALTY FOR IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

“(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(13) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

“(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.”

SEC. 505. EXTENSION OF ABSTINENCE EDUCATION FUNDING UNDER MATERNAL AND CHILD HEALTH PROGRAM.

(a) IN GENERAL.—Section 510(d) (42 U.S.C. 710(d)) is amended by striking “2002” and inserting “2007”.

(b) PURPOSE OF ALLOTMENTS.—For each of the fiscal years 2003 through 2007, section 510(b)(1) of the Social Security Act is deemed to read as follows: “(1) The purpose of an allotment under subsection (a) to a State is to enable the State to provide abstinence education, and at the option of the State—

“(A) programs that the State defines as an appropriate approach to abstinence education that educates those who are currently sexually active or at risk of sexual activity about methods to reduce unintended pregnancy or other health risks; and

“(B) 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) MEDICALLY AND SCIENTIFICALLY ACCURATE INFORMATION.—For each of the fiscal years 2003 through 2007, there is deemed to appear in the matter preceding subparagraph (A) of section 510(b)(2) of such Act the phrase “a medically and scientifically accurate educational” in lieu of the phrase “an educational”, and there is deemed to appear after and below subparagraph (H) of such section the following:

“For purposes of this section, the term ‘medically accurate’, with respect to information, means information that is supported by research, recognized as accurate and objective by leading medical, psychological, psychiatric, and public health organizations and agencies, and where relevant, published in peer review journals.”

(d) EFFECTIVE MODELS FOR PROGRAMS.—For each of the fiscal years 2003 through 2007, section 510 of such Act is deemed to have at the end the following subsection:

“(e)(1) None of the funds appropriated in this section shall be expended for a program unless the program is based on a model that has been demonstrated to be effective in reducing unwanted pregnancy, or in reducing the transmission of a sexually transmitted disease or the human immunodeficiency virus.

“(2) The requirement of paragraph (1) shall not apply to programs that have been approved and funded under this section on or before April 19, 2002.”

(e) COMPARATIVE EVALUATION OF ABSTINENCE EDUCATION PROGRAMS.—

(1) STUDY.—The Secretary of Health and Human Services (referred to in this subsection as the “Secretary”) shall, in consultation with an advisory panel of researchers identified by the Board on Children Youth and Families of the National Academy of Sciences, conduct an experimental study directly or through contract or inter-agency agreement which assesses the relative efficacy of two approaches to abstinence education for adolescents. The study

design should enable a comparison of the efficacy of an abstinence program which precludes education about contraception with a similar abstinence program which includes education about contraception. Key outcomes that should be measured in the study include rates of sexual activity, pregnancy, birth, and sexually transmitted diseases.

(2) **REPORT.**—Not later than 5 years after the date of the enactment of this Act, the Secretary shall submit a report to Congress the available findings regarding the comparative analysis.

(3) **FUNDING.**—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2003 through 2007.

TITLE VI—RESTORING FAIRNESS FOR IMMIGRANT FAMILIES

SEC. 601. TREATMENT OF ALIENS UNDER THE TANF PROGRAM.

(a) **EXCEPTION TO 5-YEAR BAN FOR QUALIFIED ALIENS.**—Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

“(L) Benefits under the Temporary Assistance for Needy Families program described in section 402(b)(3)(A).”

(b) **BENEFITS NOT SUBJECT TO REIMBURSEMENT.**—Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1138a note) is amended by adding at the end the following:

“(12) Benefits under part A of title IV of the Social Security Act except for cash assistance provided to a sponsored alien who is subject to deeming pursuant to section 408(h) of the Social Security Act.”

(c) **TREATMENT OF ALIENS.**—Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

“(h) **SPECIAL RULES RELATING TO THE TREATMENT OF 213A ALIENS.**—

“(1) **IN GENERAL.**—In determining whether a 213A alien is eligible for cash assistance under a State program funded under this part, and in determining the amount or types of such assistance to be provided to the alien, the State shall apply the rules of paragraphs (1), (2), (3), (5), and (6) of subsection (f) of this section by substituting ‘213A’ for ‘non-213A’ each place it appears, subject to section 421(e) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and subject to section 421(f) of such Act (which shall be applied by substituting ‘section 408(h) of the Social Security Act’ for ‘subsection (a)’).

“(2) **213A ALIEN DEFINED.**—An alien is a 213A alien for purposes of this subsection if the affidavit of support or similar agreement with respect to the alien that was executed by the sponsor of the alien’s entry into the United States was executed pursuant to section 213A of the Immigration and Nationality Act.”

(d) **EFFECTIVE DATE AND APPLICABILITY.**—

(1) **EFFECTIVE DATE.**—The amendments made by this section shall take effect October 1, 2002.

(2) **APPLICABILITY.**—The amendments made by this section shall apply to benefits provided on or after the effective date of this section.

SEC. 602. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) **MEDICAID PROGRAM.**—Section 1903(v) (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking “paragraph (2)” and inserting “paragraphs (2) and (4)”; and

(2) by adding at the end the following new paragraph:

“(4)(A) A State may elect (in a plan amendment under this title) to provide medical assistance under this title, notwithstanding sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, for aliens who are lawfully residing in the United States (including battered aliens described in section 431(c) of such Act) and who are otherwise eligible for such assistance, within either or both of the following eligibility categories:

“(i) **PREGNANT WOMEN.**—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

“(ii) **CHILDREN.**—Children (as defined under such plan), including optional targeted low-income children described in section 1905(u)(2)(B).

“(B) In the case of a State that has elected to provide medical assistance to a category of aliens under subparagraph (A), no debt shall accrue under an affidavit of support against any sponsor of such an alien on the basis of provision of assistance to such category and the cost of such assistance shall not be considered as an unreimbursed cost.”

(b) **SCHIP.**—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)) as amended by section 803 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106-554, is amended by redesignating subparagraphs (C) and (D) as subparagraph (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

“(C) Section 1903(v)(4) (relating to optional coverage of categories of permanent resident alien children), but only if the State has elected to apply such section to the category of children under title XIX.”

(c) **EFFECTIVE DATE.**—The amendments made by this section take effect on October 1, 2002, and apply to medical assistance and child health assistance furnished on or after such date.

SEC. 603. ELIGIBILITY OF DISABLED CHILDREN WHO ARE QUALIFIED ALIENS FOR SSI.

(a) **IN GENERAL.**—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by inserting after subparagraph (K) the following new subparagraph:

“(L) **SSI EXCEPTION FOR DISABLED CHILDREN.**—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(A), paragraph (1) shall not apply to a child who is considered disabled for purposes of the supplemental security income program under title XVI of the Social Security Act.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on October 1, 2002, and apply to benefits furnished on or after such date.

TITLE VII—ENSURING STATE ACCOUNTABILITY

SEC. 701. INFLATION ADJUSTMENT OF MAINTENANCE-OF-EFFORT REQUIREMENT.

Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A), by inserting “inflation-adjusted” before “historic State expenditures”; and

(2) in subparagraph (B), by adding at the end the following:

“(vi) **INFLATION-ADJUSTED HISTORIC STATE EXPENDITURES.**—The term ‘inflation-adjusted historic State expenditures’ means, with respect to a fiscal year, historic State expenditures with respect to the fiscal year, multiplied by the sum of 1.00 plus the inflation percentage (as defined in section 403(a)(2)(F)) in effect for the fiscal year.”

SEC. 702. BAN ON USING FEDERAL TANF FUNDS TO REPLACE STATE AND LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.

(a) **PROHIBITION.**—Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

“(14) **BAN ON USING FEDERAL TANF FUNDS TO REPLACE STATE OR LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.**—A State to which a grant is made under section 403 and a sub-State entity that receives funds from such a grant shall not expend any part of the grant funds to supplant State or local spending for benefits or services which are not qualified State expenditures (within the meaning of section 409(a)(7)(B)(i)).”

(b) **PENALTY.**—Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

“(17) **PENALTY FOR USING FEDERAL TANF FUNDS TO REPLACE STATE OR LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.**—

“(A) **IN GENERAL.**—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(14) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

“(B) **PENALTY BASED ON SEVERITY OF FAILURE.**—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.”

TITLE VIII—IMPROVING INFORMATION ABOUT TANF RECIPIENTS AND PROGRAMS

SEC. 801. EXTENSION OF FUNDING OF STUDIES AND DEMONSTRATIONS.

Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by striking “2002” and inserting “2007”.

SEC. 802. LONGITUDINAL STUDIES OF EMPLOYMENT AND EARNINGS OF TANF LEAVERS.

Section 413 (42 U.S.C. 613) is amended—

(1) in subsection (h)(1)—

(A) by striking “and” at the end of subparagraph (C);

(B) by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(E) the cost of conducting the studies described in subsection (k).”; and

(2) by adding at the end the following:

“(k) **LONGITUDINAL STUDIES OF EMPLOYMENT AND EARNINGS OF TANF LEAVERS.**—

“(1) **IN GENERAL.**—The Secretary, directly or through grants, contracts, or interagency agreements shall conduct a study in each eligible State of a statistically relevant cohort of individuals who leave the State program funded under this part during fiscal year 2003 and individuals who leave the program during fiscal year 2005, which uses State unemployment insurance data to track the employment and earnings status of the individuals during the 3-year period beginning at the time the individuals leave the program.

“(2) **REPORTS.**—The Secretary shall annually publish the findings of the studies conducted pursuant to paragraph (1) of this subsection, and shall annually publish the earnings data used in making determinations under section 407(b).”

SEC. 803. INCLUSION OF DISABILITY STATUS IN INFORMATION STATES REPORT ABOUT TANF FAMILIES.

Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended by adding at the end the following:

“(xviii) Whether the head of the family has a significant physical or mental impairment.

SEC. 804. ANNUAL REPORT TO THE CONGRESS TO INCLUDE GREATER DETAIL ABOUT STATE PROGRAMS FUNDED UNDER TANF.

Section 411(b)(3) (42 U.S.C. 611(b)(3)), as amended by section 401(b)(1) of this Act, is amended to read as follows:

“(3) the characteristics of each State program funded under this part, including, with respect to each program funded with amounts provided under this part or with amounts the expenditure of which is counted as a qualified State expenditure for purposes of section 409(a)(7)—

“(A) the name of the program;

“(B) whether the program is authorized at a sub-State level (such as at the county level);

“(C) the purpose of the program;

“(D) the main activities of the program;

“(E) the total amount received by the program from amounts provided under this part;

“(F) the total of the amounts received by the program that are amounts the expenditure of which are counted as qualified State expenditures for purposes of section 409(a)(7);

“(G) the total funding level of the program;

“(H) the total number of individuals served by the program, and the number of such individuals served specifically with funds provided under this part or with amounts the expenditure of which are counted as qualified State expenditures for purposes of section 409(a)(7); and

“(I) the eligibility criteria for participation in the program;”.

SEC. 805. ENHANCEMENT OF UNDERSTANDING OF THE REASONS INDIVIDUALS LEAVE STATE TANF PROGRAMS.

(a) **DEVELOPMENT OF COMPREHENSIVE LIST OF CASE CLOSURE REASONS.**—The Secretary of Health and Human Services shall develop, in consultation with States and policy experts, a comprehensive list of reasons why individuals leave State programs funded under this part. The list shall be aimed at substantially reducing the number of case closures under the programs for which a reason is not known.

(b) **INCLUSION IN QUARTERLY STATE REPORTS.**—Section 411(a)(1)(A)(xvi) (42 U.S.C. 611(a)(1)(A)(xvi)) is amended—

(1) by striking “or” at the end of subclause (IV);

(2) by striking the period at the end and inserting “; or”; or

(3) by adding at the end the following:

“(VI) a reason specified in the list developed under section 805(a) of the Next Step in Reforming Welfare Act.”.

SEC. 806. STANDARDIZED STATE PLANS.

Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services, after consulting with the States, shall establish a standardized format which States shall use to submit plans under section 402(a) of the Social Security Act for fiscal year 2004 and thereafter.

SEC. 807. STUDY BY THE CENSUS BUREAU.

(a) **IN GENERAL.**—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

“(a) **IN GENERAL.**—The Bureau of the Census shall implement a new longitudinal survey of program dynamics, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples.”.

(b) **APPROPRIATION.**—Section 414(b) (42 U.S.C. 614(b)) is amended by striking “1996,” and all that follows through “2002” and inserting “2003 through 2007”.

SEC. 808. ACCESS TO WELFARE; WELFARE OUTCOMES.

Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

“(c) **ANNUAL REPORTS ON WELFARE ACCESS AND OUTCOMES.**—

“(1) **STATE REPORTS.**—Not later than January 1 of each fiscal year, each eligible State shall collect and report to the Secretary, with respect to the preceding fiscal year, the following information:

“(A) The number of applications for assistance from the State program funded under this part, the percentage that are approved versus those that are disapproved, and the reasons for disapproval, broken down by race.

“(B) A copy of all rules and policies governing the State program funded under this part that are not required by Federal law, and a summary of the rules and policies, including the amounts and types of assistance provided and the types of sanctions imposed under the program.

“(C) The types of occupations of, types of job training received by, and types and levels of educational attainment of recipients of assistance from the State program funded under this part, broken down by gender and race.

“(2) **USE OF SAMPLING.**—A State may comply with this subsection by using a scientifically acceptable sampling method approved by the Secretary.

“(3) **REPORT TO THE CONGRESS.**—Not later than June 1 of each fiscal year, the Secretary shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, publish in the Federal Register, and make available to the public a compilation of the reports submitted pursuant to paragraph (1) for the preceding fiscal year.”.

TITLE IX—EFFECTIVE DATE

SEC. 901. EFFECTIVE DATE.

(a) **IN GENERAL.**—Except as provided in sections 208 and 502(f) and in subsection (b) of this section, the amendments made by this Act shall take effect on October 1, 2002, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(b) **DELAY PERMITTED IF STATE LEGISLATION REQUIRED.**—In the case of a State plan under section 402(a) or 454 of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such section 402(a) or 454 solely on the basis of the failure of the plan to meet such additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

The SPEAKER pro tempore. Pursuant to House Resolution 422, the gentleman from Maryland (Mr. CARDIN) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Maryland (Mr. CARDIN).

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

Mr. Speaker, I have listened with interest during the debate, and there is a better way. The substitute that I am submitting is submitted on behalf of myself, the gentlewoman from California (Ms. WOOLSEY), the gentleman from Wisconsin (Mr. KIND), the gentleman from Tennessee (Mr. TANNER), the gentleman from California (Mr. BECERRA), the gentleman from Wisconsin (Mr. KLECZKA), the gentleman from California (Mr. THOMPSON), and the gentleman from Oregon (Mr. BLUMENAUER).

Mr. Speaker, it provides for a real-work requirement, a requirement for real jobs. We reward the States for finding real employment for the people that are on welfare. We have put in the substitute an employment credit against the work requirement that was suggested by the gentleman from Michigan (Mr. LEVIN) and the gentleman from Wisconsin (Mr. KIND) that rewards the States for finding employment for the people on welfare.

Unlike the Republican bill, the Democratic substitute provides flexibility to our States, particularly as it relates to education. We increase, not eliminate, the opportunity of States to provide educational opportunities for the people on welfare. We increase the amount of education from 1 year to a maximum of 2 years, no caps on the number of people who can participate, specifically provide for English as a second language and GED.

Mr. Speaker, by opening this up, there are no requirements on the States. The States can then determine what is in the best interest of the people in their own State. We should not mandate how the States respond to the educational needs of their own citizens. It is their decision, not ours under the substitute.

Mr. Speaker, that is flexibility. That is what the States want. The Republican bill moves in the opposite direction and takes away flexibility. The Democratic substitute provides more resources. We do that. We provide \$11 billion of new resources in mandatory spending for child care, unlike the Republican bill which is \$1 billion in mandatory spending.

The Congressional Budget Office has indicated that is necessary, otherwise we are imposing additional mandates on the States without providing the resources. I thank the gentleman from California (Mr. STARK) and the gentleman from California (Mr. GEORGE MILLER) for bringing forward the child care issue. I regret their amendments were not made in order.

The substitute also provides for an inflationary increase of \$6 billion over the next 5 years for the basic grants to our States. If we do not do that, we will have level funding for 10 years, and we would actually have had a decline of a significant amount of dollars available in real purchasing power.

I have heard the Republicans comment the caseload is down. That is not true. Cash assistance is down, but the

people being served by TANF funds is actually increasing because we are now providing employment services and day care to Americans who are working.

We also provide additional incentives to States to get people out of poverty. The Democratic substitute moves forward in removing the discrimination against legal immigrants. We allow the States at their discretion to cover legal immigrants with their TANF funds, and we make progress in both SSI and Medicaid in covering children and Medicaid for pregnant women.

Mr. Speaker, the Democratic substitute moves us forward to the next plateau, to the next level of expectation on our States. We provide the flexibility and the resources, but we hold our States accountable to not only get people out of cash assistance off of the welfare rolls, but so American families can also move out of poverty.

Mr. Speaker, let me close this part of the debate by citing two of the groups that are in support of the substitute, and there are many others. First, the Children's Defense Fund when they say: "Children deserve the chance to grow up out of poverty. The Democratic substitute bill represents genuine progress for families with children to escape from poverty. I urge you to take the opportunity to help these working families to ensure that we truly Leave No Child Behind."

From Catholic Charities U.S.A.: "We believe your substitute will help families escape both welfare and poverty, and we offer our strong support."

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

Mr. THOMAS. Mr. Speaker, I rise in opposition to the amendment in the nature of a substitute.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) is recognized for 30 minutes.

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

I guess one of the things we could do is run an auction on bills like this in which each provision goes to the highest bidder. If that is the case, our friends on the other side of the aisle would win every time, that is, as long as we were using Monopoly money. But if we were using real money in terms of having to pay for what it is that we say we are offering to the American people, then the proposal that came out of our committees that we have just finished discussing fits within the budget that this House passed.

The program that was partially outlined by the gentleman from Maryland (Mr. CARDIN) adds up to about \$70 billion over 10 years. There is no money provided for it. The gentleman got up after virtually every speaker and talked about an unfunded mandate. What the gentleman will not talk about is the fact that they have over a billion dollars imposed upon States in their proposal requiring States to meet an inflation number in the States. That produces a mandate on the States

of more than a billion dollars. So what we really want to do as we discuss this is not who is able to stack up the most Monopoly money in front of someone as to show how much they care about this issue, how much of this is real, how much does it have a chance to become law, and how much does it fit within the other spending patterns that we have already committed ourselves to.

Mr. Speaker, that is the real question, and there this substitute is factually flawed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. TAUZIN), the chairman of the Committee on Energy and Commerce.

□ 1330

Mr. TAUZIN. Mr. Speaker, I thank my friend for yielding me this time. I simply want to rise in opposition to this alternative offered by the Democrats for one of the many reasons that I hope we oppose it, but for an important one. The Democrats will argue that they want to put flexibility into the title V funding for abstinence-only education programs. What that means is they want to give the States the right to mix messages, to combine their contraceptive-focused programs with the programs that help young people understand that there is another choice called abstinence.

We included the definition of abstinence education in the statute to protect the abstinence-only message from being diluted with the message of promoting condom or contraceptive use. We literally have to oppose an effort that will give the States the flexibility to mix those messages back up again. There are 25 different Federal programs funding contraceptive-focused education. There are only three income streams in the law that fund abstinence-only education programs and they are not mandatory on the States. The States have the flexibility, if they want, to opt out of the abstinence-only programs.

As a matter of fact, 49 States choose to opt in. They like the programs. They put up \$3 for every \$4 that the Federal Government puts up. And if a State does not really like this program and does not want to be a part of it as the one State, California, does not want to be, they can abstain from the program. The other States like it, choose it, accept it, and the result is that abstinence education is reducing teen pregnancy, reducing the incidence of transmitted diseases from sex and teaching young people that there is a better way, there is a better way to prepare themselves for a life in which they will not be afflicted with awful sexually transmitted diseases or the prospect of having a child in their teen years that they are not prepared to rear and a child that will grow up likely in poverty in our country.

I urge my colleagues not to mix these messages, to continue the great

progress of the 1996 act, to allow abstinence-only education programs to work in our country, and to give our States what they already have, the flexibility to opt into these programs or to opt out but never to allow them to confuse the messages. Our kids need positive messages, not confused ones.

I urge my colleagues to oppose the Democratic substitute.

Mr. CARDIN. Mr. Speaker, let me just point out to the gentleman from California (Mr. THOMAS), my chairman, that this bill spends less than half of what the farm bill spent and will not even keep up the share of the Federal spending on these programs with the increase.

Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY), one of the coauthors of the substitute.

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I thank the gentleman from Maryland (Mr. CARDIN) for his leadership and the gentleman from Wisconsin (Mr. KIND) for his partnership in putting together this substitute. Our substitute offers Members a clear alternative to H.R. 4737. The Democratic substitute builds on what we have learned in welfare reform over the past 6 years. The most important thing that we learned is that it is not hard to get people off the welfare rolls, particularly in a good economy. But it is especially easy if we do not care where they end up. But if we want people to go from welfare to self-sufficiency, then we have to work a little harder.

The guiding principle of the 1996 welfare reform was that welfare was the enemy. Welfare mothers were demonized. But the enemy is not welfare, Mr. Speaker. The enemy was then, and is now, poverty. This substitute will enable States to give welfare recipients the supports and services they need to get real jobs and lift themselves and their families out of poverty.

First of all, our substitute will allow education and training to count as work for up to 24 months, up to and including an AA employment-related degree. The most recent census report shows that the median income of women who have an associate's degree is just under \$24,000 a year. This is more than twice what a woman who works full-time at a minimum wage job earns. We know that education pays, and that is why the Democratic substitute makes education count.

The vast majority of welfare recipients are single mothers. They cannot go to school or work if their children do not have child care. That is why the Democratic substitute adds an additional \$11 billion in mandatory funding for child care over 5 years. As many of my colleagues know, 25 years ago, when my children's father left me and my three young children, ages 1, 3 and 5, I had to turn to welfare, even though I was working, in order to pay for child care and other basic necessities.

The first year it was bad enough that I went to work. I had never intended to leave my children and go to work. It was bad enough that their father abandoned us. But the very worst part of the whole thing was trying to find child care. That first year I had 13 different child care arrangements. Can you imagine what that is like? Finding new child care, watching your children make that adjustment, losing that care and starting over again. Thirteen times in 12 months. It is an absolute miracle that my children are the wonderful young adults they are today.

It was only after I was confident that my children were well cared for that I was able to concentrate on my work, and within a year I was promoted to a management position.

Mr. Speaker, this substitute does that for all the other women who need it.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume. I do want to correct the record, because I indicated that the substitute bill requires a mandatory payment by the States of \$1 billion. My understanding is that that is only in the fifth year. My correction is that actually the Congressional Budget Office says that that is an inflation mandate of \$3.6 billion over 5 years.

We have fallen into the lexicon of the Federal Government and the State. The State pays, the Federal Government pays. Obviously it is the taxpayer who pays, whether it is at the State or the Federal level. So as we are discussing the costs of these bills, let us remember, somebody has to put up the taxes to pay for them.

In regard to the direction and the thrust, I find it interesting that 6 years ago when we first offered this proposal on the floor, the substitute that was offered, in fact, saved \$50 billion over 6 years because they thought the enticement of saving money in this system would convince enough people to vote with them rather than the reform of requiring people to work. Six years later, when they know that requiring people to work works, their substitute now spends \$20 billion over 5 years. And so if you cannot beat them, join them, and throw a few more dollars at the problem seems to be the direction that the substitute is going.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I thank my chairman for yielding me this time.

Mr. Speaker, I appreciate the words and heartfelt conviction of my friend from California. I do not doubt her intentions. The important thing in terms of public policy is to step back and see what can bring the greatest good. I appreciate that my friend from California

is a living embodiment of an exception in a previous policy that just was not working. What we have done over the last decade, or the last half of a decade, is to change this program, to incentivize and require work.

That is why I rise in opposition, not to score political points but to take a look at what we have been able to do in the last 6 years. If we enact the substitute offered by my friends on the other side, we will weaken work requirements. This would provide partial credit toward work rates for adults who work as few as 10 hours a week while collecting full welfare benefits. Their substitute would add a new employed leaver credit. According to estimates from the Health and Human Services, it would effectively eliminate the work requirements in the year 2003, reducing from 50 percent to 2 percent the share of the welfare caseload expected to work.

What I think is important here is that we not reduce work requirements, because, after all, it is incentive to work that brings about true reform, and in the final analysis the best social program is a job.

With all due respect, the substitute offered by my friends, though it is not the intent of the other side, in essence it would promote welfare dependence. It would allow recipients working 2 days a week to stay on welfare forever.

And my chairman mentioned the bottom line, the cost of this substitute. Not only \$70 billion over the next 10 years but my friends who on so many different projects say "Let's watch deficit spending," for this program they offer no budgetary offsets. Sound public policy requires under our budget rules offsets to bring this forward. It is not there.

For those reasons, I have to rise in opposition to the Democratic substitute.

Mr. CARDIN. Mr. Speaker, let me remind my friend that just a week ago, we approved over twice as much for the farm bill, without offsets.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Wisconsin (Mr. KIND), one of the co-authors of the substitute.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I am one of the cosponsors of the Democratic substitute and I also rise in opposition to the Republican base bill.

Mr. Speaker, we have a tale of two different visions here between these two bills: Our vision that believes in maintaining the importance of State flexibility and State innovation in implementing the next round of welfare reform, that believes in empowering the individuals on welfare reforms through access to education and a job training programs and that believes that we need to be careful in regards to what we do with the children of these families. We provide the resources to help with quality child care services

because we know that those on welfare are not going to enter the workforce if they know the kids are not properly being taken care of in a quality environment. That is in contrast to the Republican version, which is very long on conservatism and very short on compassion.

If everyone truly believes that welfare reform should be about welfare to work, then why do we not create an incentive rewarding States that help welfare recipients get decent, meaningful jobs? That is exactly what we accomplish with the Democratic substitute with an employment credit rather than a caseload reduction credit that they want to continue under current law. Their approach is to reward States for merely kicking people off the welfare rolls yet we do not know what happens to them because there is a paucity of data in regards to where the families are, what they are doing and what happens to the kids.

The other important link with this is making sure that there is a greater responsibility for the noncustodial parent. Our bill provides an incentive for States to make sure that noncustodial parents, fathers of these kids, to get a job and contribute with child support payments rather than the entire burden falling on single mothers. Their approach is a \$300 million experimental marriage counseling program that we have no information on whether it even works given again the paucity of research in this area.

Finally, we must recognize there are those on welfare that are there for a reason, either because of domestic abuse, sexual assaults, cognitive and physical disabilities. Our legislation recognizes the most vulnerable in our society and gives States the flexibility they need in order to deal with those unique cases. I encourage support for the substitute and reject the Republican alternative.

The Republican bill is a step in the wrong direction; it replaces state flexibility with unfunded mandates, it promotes make-work at the expense of wage-paying employment, and does nothing to help families escape poverty when they leave welfare for work. I worked closely, however, with Representatives CARDIN, WOOLSEY, TANNER, and THOMPSON in crafting a Democratic substitute that better assists the states in moving families from welfare to work and I empower individuals so they can become self-sufficient.

During consideration of welfare reform in the Education and Workforce Committee I offered three amendments that would have improved the base bill. The first amendment was an employment credit; the second amendment would have given states incentives to put fathers to work so they could pay child support; and the third amendment would have allowed states to consider domestic abuse or sexual violence in the development of families' self-sufficiency plan. Unfortunately, I withdrew the fatherhood amendment under the agreement that Leadership would continue to work on the amendment between committee consideration and the floor. They did not, however, stand by their commitment and excluded this amendment

from HR 4735. Furthermore, Leadership adopted the domestic violence and sexual abuse amendment by voice vote in committee but did not include it in the final bill.

Yesterday, in the Rules Committee I offered the employment credit amendment with Congressman LEVIN and I offered the fatherhood amendment with Congressman ROEMER. Yet, once again, the House Leadership voted against my amendments and prohibited them from consideration on the House floor.

THE DEMOCRATIC SUBSTITUTE

The Rules Committee did, however, accept the Democratic substitute as part of the Rule for debate on the House floor. As one of the new Co-chairs of the New Democrat Coalition, I am pleased that the substitute incorporated many of the New Democrats' suggestions. In 1996, one of the signature New Democrat initiatives was the successful welfare reform legislation. Centered on the principle of "work first", this approach, coupled with efforts to make work pay, has succeeded where previous attempts to reform welfare failed.

Our Democratic substitutes strengthen the current work requirements. It increases the work participation rate to 70% and increased the number of direct work activities hours from 20 to 24 hours. These increased work requirements are consistent with the president's proposal. In addition, the caseload reduction credit is replaced with the employment credit, which I offered in committee. Our substitute also provides states with an additional \$11 billion for mandatory childcare funding over five years; it increases the set aside for child care quality from 4% to 12%; and it provides an inflationary increase for the TANF block grant. Conversely, the Leadership's bill would impose nearly \$11 billion over the next five years in unfunded mandate on the states, without the additional resources we include in our substitute. In Wisconsin, my home state, the unfunded mandates would add another \$134 million over five years to the state's current \$1.1 billion budget deficit.

Our substitute also provides the states with the flexibility and freedom to innovate. Specifically, it allows states to count education and training towards its participation rate for up to 24 months. This is significant because the most promising state programs that help welfare recipients obtain and advance in a job combine a "work first" approach with supplemental training and education. The Republican proposal eliminates vocation educational training from the list of work related activities that count towards the State's participation rate and limits other education and training to a mere four months.

Further, our substitute allows states to assist legal immigrant families with federal TANF funds while the Republican bill would maintain the ban on providing legal immigrants with Federal assistance.

EMPLOYMENT CREDIT AMENDMENT

Current law rewards states for removing people from the rolls. Because the credit does not take into account whether welfare leavers are working, states can win reductions in their participation requirements without actually helping leavers find jobs. Further, because caseloads are at historic low, states will have a difficult time benefiting from the revised caseload reduction credit included in HR 4735. Even the president eliminated the caseload reduction credit in his proposal and replaced it with his own employment credit.

We need to shift the focus and reward states for not only moving families off the rolls but also for moving them into jobs, with a bonus for moving them into higher-paying jobs. The amendment I offered during mark-up in committee would have done just that by replacing the caseload reduction credit with an employment credit. Under the employment credit, for every one percent of welfare recipients that leave the rolls for work, the state's work participation requirement would be reduced by one percent. In addition, it would have increased state flexibility and measured the state's performance along the entire continuum from welfare to work.

NONCUSTODIAL PARENT AMENDMENT

The first round of welfare reform required low-income mothers to work rather than make welfare a way of life. Reauthorization, however, should challenge the fathers of TANF children to also be responsible for raising their children. Thus, I offered an amendment with Congressman ROEMER during committee mark-up that would have rewarded states with a credit towards its worker participation rate if they worked with fathers to increase their employment and pay child support. The additional piece to this amendment would have rewarded states even further, with a bonus to states that achieve or exceed employment performance targets. This bonus was authorized at \$100 million, and the money would have come from the funding for the Family Formation and Healthy Marriage program. While very little research exists about marriage and its direct benefit to children, substantial research shows working fathers most effectively improves children's emotional and financial well-being.

DOMESTIC AND SEXUAL VIOLENCE AMENDMENT

Violence is a fact of life for too many poor women; as many as 60% of women receiving welfare have been victims of domestic violence as adults. The incidence and severity of violence in their lives can keep them from escaping poverty. Therefore, the amendment I offered in committee would have required states to screen women on welfare to determine if they have been subjected to domestic or sexual violence and then states may refer them to necessary services. It is unfortunate that this assessment will not be included in the development of families' self-sufficiency plan. It is critical that these women receive the necessary assistance to help them heal and escape poverty.

CONCLUSION

While it is unfortunate that my amendments were not included in the base bill, I am pleased to be a lead sponsor of the Democratic substitute and to have the opportunity to offer it on the floor today. My colleagues and I worked hard to reach a compromise that we think will best serve our nation's various populations and their needs. Most importantly, our alternative will allow states to focus on placing welfare recipients into real jobs and helping them escape poverty. That should be our number one priority, which sadly, the Leadership's bill does not accomplish.

Mr. THOMAS. Mr. Speaker, I would indicate that the gentleman from Wisconsin in his substitute is willing to impose \$58.5 million of mandated increases to the taxpayers of Wisconsin.

Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Ohio (Mr.

BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. I thank my colleague from California for yielding me this time.

Mr. Speaker, the first thing I notice about the Democratic substitute is that, at least on the surface, it has no quarrel with strong work requirements. This really tells me they have come a long way since 1996, when many of my friends on the other side of the aisle made so many doom-and-gloom predictions about how welfare reform would bring about the end of civilization as we know it. Former Senator Pat Moynihan famously said that those who supported the 1996 reforms would "take this disgrace to their graves." Mr. Speaker, I am one who voted for the bill and proud that I did.

This is why I am supporting the underlying bill today. By strengthening the work requirements and expanding flexibility, it builds on what is really best about the 1996 act. And while the Democrat substitute is a sign that my friends on the other side of the aisle are reconciled to welfare reform, it is also a sign they are unwilling to move beyond the status quo.

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While caseloads have declined dramatically since 1996, there is room for improvement. Fifty-eight percent of TANF recipients still are not engaged in any work-related activities. Now, there is one place where the substitute offers radical change, and that is in the area of child care. It proposes spending \$11 billion more on child care over the next 5 years.

Mr. Speaker, to say this is generous would be an understatement. After not having even offered a budget here on the floor, our Democrat friends are asking for huge spending increases without even attempting to pay for them. Where would all this additional child care money come from? We have no idea. In contrast to this fiscal irresponsibility, the underlying bill supports a \$2 billion increase in child care and development, and we pay for our proposed increases.

The backers of the substitute are making the claim that the underlying bill does not do enough for education. Mr. Speaker, the claim is dead wrong. Under our bill, the welfare recipients can attend school full-time for 4 months in any 2-year period, and can spend up to 16 hours each week getting education and training to help further their ability to obtain gainful employment.

As chairman of the Committee on Education and the Workforce, let me remind my colleagues of the \$66 billion Federal education budget already available to low income individuals, including Pell Grants, student loans and Perkins loans. While these programs are taken into account, it is clear that the welfare recipients will have time and the financial help they need to seek an education.

Mr. Speaker, we need to build on the success of the 1996 welfare reform law. I do not think the substitute we have before us does adequately strengthen the work requirements. It includes wildly unrealistic spending increases, and I urge my colleagues to defeat the substitute and vote "yes" on the underlying bill.

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

Mr. Speaker, I know the gentleman from California (Mr. THOMAS), my chairman, wants the record to be accurate, so let me just clarify the point he made about the States' maintenance of effort requirements, which is current law. Wisconsin would receive well over \$58 million in additional Federal support over and above the substitute, plus under the Republican bill they would truly have an unfunded mandate of \$89 million. So I thank my friend the gentleman from Wisconsin (Mr. KIND) for looking after the citizens of Wisconsin.

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMPSON), a coauthor of the substitute.

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for his good work on this substitute.

Mr. Speaker, I come down this afternoon to the floor to speak in favor of meaningful welfare reform, to speak in support of the substitute measure. The first goal of welfare reform should be poverty reduction, and this bill does reduce poverty by equipping people with the tools they need to find meaningful employment and then be able to keep that job once they get it. Many States have already found what works in their State, what is successful welfare reform, and that is because they have the flexibility to provide specific needs to the people in their State.

My State of California is a prime example of that. We have figured out how to make welfare reform work. We have crafted a plan that puts people to work and works for the people in our State. Under our welfare reform, because of that flexibility, California has tripled the number of welfare recipients who have moved into employment, and their average monthly earnings has significantly increased. We have reduced our caseloads by over 40 percent in California. Unlike the underlying bill, the substitute continues to allow that flexibility to work.

With 45 States experiencing budget problems right now, the unfunded State mandates in the majority's bill are unaffordable to all States. I ask Members to support the substitute bill.

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

Mr. Speaker, I find it ironic that the gentleman from California is supporting a substitute which, if they want to receive the carrot in the bill, they are required to deal with the stick, which is a mandated inflationary payment by the State of almost \$1 billion over 5 years, \$944 million, in a State which has just discovered under

the Democratic Governor we have a \$24 billion tub of red ink to begin with, and that my colleagues on the other side of the aisle are more than happy to dump additional red ink into that cesspool in California.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), the chairman of the Subcommittee on Health.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, in my brief time, I want to direct myself to the requirements in this bill. First of all, the real work requirement is almost unchanged from current law. Under current law a person must work 20 hours a week. Under this bill they must work 24 hours a week. That is three 8-hour days.

What is really changed in this bill is the opportunity requirement. And let us not miss this. In this bill you are required to plan how you are going to use the other 16 hours of the normal 40-hour workweek to create your own future. If you have substance abuse problems, part of that plan can be to deal with substance abuse. If you have mental health problems, part of that plan can be to deal with your mental health problems. If you have educational deficits, part of that plan can be to deal with your educational deficit.

You have the whole 3 months, even a semester, to start out on your educational issues without any work requirement, even the 3 days a week, and, after that, you have Tuesdays and Thursdays, 2 days a week, to continue to pursue your degree.

You do not have that under current law, and most low income working parents do not have that today. Only women coming off of welfare will have the opportunity, and that is why I call it the opportunity requirement, to plan for the additional 16 hours, working with the State, in such a way that they create for themselves the educational base from which they can develop their careers.

I would point out that in this bill there are employment achievement bonuses. Those will go to States that create career paths for their people; that help people coming off welfare get into minimum wage jobs, but then help them move up through education and through performance and through good recommendations to higher paid jobs.

So the vision in this bill for women is about hope and opportunity, planning one's own individual course of action, so that at the end of your time you not only will be in the workforce, but you will be earning a good living to support your child.

Make no mistake about it: The other bill has no vision for women on welfare now and no vision for our future. The waiver provision in this bill is the only hope of us breaking out of both a committee structure and a series of funding streams that were set 50 years ago. Fifty years ago. How many times have

we had hearings that said that? And what did the workforce investment bill do? It block granted job training money so people could benefit more.

We need for States to integrate their systems so we treat people holistically. You have a problem; yes, you need a job, your children may need special assistance, you may need a special kind of food stamp help. We need to move States toward a more holistic approach, a more creative and visionary approach of how to help people in need in America.

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

Mr. Speaker, if you believe in vocational education, you do not restrict the States, you give them more authority, and that is what the substitute does.

Mr. Speaker, it is my pleasure to yield 2 minutes to my friend, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the gentleman for yielding me time.

Mr. Speaker, our conservative friends must have checked their compassion at the door when they put this bill together.

Make no mistake, government assistance is not a free meal. If you receive assistance, in my opinion, you have the responsibility to work, if you can. Work builds self-esteem, increases independence and strengthens our families, our communities and our society. That is why, Mr. Speaker, I strongly supported bipartisan welfare reform in 1996.

But this Republican bill is a step backwards. It sets up unrealistic requirements, it fails to provide necessary funding and it imposes an \$11 billion unfunded mandate on the States.

This bill would double the number of required worker hours for mothers with children under 6. However, it would flat-fund assistance for child care even though 15 million eligible children today go uncovered. It is nice to talk about opportunity, but if you do not have the necessary child care, you will not be able to avail yourself of those opportunities.

This bill, in my opinion, discriminates as well against legal immigrants, prohibiting States from using Federal funds to assist them, not giving them the choice, the option, in Federalism.

It even would eliminate education from the list of activities that count toward work requirements, and it would flat fund temporary assistance to needy families. I ask my Republican friends, where is the compassion in that? You voted a few months ago to give Enron \$250 million in corporate welfare and a handful of major corporations billions of dollars more, and now, now you want to crack down on a single mom who is trying her best to work and still take care of her kids.

That is not common sense. It is not compassionate. It is not even conservative. It is, however, shortsighted and punitive, and, therefore, may well be consistent.

I urge my colleagues to vote for the substitute and against the underlying bill.

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

Mr. Speaker, I would note that the gentleman from Maryland at the same time he urges that is telling the hard-working taxpayers of Maryland that he wants to create a \$61 million stick for them to receive any of the proposals that he is talking about.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I want to make it absolutely clear that the opportunity bill is the underlying bill, and I strongly oppose this proposed substitute because it will truncate opportunity for women in our country and undercut the accomplishments in reducing poverty among children and helping women realize their potential that the current program has initiated.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from California (Mr. HERGER), the chairman of the Subcommittee on Human Resources.

Mr. HERGER. Mr. Speaker, I rise in strong opposition to the Democrat substitute. This substitute weakens work requirements, is fiscally irresponsible and ties the hands of States.

We have found from the successes of the 1996 welfare reform legislation that work is the best path from poverty to self-sufficiency. This substitute resurrects the failed AFDC program, which was weak on work and trapped recipients into a cycle of dependency.

This substitute would increase welfare dependency by allowing a recipient to work as little as 2 days a week and stay on welfare forever. Without work, recipients have no hope to leave poverty and support themselves.

Furthermore, the substitute is fiscally irresponsible. It would cost the working taxpayers about \$20 billion over the next 5 years. Unlike the Republican plan, this amendment contains no offsets to pay for the additional spending.

My friends from the other side of the aisle speak of fiscal responsibility, but show none in this substitute. In addition to being fiscally irresponsible and weak on work, the substitute places more burdens on the States and actually limits their flexibility. Over the next 5 years, States would be forced to spend more of their own money on welfare, despite the fact that rolls are going down. States must establish complicated new regulations restricting their ability to place recipients in work experiment and community service programs. Also under the substitute, the States are restricted in enforcing the expectation that recipients work.

Mr. Speaker, I urge my colleagues to oppose this substitute, which represents a step back in welfare reform.

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

Mr. Speaker, I understand the Republican sensitivity on the dollars because the people of Maryland over the next 5 years will get significantly more Federal help for their \$61 million investment. But under the Republican bill they have to lay out \$144 million and they get nothing in return. I can understand the sensitivity that you might have on the other side of the aisle on our States.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 1½ minutes to the gentleman from New Jersey (Mr. MENENDEZ).

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

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Mr. MENENDEZ. Mr. Speaker, today the Republican leadership, the party that wants to be known as the education party and that has gone to great lengths to win Hispanic votes, has proposed a welfare reform bill that proves their rhetoric does not match their reality.

Instead of providing and expanding educational opportunities for all, the Republicans deny poor people the opportunity to get an education, to get a better job, and to get their family out of poverty permanently. Instead of providing an equal opportunity for permanent residents who are here legally and who have worked hard, paid taxes, served in the Armed Forces of the United States in many cases, are veterans of our country, and who have fueled the economic boom of the last decade, Republicans refuse to give them the helping hand they need to get back on their feet. The current recession has not bypassed Hispanics, but the Republican welfare plan does.

It is ironic to me that less than a week before Republicans planned to pour millions of dollars into new Spanish-language infomercials to woo Hispanic voters, they refused to invest any money in helping poor Hispanic families get the education and training they need to lift themselves out of poverty. What family value refuses to invest the money needed to provide child care to those families who are making every effort to work, but still cannot afford the cost of child care?

Today we see the true meaning of "compassionate conservatism," and there is nothing really compassionate about it. The Republicans' new marketing strategy should really be called "la mentira grande" or "the big lie" instead of forging new paths, because today's bill shows that Republicans really have no intention of helping people forge new paths. Their rhetoric simply throws up roadblocks on the highway of opportunity.

I will tell the gentleman before he gets up that Republicans have already left New Jersey with a \$6 billion deficit.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume. I was prepared to yield the gentleman

from New Jersey a little more time so that he could cover up his tracks, because 6 years ago he voted to keep people on the program, he was opposed to the program. Now, of course, what they want to do is outbid people with Monopoly money to show how compassionate they are and how people work. They were wrong then and they are wrong now.

Mr. Speaker, it is my pleasure to yield 4 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I appreciate the gentleman yielding me this time. I was not planning to get into the issue of legal immigrants, but I would think that some people might take from the last comments that somehow the underlying legislation takes benefits away from legal immigrants. No es verdad.

The truth is that there is no change with regard to illegal immigrants in this legislation. If anything, we have improved the benefits for legal immigrants because in the farm bill which was just passed we are now providing food stamps for legal immigrants. So I hope the gentleman is not trying to leave the wrong impression.

Mr. Speaker, the underlying bill I think is a great improvement to a great law. Since 1996, there are nearly 3 million children who have been lifted out of poverty. This has been a huge success. What the legislation does before us today, the underlying bill, is it builds on what works.

I had the opportunity last week to go visit one of our great organizations back in my hometown of Cincinnati that is taking the flexibility we gave them in 1996 and helping people move from welfare dependency to the kind of dignity and self-respect they get from work. They fix someone's car if it is broken, they help people with child care, they help people with medical bills. They provide that bridge, and they are flexible about it. They like this new flexibility built into the legislation. They are using this already, and they want more of it.

What has worked is requiring work. What has worked is strengthening families, and the underlying bill does that better, I would say, than the Democrat substitute. What works is protecting children, improving child care, and there is more money in child care in the underlying bill. In the Democratic substitute, there is more money, but it is not paid for. Creating additional opportunities, yes, for education and training, that is important and that is in the underlying bill and, finally, giving the States the tools to encourage self-sufficiency, and that is the flexibility.

I have heard some of my colleagues on this side say gee, to quote the gentleman from Maryland, not the gentleman from Maryland who is here, but the one who left, it fails to provide adequate funding, the underlying bill. Well, I do not know how they can say

that. We have had a more than 50 percent reduction in the welfare rolls; and yet we are continuing the Federal commitment. So we are going to be providing over \$16 billion a year. We are not cutting the TANF funding, plus we are adding another at least \$2 billion on child care. In 1996 we were paying \$7,000 per family on average. In the year 2003, we are going to be paying \$16,000 per family on average. How is that a cut? How is that not adequate funding?

Then I hear the debate over the unfunded mandate, and I was the author of the Unfunded Mandate Relief Act, and I have to tell my colleagues, I have the letter here from the Congressional Budget Office. This is not an unfunded mandate. The underlying bill is not an unfunded mandate. Why? Because as we all set out, and I know the gentleman from Maryland and my other colleagues voted for the unfunded mandate bill, we said that if you give States the flexibility to be able to move money, transferred monies from agency to agency and give adequate flexibility, then it is not an unfunded mandate, and that is what CBO says.

So with regard to this unfunded mandate, let us just be clear. We have a process here in Congress where the Congressional Budget Office, a non-partisan part of our congressional organization here, decides whether something is an unfunded mandate or not, and they have told us there is adequate flexibility and adequate funding in here, and it is not an unfunded mandate.

So with all due respect to my colleagues on this side who I know have the best intentions to try to pull more people out of poverty and into work, I think the underlying bill is a better approach to it. I hope that my colleagues today will reject the substitute and stick with what we know works, and that is encouraging work and encouraging sufficiency and doing so, yes, with a compassionate edge and providing more funding per family than has ever been provided by the Federal Government.

Mr. CARDIN. Mr. Speaker, will the gentleman yield?

Mr. PORTMAN. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Speaker, I appreciate the gentleman yielding. I just wanted to correct the gentleman in that the caseload has actually gone up significantly. More people are now receiving noncash assistance than cash assistance, and that is good; and therefore the amount of money being spent is being spent on purposes such as job training and child care, which I believe your party supports.

Mr. PORTMAN. Mr. Speaker, reclaiming my time, that is why there is more funding being provided for each welfare family, because as we provide those additional services, there is additional funding needed; and the underlying bill provides that. Yet it sticks to the basic formula that we know works,

which is, again, helping people to help themselves and believing in people and trusting people, and understanding that every person has the ability to get on their own feet and to be able to provide for themselves and their families, and that is what they want to do.

Mr. CARDIN. Mr. Speaker, normally the gentleman from Ohio's math is a little better than it was today.

Mr. Speaker, I am proud to yield 1½ minutes to the distinguished gentlewoman from California (Ms. PELOSI), the Democratic whip, formerly from Maryland.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from Maryland for yielding me this time and for his leadership on this important Democratic substitute that is on the floor today.

Unfortunately, our Republican colleagues refuse to allow the Democrats to bring an amendment to the floor which would talk about child care, which is one of the most serious deficiencies in their bill. It is loaded with deficiencies; but if I could talk about one, it would be child care.

The Democratic substitute gives women and their families the tools to leave poverty behind. It gives women access to job training, education, and the chance to make better lives for themselves and their families. It gives the States flexibility to implement the best approach. It focuses on real work and helps families escape poverty and achieve permanent employment.

The Republican bill that is on the floor not only short-changes the important component of child care, which is essential to women lifting themselves out of poverty, it also foists on the States additional funding requirements to implement the requirements of H.R. 4737. In my own State of California alone, a \$2.5 billion addition in costs to California, costs we can ill afford in a time of deficit, and that is required by this bill.

But I want to talk again about child care. The complete missing link in lifting people out of poverty and putting people to work is the answer to the question, Who is going to take care of the children? We all talk about family values here; and we are all committed, both Democrats and Republicans alike. But why is that not reflected in the Republican bill? The Democratic substitute puts five times more resources to really enable women to get educated, to work, to lift their families out of poverty. I urge a "yes" on the substitute and a "no" on the Republican bill.

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

Once again, as a Member from California, California currently, under the Democratic Governor, is \$24 billion in the red and this would add another \$1 billion over 5 years of an induced stick, if they want to receive the illusory benefits under the bill. Once again, as my colleagues can see in the well, I find it ironic that just 6 years ago, the gentlewoman from California said, "I

hope children throughout this country never have to feel the pain of this legislation. I hope it does not pass." Indeed, there was offered a substitute which would have saved money in an attempt to not have the legislation go forward. Of course, now that we know the process works, as the gentleman from Missouri (Mr. GEPHARDT) said it works, they are now offering a substitute which throws money at the problem.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Speaker, the gentleman is correct, I did not support it, because I thought the bill was harsh to newcomers to our country, and some of those provisions have been corrected over time due to the leadership on this side of the aisle. The gentleman's colleague, the gentleman from Ohio (Mr. PORTMAN), earlier referenced that in the farm bill there would be food stamps for immigrants, yes; again, an initiative from this side of the aisle. So there has been some of the harshness removed from the provisions of the earlier welfare reform bill and, I may say, during the Clinton administration, a thriving and dynamic economy that indeed lifted up our economy and lifted many people out of poverty.

Mr. THOMAS. Mr. Speaker, reclaiming my time, the gentlewoman well knows that the proficiency she just referred to in the farm bill for immigrants was signed by President Bush and moved out of this House. However, in an attempt to make sure that they do not agree with the fundamental thrust of this proposition, they have a substitute that spends \$70 billion of money that is not covered in any budget to show that they rate higher on the compassion level, because they will never accept the proposition that Republicans care, Republicans are concerned, and Republicans have programs that work. They prefer illusory solutions to the real thing. Republicans offered the real thing in 1996, and they offer it today.

Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, the facts show that the economy, as good as it has been, did not bring about the progress in reform and welfare that occurred. In fact, during the 1980s and even through the first 2 years of President Clinton's administration, we created some 18 million new jobs. That is great. But welfare rolls continued to skyrocket. It was not until 1996 when we put these reforms in place that we really started to have able-bodied people, able-minded people, those capable of working getting back to work, because we set such high standards.

I served in the Texas legislature when we did welfare reform just 2 years before Congress took it up. I am convinced this is one of the most successful reforms in history between governments and States working together. We

have come such a long way from the days where someone who is capable of working could not work for 15 years or more and still receive welfare benefits. That was giving up on them, and we no longer do that. It is important that as we debate this substitute we not go back to those failed experiments.

My concern is that we take in this substitute an AFDC program that was good in intent and just horribly unimpressive, to say the least, that exempted various recipients; it gave up on too many people. Let us not go back to this. This substitute provides partial credits toward work rates for adults who work very few hours during the week. Again, we are not insisting, not encouraging, not moving them to self-sufficiency. None of us work 10-hour workweeks, and we ought not expect that of those we are trying to help.

Education is so important, but we cannot reward people who will not get a job or cannot get a job by paying them to go to school. It actually ought to be the opposite. Those who make that extra effort to get a job, to learn that skill, and to go to school, we provide help and standards for both of those; and I think long term, that is the route to go.

Finally, I think when we look at the substitute, it is well intentioned; but it actually, I think, increases welfare dependency and poverty and seriously undermines the time limits that have been such a key part to, again, not giving up on any person capable of being self-sufficient and having a job.

My point is that our job is not finished. We have a lot more people that we can help get out of poverty and off of welfare, helping them get an education, helping them develop their skills, and insisting that they move toward what all of us hope to do, to work full time in a job that one can raise one's family and live on and move from welfare to work. The Republican bill does exactly that. It continues what works, invests in success; and that is what we should stick with.

Mr. CARDIN. Mr. Speaker, let me just point out that in the motion to instruct on the agricultural bill concerning food stamps, all of the Members and the Republican leadership voted against it to cover legal immigrants.

Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

(Mr. KENNEDY of Rhode Island asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise in support of the Cardin substitute and against the leave-the-millions-of-children-behind act that is currently before the House of Representatives.

Mr. Speaker, I rise today to support the substitute legislation. We have done a good job with welfare reform in Rhode Island. Our program, one I would have supported implementing nationally, has promoted a steady decrease in our welfare caseload. Today, while

other states' caseloads are growing, Rhode Island's continues to drop.

Our steady progress can be attributed to the policy decisions we made to invest in families to help them gain the skills to obtain and retain jobs. It also provides the resources for child care which enables people to work. But the biggest problem with this bill is that while increasing work requirements for recipients, it only provides a modest increase for child care, barely enough to keep up with inflation. Let's examine the logic here. Increase work requirements for mothers with children under six years old, yet not provide enough money to pay for care for their children while they're out working.

Since 1996, there have been tremendous advances in how we understand early childhood development. We know that the preschool years are critical to children's long term success, because that's where they learn the cognitive and social skills needed to succeed in life. Not only does this bill not improve accessibility to quality early childhood programs, it's going to add to the millions of children already on waiting lists who, as a result, are falling behind before kindergarten even starts.

I urge my colleagues to defeat this misguided legislation and support the substitute.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the delegate from Guam (Mr. UNDERWOOD).

(Mr. UNDERWOOD asked and was given permission to revise and extend his remarks.)

□ 1415

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman from Maryland (Mr. CARDIN) for yielding me time.

Mr. Speaker, I am here to express my opposition to the base bill and to speak on behalf of inclusion, to speak on behalf of child care, to speak on behalf of true compassion, to speak on behalf of the Democratic substitute to H.R. 4737.

There is no compassion in requiring States and Territories to increase workforce requirements when 39 States and all of the Territories are struggling currently to meet work requirements.

In an atmosphere of recession, unprecedented unemployment rates and lack of available jobs, the base bill would create the scenario where precious resources are spent on fines and the safety net becomes full of holes. There is no compassion in continuing to restrict access to programs that are supposed to help all American families get help for work. The base bill denies the insular areas of Puerto Rico, the Virgin Islands, and my home of Guam, which have been required to meet all federally imposed TANF obligations, from accessing all the same TANF program resources available to State. The insular areas are not eligible for TANF supplemental grants for population increases, for many other programs, and the Democratic substitute does so.

I urge my colleagues to support the Democratic substitute.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WATSON).

Ms. WATSON of California. Mr. Speaker, I am personally offended by

the reference by the gentleman from California (Mr. THOMAS) to "that California cesspool." Many of us in a bipartisan fashion worked for many, many months to come up with the California experiment. That was very, very successful.

Why do I support the Democratic substitute to welfare reform? Because the substitute provides the necessary funding to carry out needed revisions in welfare reform. The Republican bill imposes massive and costly new mandates on States that they cannot afford. The billions of new costs that States are being asked to burden will force many States to raise taxes and cut necessary services. Cutting services will include a reduction in welfare programs such as child care, transportation, and skills training to make recipients job ready.

Is this reform? No, it is not. Implementing the Republican proposals in California will cost the State an additional \$2.8 billion over the next 5 years. I am expecting that apology.

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

Since the gentlewoman from California (Ms. WATSON) wants me to explain the reference about cesspools referred to by me, I referred to it as a cesspool of red ink. And if anybody does not believe \$24 billion of State government mismanagement is not a red ink cesspool, then I do not know what you would call it.

Mr. CARDIN. Mr. Speaker, all I can point out to the gentleman is that in California they will be better off without an extra \$2.5 billion mandate. They would be better off without that.

Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO), the assistant to our leader.

Ms. DELAURO. Mr. Speaker, I rise in strong support of this substitute. We hear much talk of compassion, but the underlying legislation does not address the needs or the aspirations of those who are trying in earnest to make the transition from welfare to work. Compassion is not eliminating education as an activity that counts toward work requirement. Compassion is not replacing the successful food stamp program with a program that puts the nutritional needs of 19 million people at risk. Compassion is not abandoning the 15 million children who are now eligible for child care assistance, but who are not covered because of inadequate funding.

This legislation shortchanges working mothers who need help affording child care. Democrats offered an amendment. It would have increased child care, enhanced child care quality, expanded the services to nearly 1 million additional working families. The Republicans barely increased funding for child care, and the leadership did not even allow us an amendment to consider this critical issue.

This legislation is anything but compassionate. It is disinterested, wrong-headed, and it puts at risk all of the

gains that we have made in moving people from welfare to work in the past 6 years. Vote yes on the substitute.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in opposition to the Republican bill. I am deeply troubled by the terrible duplicity on display today. How can a Congress that speaks so eloquently on family values pass legislation that clearly threatens our neediest families?

By increasing work requirements, this bill forces parents to be away from their children for longer hours without providing adequate funding for the day care. The authors of this bill claim it fosters respect and responsibility, then coerces women into abusive marriages based in fear and distrust.

Furthermore, the President has been touting the important role immigrants play in both our economy and our culture. Yet this bill neither extends SSI eligibility for legal permanent residents nor ensures that adequate translation services will be provided for limited English proficient residents to advise them of what services they are eligible for.

It is time that this Congress live up to its compassionate conservatism and provide not just the promise of responsibility, work and family, but the tools to achieve it.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I serve as a co-chair of the Rural Caucus, so you should expect me to talk about rural America. But I want to say first I strongly support the substitute and believe it is more reflective to making people whole in not only rural America but all America.

This substitute nor the bill or the bills before really went to rural America. Let me tell you that rural America is not the same as urban and our suburban America. Not to say that urban does not have problems but, indeed, we are different.

Consider these facts: In the year 2000 the nonmetropolitan poverty rate exceeded the national rate by 20 percent. Two hundred and thirty-seven of the 250 counties that are the most poor in the Nation are in rural America. One-half of rural American children in female households live in poverty. Therefore, indeed we need different attention.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to respond to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Speaker, we have engaged in this conversation before, but we wanted to make sure that

as we address all issues we paid special attention to rural America. Each of a State's governors have to submit a plan to the Secretary stating how they are going to respond to poverty, how they will respond to economic opportunity and employment. I simply want inserted language that said that we would address the issue of rural America as well.

Mr. THOMAS. Reclaiming my time, in response to the gentlewoman I agree with her. Although we often talk about it, there is no reference in the legislation. Notwithstanding the fact the substitute will not pass, the underlying bill, I will pledge to the gentlewoman when we go to conference, representing one of the poorest rural counties in California.

Mrs. CLAYTON. Are there any poor counties in California?

Mr. THOMAS. There are, I can assure you, and I represent the poorest. And agricultural counties by nature of the cyclical work tend to be the poorest and have the highest unemployment and low literacy. Child care needs are very high. That is why we put the provisions in the bill. But we will emphasize that the States should respond with a rural program as well as an urban one. Rather than assuming that they will do that, that language will be in the bill.

Mr. CARDIN. Mr. Speaker, what time is remaining?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Maryland (Mr. CARDIN) has 8 minutes remaining. The gentleman from California (Mr. THOMAS) has 2½ minutes remaining.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

(Ms. BROWN of Florida asked and was given permission to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Speaker, it is truly an outrage that we are here today debating how much money that we are going to spend on the weakest when the President and the Republican leadership want to make permanent tax cuts in this country to their country club friends to the tune of over \$500 billion. And it is really worse for the poor people of Florida because we have a Governor, Jeb Bush, our own reverse Robin Hooder, deciding to spend the \$6 billion on corporate welfare instead of making sure that the State can afford and look after all of its children.

Perhaps I should remind the Governor and the President of Ril-ya Wilson, the poor little girl from Florida. I have a picture here. Ril-ya Wilson, the poor little girl from Florida that has been missing for 15 months.

It is so sad that the Republicans can come up with all of these little slogans, Leave No Child Behind, well, my question is where is the beef? Where are the resources to make sure that this does not happen to other children in this country?

Mr. CARDIN. Mr. Speaker, I yield 3 minutes to the gentleman from New

York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, first let me thank the gentleman from Maryland (Mr. CARDIN) and his team for an attempt to put together a bill that would wipe out partisanship as we deal with this very sensitive issue.

It is tragic that when we talk about aid to needy families or children that need some assistance from their government, albeit State government, that it gets so political that we start talking about raising the standards, forcing people to work, increasing the hours of work, but we do not concentrate on putting the resources there to see that we can reach these laudable goals that we would want.

It is one thing to say that illegal immigrants and the kids are not entitled to assistance for shelter or for food or for medicine, but great States and great people like those in Florida and California and New York and Texas, somehow we cannot turn our eyes away from children who are in need, and that is why my mayor and my Governor would appeal, notwithstanding their Republican credentials, that more sensitivity would be involved.

They want people to work 40 hours a week, but they do not like the mandatory sense in working when the jobs are not there, when you do not provide the education and the training that the workers are not going to be productive. When you finally think about what we are trying to do is to create a better life for our children, who can do that better than a mother? And if you are saying that the mother with young children should go to work, well, politically we will say yes, but what about the child? Should we not have some concern about what happens to this kid as we feel good and we go to our town-hall meetings and tell the voters we were hard on welfare mothers today, but would anyone ask, what about the children? Did you provide money for day care for the kids? Can anyone really work a productive day not knowing whether their child is being taken care of?

If we said that we wanted to let the State work their will, how do we tell them what they cannot do when they are begging as my mayor and as my Governor for the flexibility to do it? Except when it comes to the money questions and you want the governors to be able to play chess with the money, when you want them to be able to do the things that normally the Committee on Appropriations should be doing, then you can go in the basement in the Republican rooms in the middle of the night and work out how you will do this while we do not legislate.

You know how to cook the books when you want to make certain it works for you politically, but it seems

to me if we are talking about a better America, more productive families, communities, that can have self-esteem, then when you talk about jobs you are not talking about just make-shift jobs, you are talking about making people feel good about themselves because they learned something, they have had training and they can be productive.

Please vote for the Democratic substitute and reject the Republican political plan and stick with something that you can go back home and be proud of. Not that you beat up on the mothers, that is easy to do in an election year, but you did something for the kids. You did something for the kids.

□ 1430

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

I would note that the gentleman from New York voted "no" in 1996; and as a matter of fact, quoted in the People's Weekly World, he said that if Clinton signs the bill, he would be, quote, "throwing 1 million children into poverty."

I have here the most recent edition of the Governor of New York's statement on welfare in New York. It says on page 33: "Teen pregnancy rates and teen births have declined. Child support has increased and fewer children are living in poverty today than in 1994."

What we did was right in 1996, and what we are doing is right today, notwithstanding the gentleman from New York's (Mr. RANGEL) vote against us apparently both times.

Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, what seems to be happening here is a political sock hop; but instead of listening to old Elvis records, we are listening to old Democrat rhetoric. We are hearing it over and over again, over and over again.

The ranking member of the Committee on Ways and Means, 1996: "The only losers we have are the kids." The gentleman from New York (Mr. NADLER), 1996: "I am saddened for today it seems clear that this House will abdicate its moral duty." The president of NOW, who I do not quote very often, again denounced the plan in 1996.

It is the same group over and over again saying not this bill, not this time. But look what happened. Much to their, I guess, chagrin, they are spending on TANF and child care up to \$15,888 compared to 1996 where it was \$6,900. The number of cases has dropped from 4 million to 2 million, cut in half; and the number of welfare caseloads has fallen from 14 million to 5 million.

Welfare reform works. Just ask Tanya who was on public assistance and now is buying her new home. I wish that we could get some good bipartisan support instead of the old Democratic rhetoric.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Mary-

land (Mr. CARDIN) has 4 minutes remaining. The gentleman from California (Mr. THOMAS) has 1 minute remaining.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 1¼ minutes to the gentleman from California (Mr. BECERRA), who is one of the co-authors of the substitute.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me the time.

It seems that too often the 435 Members of this body forget about the real world. We, fortunately, are paid well. We are cared for by our government, and we all try to do the same for our constituents; but somehow this particular bill that is before us forgets about that, because somehow it talks about helping a woman who for the most part is short on education or short on training and expects her to go out to work and earn a wage that will compensate her so she can feed her family because she has got kids, because otherwise she would not be on welfare, and let her survive the daily grind of living well at \$16,000, let me tell my colleagues, which is probably what most of these women will be making, \$16,000, \$20,000, who are going to be putting about a third of that money into day care and a third of that into housing and the rest in food.

They do not have money for health care, they do not have money for any expectancies of life, and what is going to happen is these women will be right back in welfare because this Republican welfare bill does nothing to deal with reality.

My colleagues need to have flexibility. If we had 50 votes here from the Governors of our Nation, they would vote against this bill. My colleagues need to pay for unfunded mandates, and they need to deal with the realities that children must be cared for. No mother is going to let her kid go out there and not be cared for. This bill should not pass. Vote for the substitute.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER), one of the co-authors of the substitute.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy.

I am from one of the States that was involved with welfare reform 5 years before the Federal action, and we made real progress. We made real progress, not with unfunded mandates from the Federal Government, which the bill would be, not with goofy work requirements that are rejected by virtually all the Governors, Republicans and Democrats alike, and not by underfunding child care. That is why there is no enthusiasm for the Republican alternative from our Nation's Governors, whether they are Republican or Democrat.

I strongly urge support for the Democratic substitute which speaks to continuing the strong parts, strengthening

the opportunities for child care, rejects the notion of more unfunded Federal mandates, and does not play fiscal roulette with the program at a time when States are slipping into fiscal disarray across the country.

That is not a prudent step. I strongly urge support for the Democratic alternative.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 15 seconds to the gentleman from New Jersey (Mr. HOLT), and I regret we do not have more time.

(Mr. HOLT asked and was given permission to revise and extend his remarks.)

Mr. HOLT. Mr. Speaker, empowerment is a word that has become a cliché, but that is what this is about. The bill before us today does not empower people to become self-sufficient. This bill will result in more, not fewer, people ending up in poverty.

I support strongly the substitute amendment, and I urge my colleagues to oppose the underlying bill.

Mr. Speaker, the percentage of Americans on public assistance today—about 2.1 percent—is at its lowest since 1964. The percentage of working recipients is also at its highest ever—at about 33 percent—and according to the best figures available two-thirds of those who've left welfare since 1996 are holding down jobs. Despite those statistics, in many ways welfare reform is still an experiment in progress. We still do not know what happens to people who leave the welfare rolls. Are they working? Are they unemployed? Are they simply off the rolls? No one knows for sure. Another question is what are the factors that contribute to the ability of people to comply with the TANF work requirement?

There are good indications that the 1996 welfare reforms are helping disadvantaged individuals and society at large. We have an opportunity to build on the success of the 1996 welfare reform law, and to make it better; to do the things Congress should have done before. Congress should resist attempts to relax TANF's time limits and work requirements. That means continuing ambitious work and job retention goals while also increasing financial incentives and rewards for those who succeed. We must keep in mind that the goal of welfare is to create productive self-sufficient citizens. There are a number of things we must do to see that people on welfare can and do meet these stronger requirements.

As we go through this reauthorization process it is vitally important that we improve the research and data reporting in TANF. In order to make informed decisions on the direction that TANF and CCDBG should take we need more information on the issue. I offered an amendment in the Rules Committee to begin this process. However, they refused to make it in order.

While maintaining pressure on the states to move people from welfare to work, the renewed TANF should also help families move up the job and income ladders. We should consider a number of amendments to help do this. We should eliminate the caseload reduction credit and phase in an employment credit. For each 1 percent of the caseload that obtains employment, the work participation rate would be reduced by 1 percent. In addition, there would be extra credit for recipients who obtain higher paying jobs. That is a good step.

Another way of assisting families in moving up the income ladder is giving individuals the tools to get a good job. This should be a job with the potential for advancement not a dead-end make-work job. This is the best way to ensure that families will not return to the welfare roles. In order for them to obtain quality jobs we need to provide the training for individuals to qualify for them.

We must also provide the resources for parents to achieve these work requirements. First and foremost this means providing funding for quality childcare. A parent will not make a reliable employee if she is concerned about the quality of her child's care, or cannot get childcare at all. This cannot be over-emphasized. For a positive change in our society welfare recipients must have real jobs that uplift their self-sufficiency and if children are going to have the care and attention they need to grow positively, we must have programs of adequate childcare. The bill before us today does not have adequate programs.

Finally Mr. Speaker, I hope that we will provide the states with the kind of resources and flexibility that has allowed welfare caseloads to fall by 57 percent since 1996. It is not achieved by simply allowing states to do what they want or by eliminating a national safety net for people who need help. Our action on the floor today is not the end of the process aimed at having all Americans support themselves and contribute to our common economy.

I urge my colleagues to support the substitute of Mr. CARDIN, and if that should fail, I urge them to oppose the bill before us today. This bill likely will result in more not fewer people trapped in poverty.

And I must express outrage at how this has been handled. This afternoon the House will go into recess for an awards ceremony. Nearly everyone here has supported and does support that award, but no member should have the nerve to tell us or the public that there just wasn't time to debate and vote on amendments to his major bill on welfare reform, to improve education, childcare, or to gather data.

Mr. CARDIN. Mr. Speaker, I yield 15 seconds to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I join my colleagues in urging support for the Democratic substitute in opposition to the base bill for one simple reason, and that is, we cannot ask of a single parent on welfare that they leave their children without adequate child care. Yes, we need to move them to work; and yes, we need to increase the level of that work, but we cannot leave their children out in the street.

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

Mr. Speaker, if I might, I am going to first urge my colleagues to support the substitute. If my colleagues believe in flexibility on education, if they believe States should have the resources and they think we should have fairness to our immigrants, our only opportunity will be this vote.

Mr. Speaker, I yield the balance of our time to the gentleman from Michigan (Mr. LEVIN), one of the co-authors of the substitute.

Mr. LEVIN. Mr. Speaker, I want to say a word about a difference in terms

of the employment credit. What the Republican bill does is essentially ignore the important goal of welfare reform, and that is giving incentives to the States to help people move off of welfare into productive work. Instead, their focus is on keeping people on welfare, working even in makeshift jobs. That is a stark difference.

I want to close by saying a word about the very partisan nature of this discussion. My colleagues have forfeited the opportunity to work together to fashion a bipartisan bill, forfeited it. The employment credit is in the Senate bill on a bipartisan basis. They have thumbed their nose at every bipartisan effort. They have thumbed their nose at the efforts of the Clinton administration. They have twisted that legacy. My colleagues also twisted the efforts of Democrats 5 and 6 years ago to move ahead welfare reform in the right direction. Fortunately, there is a Senate to correct the hopelessly partisan effort of this majority.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield the remainder of the time to the gentleman from Virginia (Mr. GOODLATTE), a member of the Committee on Agriculture, who with their contributions in terms of the food stamp component of this bill have made a significant contribution to make sure that Americans in need have those needs met.

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for his good work.

I rise in strong opposition to this substitute and in strong support of the bill.

In 1995, this is what the current Democratic whip said about welfare reform: "I hope children throughout this country never have to feel the pain of this legislation. I hope it does not pass." It did pass. It was signed into law by President Clinton. Here is what happened.

Children in hunger went down from 4.5 million to 2.5 million since that time. Black children in poverty went from 42 percent. Of all black children in 1970, rose, rose to nearly 50 percent, and then when this bill was put into effect in 1995, dropped to about one-third of all children, black children.

Welfare caseloads dropped precipitously from 12 million to about 6 million. Welfare reform works: 4.2 fewer million Americans today live in poverty than in 1996; 2.3 million fewer children live in poverty today than in 1996, including 1.1 million African American children.

Build on that success by passing this bill which promotes work, improves a child's well-being and promotes healthy marriages and all families. This is a good bill. Support it.

This welfare reform bill includes provisions for additional state flexibility so that Governors may coordinate welfare programs. The food stamp program is one of the qualified pro-

grams under this state flexibility provision, which will allow the Secretary of Agriculture to waive portions of the Food Stamp Act as long as she maintains that all benefits are used for food, as in the current food stamp program. To ensure the integrity of the program states must also complete quality control reviews and cannot expand the food stamp program eligibility standards.

Additionally, the Secretary of Agriculture will be allowed to approve 5-year block grant demonstration projects for up to 5 states. The block grant will promote a competition for excellence among states. Eligible state plans must include a description of the eligibility rules to which a State would adhere when providing assistance. The competition among states would boil down to the selection of states with innovative management plans, quality of program proposals and maximizing benefits to people in need. As in the food stamp state flexibility portion of this bill, states must retain the current law that mandates that all benefits must be used for food.

The temporary assistance for needy families (TANF) program has shown that block grants work. Critics' assumed that the states cared less than people in Washington. States have proven the critics wrong with regard to their successful implementation of this program. The American Public Human Service Association has testified that the continued state success is contingent upon "maintaining and enhancing the flexibility of the TANF block grant." The time has come for us to take the first steps in allowing the same successes to be made with the food stamp program.

This is a small stamp for the food stamp program because only 5 states will be allowed to operate a food stamp block grant. It is up to the Secretary of Agriculture to approve those states asking for a block grant. I expect that the Secretary will seize this opportunity to challenge states to design food stamp programs that will be effective, efficient and ease the burdens of families applying for food benefits and the people who administer the program.

States have proven over the past 5 years, even to the most hardened skeptics, that they can operate good public assistance programs that meet the test of providing what needy families need most—the ability to get and keep a job and provide for their families. We are asking that these same people in the states, at least 5 of them, are able to provide this same proof to skeptics of food stamp block grants.

In addition to these food stamp provisions, I support the bill's flexibility for states. This Bill offers our states more flexibility and allows them to make these welfare programs more efficient by allowing states and localities to combine certain program requirements so they would have to submit only one application. I urge my colleagues to support this bill as it continues welfare as a temporary alternative and not a permanent crutch for folks who are on hard times.

Mr. BENTSEN. Mr. Speaker, I rise in opposition of H.R. 4737, the "Personal Responsibility, Work and Family Promotion Act," the Republican attempt at reforming the current welfare system. Since we enacted welfare reform in 1996, a number of issues have been brought to the forefront of the welfare reform debate including, job training, work requirements, funding, legal immigrant assistance,

and poverty reduction, all of which H.R. 4737 fails to adequately address. I believe the true measure of the success of welfare reform is in our ability to reduce poverty and to move recipients off of welfare and into long-term employment. The Cardin Substitute, which I strongly support, builds on the success of the 1996 welfare law by requiring welfare recipients to move toward employment, while providing the resources necessary to escape poverty, to move up the economic ladder.

H.R. 4737 places a huge unfunded mandate burden on the states, while at the same time significantly limiting the flexibility of states to develop their own approaches to moving people off welfare. If enacted over 80 percent of the states will have to implement fundamental changes to their current welfare program. The provisions in this bill will cost states an estimated \$8.3–11 billion dollars by 2007, almost four times what the Republican bill provides, at the same time states are facing large budget cuts and enormous budget deficits. Under H.R. 4737, the State of Texas alone, would have to provide over \$688 million to support such mandates, ultimately forcing the state to either raise taxes or cut benefits.

Mr. Speaker, I also oppose H.R. 4737 because it jeopardizes our ability to protect America's children, by merely providing an additional \$2 billion dollars for mandatory child care. H.R. 4737 also imposes major new work requirements on recipients, but made no progress toward reducing the severe child care shortage. The so-called "increase" that its proponents are touting provides only enough money to cover inflation, costing the states an additional \$3.8 billion in child care cost. This bill also unfairly continues the existing ban on providing assistance to legal immigrants.

Since the enactment of the 1996 welfare law's, millions of previously dependent families joined the labor force in unprecedented numbers as caseloads fell by more than half and the percentage of working recipients rose to historic heights. However, as one who supported the 1996 reforms, I believe there is a point where we need to accept that those remaining on welfare are likely to be the hardest to place in jobs due to a lack of education, training, or available child care. Mr. Speaker, there is a better way. My colleague from Maryland, Mr. CARDIN has put forth an alternative that focuses on providing opportunity, demanding responsibility and reflect the approach that work itself is the fastest and most effective means of preparing recipients for self-sufficiency. Yet the H.R. 4737 fails to recognize this reality. The Cardin Substitute, provides states with the flexibility and freedom to develop programs which allow recipients to count education and training, including post-secondary training toward participation rates for up to 24 months. this bill raises the bar on the work requirement and provides the states with the resources to meet these challenges by providing an additional \$11 billion for mandatory child care funding over five years to meet the work requirement. By requiring those who can work to do so, we recognize the dignity of all labor and the moral imperative of self-reliance. We should insist on work for it's instructional value—it is the only certain route out of dependence and poverty. Additionally, this bill removes the ban on states serving legal immigrants with Federal TANF funds, eliminates the ban on providing Medicaid to

pregnant women and children, and it restores Supplemental Security Income (SSI) benefits for disabled legal immigrant children.

The Cardin substitute rewards self-sufficiency and gives families the help they need to successfully move from welfare to work. It is the responsibility of Congress to build on the successes of the 1996 welfare law's and to ensure that low-income families are given a legitimate opportunity to move out of poverty. For this reason, I urge my colleagues to support the Cardin Substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, I rise today in opposition to the Republican bill.

My home state of Massachusetts has operated a successful welfare program, utilizing a waiver in order to focus mandatory work activities on families without major barriers to work. Through this, we have succeeded in moving most of these families into employment. The current caseload is barely half of what it was before state welfare reform began.

Despite this success, three-quarters of those remaining are families with serious barriers to employment, including a disability or the need to care for a disabled child.

Massachusetts and other states need the ability to decide what is the approximate mix of services and activities in order to move welfare families from poverty to self-sufficiency. Unfortunately, this bill reduces state discretion.

Further, I believe this bill falls short in helping teen mothers break the cycle of welfare and poverty. While only 6 percent of the caseload in my home state of Massachusetts consists of teen parents, historically about 50 percent of welfare mothers started parenting as teenagers. While the 1996 law set strong goals for teen parents, this bill fails to make some modest improvements which would help these families break out of welfare dependency.

I urge my colleagues to oppose the bill and support the Democratic alternative.

Mr. COSTELLO. Mr. Speaker, I rise today in opposition to H.R. 4737 and in support of the Democratic substitute. It is imperative that we provide families with the necessary ingredients to produce self-sufficiency and job stability. The Democratic substitute accomplishes this important goal.

I supported welfare reform under the Clinton Administration and these reforms have been effective in cutting our welfare rolls in half. In my home state of Illinois, the number of welfare recipients has been reduced by 74 percent over the past five years. However, H.R. 4737 will undo the successful strategies states now employ to move Temporary Assistance to Needy Families (TANF) recipients to jobs. While H.R. 4737 is well intended, I am concerned that we will undermine the law's stated goal of ending dependence on government assistance if we do not have adequate resources available for safe and affordable childcare, transportation, and healthcare. The legislation provides no help to states in implementing the new work requirements, which I support, and does nothing to extend childcare to the estimated 15 million children who are currently eligible for such assistance, but lack coverage because states do not have the necessary resources.

The Democratic substitute maintains state flexibility, focuses on real work, and helps families escape poverty and achieve permanent employment. It increases childcare funding by \$11 billion over 5 years so that the

tough work requirements can be met without harming the children of those receiving benefits. This substitute does not impose massive new mandates on states and work requirements on impoverished mothers without the assistance necessary to make welfare reform work.

Mr. Speaker, although I support responsible welfare reform, the Republican proposal is not sufficient. I do not want to see the federal government take a step backward in our effort to reduce the welfare rolls. For these reasons, I oppose H.R. 4737 and support the Democratic substitute.

The SPEAKER pro tempore. All time for debate on the substitute offered by the gentleman from Maryland (Mr. CARDIN) has expired.

Pursuant to the order of the House of yesterday, further proceedings on H.R. 4737 will be postponed until later this afternoon.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Evans, one of his secretaries.

COMMUNICATION FROM THE HON. NANCY L. JOHNSON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable NANCY L. JOHNSON, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 16, 2002

Hon. DENNIS J. HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to rule VIII of the Rules of the House, that I have determined that the subpoena for documents and testimony issued to me by the United States District Court for the District of Columbia is not material and relevant, nor is it consistent with the privileges and rights of the House. Accordingly, I have instructed the Office of General Counsel to object to and to move to quash the subpoena.

Sincerely,

NANCY L. JOHNSON,
Member of Congress.

COMMUNICATION FROM THE HON. DAVID L. HOBSON, MEMBER OF CONGRESS

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HOUSE OF REPRESENTATIVES,
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