for Congressional disapproval of certain regulations issued by the Office of the Comptroller of the Currency, in accordance with section 802 of title 5, United States Code.

S. CON. RES. 8

At the request of Ms. COLLINS, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. Con. Res. 8, a concurrent resolution designating the second week in may each year as ''National Visiting Nurse Association Week''.

S. CON. RES. 127

At the request of Mr. SCHUMER, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. Con. Res. 127, a concurrent resolution expressing the sense of Congress that the President should designate September 11 as a national day of voluntary service, charity, and compassion.

S. CON. RES. 136

At the request of Mr. CONRAD, the names of the Senator from Montana (Mr. BAUCUS), the Senator from Maryland (Ms. MIKULSKI), the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. Con. Res. 136, a concurrent resolution honoring and memorializing the passengers and crew of United Airlines Flight 93.

S. RES. 408

At the request of Mr. SMITH, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. Res. 408, a resolution supporting the construction by Israel of a security fence to prevent Palestinian terrorist attacks, condemning the decision of the International Court of Justice on the legality of the security fence, and urging no further action by the United Nations to delay or prevent the construction of the security fence.

S. RES. 424

At the request of Mr. CRAIG, the names of the Senator from Colorado (Mr. CAMPBELL), the Senator from Kentucky (Mr. BUNNING), the Senator from Wisconsin (Mr. KOHL), the Senator from West Virginia (Mr. BYRD) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. Res. 424, a resolution designating October 2004 as ''Protecting Older Americans From Fraud Month''.

S. RES. 427

At the request of Mr. SARBANES, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Res. 427, a resolution congratulating the citizens of Greece, the members of the Athens 2004 Organizing Committee for the Olympic and Paralympic Games, the International Olympic Committee, the United States Olympic Committee, the 2004 United States Olympic Team, athletes from around the world, and all the personnel who participated in the 2004 Olympic Summer Games in Athens, Greece.

S. RES. 431

At the request of Mrs. FEINSTEIN, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. Res. 431, a resolution expressing the sense of the Senate that the United Nations Security Council should immediately consider and take appropriate actions to respond to the growing threats posed by conditions in Burma under the illegitimate rule of the State Peace and Development Council.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. CLINTON:

S. 2827. A bill to amend the Federal Rules of Evidence to create an explicit privilege to preserve medical privacy, to the Committee on the Judiciary.

Mrs. CLINTON. Mr. President, today, I rise to introduce the Patients' Privacy Protection Act, legislation that will close a loophole in the Federal Rules of Evidence and ensure that every American's medical records remain confidential. I want to acknowledge my friend Congressman NADLER who is introducing the House companion to this bill today as well as Senators CORZINE, WYDEN, LAUTENBERG, BOXER, JEFFORDS, and MIKULSKI who join me as original cosponsors of this critical measure.

I began exploring this issue when I learned that Attorney General John Ashcroft had subpoenaed the confidential medical records from thousands of women around the country to defend the first-ever Federal abortion ban in Federal court. The fact that the women in question were not a party to the lawsuits did not deter him.

Such a deliberate intrusion into people's medical privacy record is deeply disturbing. Americans deserve full confidence that the government is not looking into their medical records. Without such an assurance, how will Americans trust their doctors? What procedures, discussions, and diagnoses will they avoid for fear that these records could shame them or adversely impact their future if unearthed?

At issue in this bill is what a reasonable person should expect when they walk into a doctor's office. That person expects that what they say to her doctor stays with her doctor. Only because of that confidence are people able to be honest. And only through that honesty are people able to obtain the healthcare they need.

The right to private medical records is an issue that, in rhetoric at least, has broad support on both sides of the partisan divide. In fact, it was President Bush himself who, as recently as 2001 during a statement on the Medical Privacy Rule said, ''I believe that we must protect both vital health care services and the right of every American to have confidence that his or her personal medical records will remain private.''

Even Attorney General Ashcroft has made strong statements in support of the privacy of medical records. Back in 1998, in a press release put out by his Senate office in which he is referred to as a ''consistent champion of privacy rights,'' then-Senator Ashcroft says ''We should guarantee that the federal government does not undermine an individual's fundamental right to privacy . . . Without privacy protections in place, people may be discouraged from seeking help or taking advantage of the access to health care.''

I agree. But unlike Attorney General Ashcroft, I believe preserving patient privacy entails more than issuing a press release. Patient privacy doesn't end when it conflicts with a political agenda, no matter how deeply felt that conviction.

Throughout this Administration, we have seen Attorney General Ashcroft disregard civil liberties in the name of preventing terrorism. But through this action, we see him disregarding civil rights in the name of outlawing abortion. This is a very slippery slope that, if unchecked, could affect not just women seeking reproductive healthcare, but all Americans. Over the past few months, the Department of Justice has asserted that federal law does not recognize the doctor-patient privilege, and that individuals no longer have a reasonable expectation of medical privacy. These are alarming statements.

Thankfully, Attorney General Ashcroft is not being allowed to run roughshod over our right to privacy and medical confidentiality. On March 5, 2004, a San Francisco court ruled that the Department of Justice has no right to view the records in question in the Planned Parenthood Federation of America lawsuit against the abortion ban. The decision issued by Judge Phyllis Hamilton soundly affirmed women's right to privacy. She said, ''There is no question that the patient is entitled to privacy and protection. . . . Women are entitled to not have the government looking at their records.''

Nevertheless, we cannot take a chance that once again, when it suits the political or ideological interests of this Administration or Administrations to come, the federal government will intrude upon the most personal of information. That is why I stand before you today.

The Patient Privacy Protection Act of 2004 is very simple. It states that a patient's medical records and any communication about their medical history are confidential unless a judge determines that the public interest in those records being made public significantly outweighs the patient's privilege. In the cases where a judge orders the records to be disclosed, the court shall, to the extent practicable, eliminate any and all personally identifiably information.

I am pleased to be introducing this simple, straightforward, common-sense piece of legislation. I do not believe there is a Member of either Chamber of Congress who in good faith could oppose this measure, and I look forward to working with my colleagues, Representative NADLER and others to see it enacted into law expediently.

By Mr. McCAIN (for himself, Mr. FEINGOLD, Mr. LIEBERMAN, and Mr. SCHUMER):

S. 2828. A bill to amend the Federal Election Campaign Act of 1971 to define political committee and clarify when organizations described in section 527 of the Internal Revenue Code of 1968 must register as political committees, and for other purposes; to the Committee on Rules and Administration.

Mr. McCAIN. Mr. President, I am pleased to be joined by my good friend and colleague from Wisconsin, Senator FEINGOLD, and our good friends who lead the campaign finance reform fight in the House, Representatives SHAYS and MEEHAN, in introducing a bill to end the illegal practice of 527 groups spending soft money on ads and other activities to influence Federal elections.

As my colleagues know, a number of 527 groups have been raising and spending substantial amounts of soft money in a blatant effort to influence the outcome of this year's Presidential election. These activities are illegal under existing laws, and yet once again, the Federal Election Commission (FEC) has failed to do its job and has refused to do anything to stop these illegal activities. Therefore, we must pursue all possible steps to overturn the FEC's misinterpretation of the campaign finance laws, which is improperly allowing 527 groups whose purpose is to influence Federal elections to spend soft money on these efforts.

Last week, we filed a lawsuit to overturn the FEC's failure to issue regulations to stop these illegal practices by 527 groups. President Bush and his campaign filed a similar lawsuit against the FEC last week as well, and I also appreciate President Bush's support for the legislative effort we begin today on 527s. We are introducing legislation that will accomplish the same result. We are going to follow every possible avenue to stop 527 groups from effectively breaking the law, and doing what they are already prohibited from doing by longstanding laws.

The bill we introduce today is simply. It would require that all 527s register as political committees and comply with Federal campaign finance laws, including Federal limits on the contributions they receive, unless the money they raise and spend is only in connection with non-Federal candidate elections, State or local ballot initiatives, or the nomination or confirmation of individuals to non-elected offices.

Additionally, this legislation would set new rules for Federal political committees that spend funds on voter mobilization efforts effecting both federal and local races and, therefore, use both a federal and a non-Federal account under FEC regulations. The new rules would prevent unlimited soft money from being channeled into Federal election activities by these Federal political committees.

Under the new rules, at least half of the funds spent on these voter mobilization activities by Federal political committees would have to be hard money from their Federal account. More importantly, the funds raised for their non-federal account would have to come from individuals and would be limited to no more than $25,000 per year per donor. Corporations and labor unions could not contribute to these non-federal accounts. To put it in simple terms, a George Soros could give $25,000 per year as opposed to $10 million to finance these activities.

Let me be perfectly clear on one point here. Our proposal will not shut down 527s, it will simply require them to abide by the same Federal regulations every other Federal political committee must abide by in spending money to influence Federal elections.

It is unfortunate that we even need to be here introducing this bill today. This legislation would not be necessary if it weren't for the abject failure of the FEC to enforce existing laws. As my colleagues well know, some organizations, registered under section 527 of the Internal Revenue Code, have had a major impact on this year's presidential election by raising and spending illegal soft money to run ads attacking both President Bush and Senator KERRY. The use of soft money to finance these activities is clearly illegal under current statute, and the fact that they have been allowed to continue unchecked is unconscionable.

The blame for this lack of enforcement does not lie with the Congress, nor with the Administration. The blame for this continuing illegal activity lies squarely with the FEC. This agency has a duty to issue regulations to properly implement and enforce the nation's campaign laws—and the FEC has failed, and it has failed miserably to carry out that responsibility. The Supreme Court found that to be the case in its McConnell decision and Judge Kollar-Kotelly found that to be the case in her recent decision overturning 15 regulations incorrectly adopted by the FEC to implement the new BCRA law. That is why a Los Angeles Times editorial today stated that, ''her decision would make a fitting obituary for an agency that deserves to die.''

It should be clear by now why we have introduced legislation to abolish the FEC and replace it with a new enforcement agency. And we will be conducting a major effort starting at the beginning of next year to enact our bill to get a new, true enforcement agency and to pass the 527 reform act we are introducing today. We are not going to allow the destructive FEC to continue to undermine the nation's campaign finance laws as it has been consistently doing for the past two decades. In the mean time, given the unmitigated failure of this agency, I believe that its Chair, Bradley Smith and its Vice Chair, Ellen Weintraub, should resign and recognize that they have failed to carry out their responsibilities as public officials.

Opponents of campaign reform like to point out that the activities of these 527s serve as proof that the Bipartisan Campaign Reform Act of 2002 (BCRA) has failed in its stated purpose to eliminate the corrupting influence of soft money in our political campaigns. Let me be perfectly clear on this. The 527 issue has nothing to do with BCRA, it has everything to do with the 194 law and the failure of the FEC to do its job and properly regulate the activities of these groups.

As further evidence of the FEC's lack of capability, let me quote from a couple of recent court decisions which highlight this agency's shortcomings. First, in its decision upholding the constitutionality of BCRA in McConnell v. FEC, the U.S. Supreme Court stated that the FEC had ''subverted'' the law, issued regulations that ''permitted more than Congress had ever intended,'' and ''invited widespread circumvention'' of FECA's limited on contributions. Additionally, just this past Saturday, a federal district court judge threw out 15 of the FEC's regulations implementing BCRA. Among the reasons for her actions were that one provision ''severely undermines FECA'' and would ''foster corruption'', another ''runs completely afoul'' of current law, another would ''render the statute largely meaningless'' and, finally, that another had ''no rational basis.''

The track record of the FEC is clear, and by their continued stonewalling, the Commission has proven itself to be nothing more than a bureaucratic nightmare, and the time has come to put an end to its destructive tactics. The FEC has had ample, and well documented, opportunities to address the issue of the 527s illegal activities, and each time they have taken a pass, choosing instead to delay, postpone, and refuse to act.

Enough is enough. It is time to stop wasting taxpayer's dollars on an agency that runs roughshod over the will of the Congress, the Supreme Court, the American people, and the Constitution. We've fought too long and too hard to sit back and allow this worthless agency to undermine the law.

So, here is the bottom line: if the FEC won't do its job, and its commissioners have proven time and time again that they won't, then we'll do it for them. The bill Senator FEINGOLD and I introduce today will put an end to the abusive, illegal practices of these 527s. And we will fight beginning next year to replace this rogue agency with a real enforcement agency.

I urge my colleagues to support swift passage of these bills and put an end to this problem once and for all.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2828

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 ''527 Reform Act of 2004''.

SEC. 2. TREATMENT OF SECTION 527 ORGANIZATIONS.

(a) DEFINITION OF POLITICAL COMMITTEE.—Section 301(4)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)(A)) is amended to read as follows:

''(A) any committee, club, association, or other group of persons that—

''(i) during one calendar year, receives contributions aggregating in excess of $1,000 or makes expenditures aggregating in excess of $1,000; and

''(ii) has as its major purpose the nomination or election of one or more candidates;''.

(b) DEFINITION OF MAJOR PURPOSE FOR SECTION 527 ORGANIZATIONS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

''SEC. 325. DEFINITIONS AND RULES FOR DETERMINING ORGANIZATIONS AND DISBURSEMENTS INFLUENCING FEDERAL ELECTIONS.

''(a) MAJOR PURPOSE OF SECTION 527 ORGANIZATIONS.—For purposes of section 301(4)(A)—

''(1) IN GENERAL.—A committee, club, association, or group of persons that—

''(A) is an organization described in section 527 of the Internal Revenue Code of 1986, and

''(B) is not described in paragraph (2),

has as its major purpose the nomination or election of one or more candidates.

''(2) EXCEPTED ORGANIZATIONS.—Subject to paragraph (3), a committee, club, association, or other group of persons described in this paragraph is—

''(A) an organization described in section 527(i)(5) of the Internal Revenue Code of 1986, or

''(B) any other organization which is one of the following:

''(i) A committee, club, association, or other group of persons whose election or nomination activities relate exclusively to elections where no candidate for Federal office appears on the ballot.

''(ii) A committee, club, association, or other group of persons that is organized, operated, and makes disbursements exclusively for one or more of the following purposes:

''(I) Influencing the selection, nomination, election, or appointment of one or more candidates to non-Federal offices.

''(II) Influencing one or more State or local ballot initiatives, State or local referenda, State or local constitutional amendments, State or local bond issues, or other State or local ballot issues.

''(III) Influencing the selection, appointment, nomination, or confirmation of one or more individuals to non-elected offices.

''(IV) Paying expenses described in the last sentence of section 527(e)(2) of the Internal Revenue Code of 1986 or expenses of a newsletter fund described in section 527(g) of such Code.

''(3) SECTION 527 ORGANIZATIONS MAKING CERTAIN DISBURSEMENTS.—A committee, club, association, or other group of persons described in paragraph (2)(B) shall not be considered to be described in such paragraph for purposes of paragraph (1)(B) if it makes disbursements for a public communication that promotes, supports, attacks, or opposes a clearly identified candidate for Federal office during the period beginning on the first day of the calendar year preceding the calendar year in which the general election for the office sought by the clearly identified candidate occurs and ending on the date of the general election.''.

SEC. 3. CERTAIN EXPENSES BY MAJOR PURPOSE ORGANIZATIONS TREATED AS EXPENDITURES.

(a) IN GENERAL.—Section 301(9)(A)(i) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)(i)) is amended by inserting '', including any amount described in section 325(b)'' after ''office''.

(b) APPLICABLE COMMUNICATIONS.—Section 325 of the Federal Election Campaign Act of 1971 (as added by section 2(b)) is amended by adding at the end the following new subsection:

''(b) CERTAIN EXPENDITURES FOR MAJOR PURPOSE ORGANIZATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value for—

''(A) a public communication that refers to a clearly identified candidate for Federal office or to a political party (regardless of whether a candidate for State or local office is also mentioned or identified) and that promotes, supports, attacks, or opposes a candidate for that office or a political party (regardless of whether the communication expressly advocates a vote for or against a candidate), or

''(B) voter registration activity, voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot),

shall be an expenditure under section 301(9)(A)(i) if made by, or on behalf of, a political committee (as defined in section 301(4)) or a committee, club, association, or other group of persons for which the nomination or election of one or more candidates is its major purpose.

''(2) EXCEPTION.—Any funds used for purposes described in paragraph (1) that, in accordance with allocation rules set forth in section 325(c), are disbursed from a non-Federal account shall not be treated as expenditures.''.

SEC. 4. RULES FOR ALLOCATION OF EXPENSES BETWEEN FEDERAL AND NON-FEDERAL ACTIVITIES.

Section 325 of the Federal Election Campaign Act of 1971 (as added by section 2(b) and amended by section 3) is amended by adding at the end the following:

''(c) ALLOCATION AND FUNDING RULES FOR EXPENSES OF SEPARATE SEGREGATED FUNDS AND NONCONNECTED COMMITTEES RELATING TO FEDERAL AND NON-FEDERAL ACTIVITIES.—

''(1) IN GENERAL.—In the case of any disbursements by any separate segregated fund or nonconnected committee for which allocation rules are provided under paragraph (2)—

''(A) the disbursements shall be allocated between Federal and non-Federal accounts in accordance with this subsection and regulations prescribed by the Commission, and

''(B) in the case of disbursements allocated to non-Federal accounts, may be paid only from a qualified non-Federal account.

''(2) COSTS TO BE ALLOCATED AND ALLOCATION RULES.—Disbursements by any separate segregated fund or nonconnected committee in connection with Federal and non-Federal elections for any of the following categories of activity shall be allocated as follows:

''(A) At least 50 percent of any administrative expenses, including rent, utilities, office supplies, and salaries not attributable to a clearly identified candidate shall be paid with funds from a Federal account, except that for a separate segregated fund such expenses may be paid instead by its connected organization.

''(B) At least 50 percent of the direct costs of a fundraising program or event, including disbursements for solicitation of funds and for planning and administration of actual fundraising events, where Federal and non-Federal funds are collected through such program or event shall be paid with funds from a Federal account, except that for a separate segregated fund such costs may be paid instead by its connected organization.

''(C) At least 50 percent of the expenses for public communications or voter drive activities that refer to a political party, but do not refer to any clearly identified Federal or non-Federal candidate, shall be paid with funds from a Federal account.

''(D) 100 percent of the expenses for public communications or voter drive activities that refer to a political party, and refer to one or more clearly identified Federal candidates, but do not refer to any clearly identified non-Federal candidates, shall be paid with funds from a Federal account.

''(E) At least 50 percent of the expenses for public communications or voter drive activities that refer to a political party, and refer to one or more clearly identified non-Federal candidates, but do not refer to any clearly identified Federal candidates, shall be paid with funds from a Federal account, except that this subparagraph shall not apply to communications or activities that relate exclusively to elections where no candidate for Federal office appears on the ballot.

''(F) At least 50 percent of the expenses for public communications and voter drive activities that refer to one or more clearly identified candidates for Federal office and one or more clearly defined non-Federal candidates, without regard to whether the communication refers to a political party, shall be paid with funds from a Federal account.

''(3) QUALIFIED NON-FEDERAL ACCOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified non-Federal account' means an account which consists solely of amounts—

''(i) that, subject to the limitations of subparagraphs (B) and (C), are raised by the separate segregated fund or nonconnected committee only from individuals, and

''(ii) with respect to which all other requirements of Federal, State, or local law are met.

''(B) LIMITATION ON INDIVIDUAL DONATIONS.—

''(i) IN GENERAL.—A separate segregated fund or nonconnected committee may not accept more than $25,000 in funds for its qualified non-Federal account from any one individual in any calendar year.

''(ii) AFFILIATION.—For purposes of this subparagraph, all qualified non-Federal accounts of separate segregated funds or nonconnected committees which are directly or indirectly established, financed, maintained, or controlled by the same person or persons shall be treated as one account.

''(C) FUNDRAISING LIMITATION.—No donation to a qualified non-Federal account may be solicited, received, directed, transferred, or spent by or in the name of any person described in subsection (a) or (e) of section 323.

''(4) VOTER DRIVE ACTIVITY AND FEDERAL ACCOUNT DEFINED.—For purposes of this subsection—

''(A) VOTER DRIVE ACTIVITY.—The term 'voter drive activity' means any of the following activities conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot):

''(i) Voter registration activity.

''(ii) Voter identification.

''(iii) Get-out-the-vote activity.

''(iv) Generic campaign activity.

''(B) FEDERAL ACCOUNT.—The term 'Federal account' means an account which consists

solely of contributions subject to the limitations, prohibitions, and reporting requirements of this Act. Nothing in this subsection or in section 323(b)(2)(B)(iii) shall be construed to infer that a limit other than the limit under section 315(a)(1)(C) applies to contributions to the account.''.

SEC. 5. CONSTRUCTION.

No provision of this Act, or amendment made by this Act, shall be construed—

(1) as approving, ratifying, or endorsing a regulation promulgated by the Federal Election Commission, or

(2) as establishing, modifying, or otherwise affecting the definition of political organization for purposes of the Internal Revenue Code of 1986.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall take effect on January 1, 2005.

Mr. FEINGOLD. Mr. President, I am pleased to once again be working with my partner in reform, the Senator from Arizona, Senator MCCAIN, and also with the Senator from Connecticut, Senator LIEBERMAN, who was so instrumental in getting the 527 disclosure bill passed in 2000. We are introducing today the 527 Reform Act of 2004. This bill will do what the FEC could and should do under current law, but, once again, has failed to do.

It sometimes seems like our mission in life is to clean up the mess that the FEC has made. We had to do that with BCRA, the Bipartisan Campaign Reform Act, which passed in 2002, closing the soft money loophole that the FEC created in the late '70s and expanded in the '90s. We are doing it again with the regulations that the FEC put in place after BCRA passed. Just this past weekend an extraordinary court decision came down that threw out 15 of the 19 FEC regulations challenged by Representatives SHAYS and MEEHAN in a lawsuit under the Administrative Procedures Act. That decision was an extraordinary rebuke to a Federal agency.

And now we are here to introduce a bill that will make absolutely clear that the Federal election laws apply to 527 organizations. Let me emphasize one thing. We believe that current Federal election law requires these groups to register as political committees and stop raising and spending soft money. But the FEC has failed to enforce the law, saying it is too complicated or that it is too late in the election cycle to take action. Those excuses are unacceptable, so we must act in the Congress.

This bill will require all 527s to register as political committees unless they fall into a number of narrow exceptions. The exceptions are basically for groups that Congress exempted from disclosure requirements because they are so small or for groups that are involved exclusively in State election activity.

Once a group registers as a political committee, certain activities such as ads that mention only Federal candidates will have to be paid for solely with hard money. But the FEC permits Federal political committees to maintain a non-Federal account to pay a portion of the expenses of activities that affect both Federal and non-Federal elections. Our bill sets new allocation rules that will make sure that these allocable activities are paid for with at least 50 percent hard money.

Finally, the bill makes an important change with respect to the non-Federal portion of the allocable activities. We put a limit of $25,000 per year on the contributions that can be accepted for that non-Federal account. And we prohibit corporate or union funds from being given to those non-Federal accounts. So no more will million dollar soft money contributions be used to pay for get-out-the-vote efforts in the Presidential campaign.

Nothing in this bill will affect 501(c) advocacy groups. The bill only applies to groups that claim a tax exemption under section 527. And it would be effective in the next election cycle, not this one.

The soft money loophole was opened by FEC rulings in the late '70s. By the time we started work on BCRA, the problem had mushroomed and led to the scandals we saw in the 1996 campaign. When we passed BCRA, I said we would have to be vigilant to make sure that the FEC enforced the law and that similar loopholes did not develop. That is what we have been doing for the past 2 years, and what are again doing today.

I have no doubt that if we don't act on this 527 problem now, we will see the problem explode into scandals over the next few election cycles. This time we're not going to wait.

I ask unanimous consent that the text of our bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

527 REFORM ACT OF 2004 SECTION-BY-SECTION ANALYSIS

Section 1. Short Title. The bill may be cited as the ''527 Reform Act of 2004.''

Section 2. Treatment of Section 527 Organizations. This section revises the definition of ''political committee'' in the Federal Election Campaign Act (''FECA'') to add the requirement that an organization ''has as its major purpose the nomination or election of one or more candidates.'' This language is taken from the Supreme Court's decision in Buckley v. Valeo, which added this ''major purpose'' test to the existing statutory definition that a ''political committee'' is a group that raises or spends $1,000 or more in a year in contributions or expenditures to influence federal elections. The ''major purpose'' test has not previously been codified.

This section also provides that 527 organizations have the ''major purpose'' of nominating or electing candidates, and thus satisfy that portion of the test for political committee status, unless they meet one of the following exceptions:

(1) has annual receipts of less than $25,000;

(2) is the campaign committee of a non-Federal candidate;

(3) is a state or local party committee;

(4) is devoted exclusively to election activities relating to an election where no candidate for federal office appears on the ballot;

(5) raises and spends money exclusively for the selection, nomination, election or appointment of non-Federal candidates;

(6) raises and spends money exclusively to influence state or local ballot initiatives, referenda, constitutional amendments, bond issues, or other ballot measures;

(7) raises and spends money exclusively to influence the selection, appointment, nomination, or confirmation of individuals to non-elected offices.

An organization that makes a disbursement for a public communication that promotes, supports, attacks or opposes a clearly identified candidate for Federal office during the two-year election cycle of that candidate cannot qualify for exceptions (2)–(7) above.

Section 3. Certain Expenses by Major Purpose Organizations Treated as Expenditures. This section supplements the definition of ''expenditure'' for any organization whose ''major purpose'' is the nomination or election of one or more candidates. (This goes to the other portion of the test for ''political committee'' status: whether a group with a ''major purpose'' to influence federal elections spends $1,000 in ''expenditures'' in a year.)

Payments for the following activities by ''major purpose'' organizations, which under Section 2 include 527 organizations involved in Federal elections, will be considered expenditures:

(1) public communications that promote, support, attack, or oppose a clearly identified Federal candidate or a political party;

(2) voter registration activity, voter identification, get-out the vote activity, or generic campaign activity conducted in connection with an election where a Federal candidate appears on the ballot.

Section 4. Rules for Allocation of Expenses Between Federal and Non-Federal Candidates. This section provides allocation rules for political committees (other than candidate committees or political party committees) that engage in both Federal and non-Federal election activities. If a political committee engages in activities that mention a clearly identified Federal candidate or candidates, or a political party generally, it must fund at least 50% of those activities from a Federal account that contains only hard money, even if such activities also mention, or are for the benefit of, non-Federal candidates. The other portion may be funded from a ''qualified non-Federal account.'' An activity that mentions both Federal candidates and a political party generally must be paid for entirely with hard money. These allocation rules apply to administrative expenses, the costs of fundraising programs or events, public communications, and voter drive activities, which are defined in this section as voter registration, voter identification, get out the vote, and generic campaign activities.

The section also provides that contributions to ''qualified non-Federal accounts'' used to pay the non-Federal portion of expenses that are allocated under this section must come only from individuals and may not exceed $25,000 per donor per year. ($25,000 per year is the same contribution limit that applies to contributions by individuals to national party committees.) Individuals can contribute $5,000 per donor per year to the Federal account of political committees.

Section 5. Construction. This section provides that the 527 Reform Act shall not be construed as approving, ratifying, or endorsing any regulation issued by the FEC. It therefore will have no effect on pending litigation concerning regulations issued by the FEC to implement the Bipartisan Campaign Reform Act of 2002. The Act also shall not be construed to establish, modify, or otherwise affect the definition of political organization for purposes of the Internal Revenue Code.

Section 6. Effective Date. The amendments made by the 527 Reform Act shall take effect

on January 1, 2005. They will have no effect on the 2004 elections.

Mr. LIEBERMAN. Mr. President, I rise today as a cosponsor of the legislative efforts of my friends and colleagues Senators MCCAIN and FEINGOLD to close the ''527'' loophole that threatens the health of our Federal elections by allowing unlimited amounts of soft money to dictate the terms of debate in defiance of the letter and spirit of the McCain-Feingold Bipartisan Campaign Reform Act.

These 527 groups have become nothing more than multi-million dollar megaphones advocating the special interests of wealthy individuals and groups. And it will only get worse in years to come.

527 groups have been growing since the mid-1990s thanks to loopholes resulting in part from puzzling decisions by the Internal Revenue Service and the Federal Election Commission.

The 527 groups would get tax-exempt status from the IRS by claiming they existed to influence elections. But then they would avoid election disclosure laws by denying to the Federal Election Commission they were trying to influence elections because they did not use the magic words like ''vote for'' or ''vote against.''

The result was a tax exemption for groups influencing Federal campaigns, but a lack of disclosure so voters did not know who the groups were, who they gave their money to and where they got their money from.

Congress partially closed this loophole in June 2000, by passing the first significant campaign finance reform measure in a quarter century. This legislation was passed out of the Government Affairs Committee, of which I was chairman at the time, and signed into law later that year by President Clinton.

The new law required 527 groups to give notice of their intent to claim tax-exempt status; to disclose information about their large contributors and expenditures; and to file annual informational returns along the lines of those filed by virtually all other tax-exempt organizations.

But this only partially closed this loophole. Despite the McCain-Feingold campaign finance reforms, 527s can still raise unlimited amounts of cash from just a few wealthy individuals or groups whose interests and motivations are likely unknown to the American public. The Federal Election Commission could have closed this loophole but has failed to act despite massive evidence that 527s are skirting Federal election law.

This is both an end-run around our campaign finance laws as well as a direct assault on our democracy. Elections should be determined by millions of individual voters who cast their ballots uninfluenced by the millions of dollars of advertising paid for a by a few individuals or groups with special interests.

Reform of the 527 loophole does not mean silencing these groups or taking away their right to put their message on the air. All this reform would require from 527s is to follow the same rules as other political advocacy groups when it comes to raising and spending money on federal elections. The money must come from individuals in amounts no larger than $5,000, with no contributions from corporations or unions allowed.

If the 527 groups' support is as widespread as they claim, they will have no problem getting their message out.

We started the job in 2000. We knew it was not enough. Now it's time to finish the job and get unlimited soft money out of the system.

The voices of millions of average Americans should not be reduced to a whisper because they can't afford the price of the pulpit.

And the voices of a few should not shout like thunder because they have the money to command the air waves.

By Mr. ALLARD (for himself and Mrs. DOLE):

S. 2829. A bill to establish a grant program administered under an agreement among the Secretaries of Housing and Urban Development, Health and Human Services, and Veterans Affairs, in consultation with the U.S. Interagency Council on Homelessness, to address the goal of ending chronic homelessness through coordinated provision of housing, health care, mental health and substance abuse treatment, and supportive and other services, including assistance in accessing non-homeless specific benefits and services, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ALLARD. Mr. President, I rise today to introduce the Samaritan Initiative Act of 2004, and I am pleased to have Senator DOLE join me in this effort. The Samaritan Initiative would mark the beginning of a new, collaborative approach in the Federal effort to end chronic homelessness.

The Initiative would create a groundbreaking joint effort between the Department of Housing and Urban Development, the Department of Health and Human Resources, and the Department of Veterans Affairs. Each department would contribute money to a joint fund and would coordinate in the effort to end chronic homelessness. This coordinated approach will streamline the grants application process and will ensure consistent standards. It will also ensure that each department continues to provide its own particular expertise. I am hopeful that other Federal agencies will join in the effort as well.

Homeless individuals often have needs far beyond simple shelter; they may need assistance with healthcare, substance abuse, mental illness, job training, or other basics of life. Providing shelter without any supportive services may fail to address some of the underlying problems that can cause an individual to become, and remain, homeless.

By addressing the comprehensive needs of homeless individuals, the Samaritan Initiative will help reduce incidents of chronic homelessness. According to the Interagency Council on Homelessness, this 10 percent of the homeless population consumes more than half of the resources. The Samaritan Initiative will help provide the flexible resources necessary to move chronically homeless individuals into stable, permanent, supportive housing, which will in turn free up other resources.

For many years now I have been a strong advocate for the Government Performance and Results Act, which requires a focus on outcomes through clear, measurable goals. I am pleased to say that the Samaritan Initiative embodies this outcome-based focus and requires visible, measurable, quantifiable performance outcomes in reducing and ending homelessness. A focus on outcomes, rather than case management or process, also allows for new, innovative solutions to chronic homelessness. This will ensure that taxpayer dollars are spent in a responsible, effective manner.

I am proud to say that the Samaritan Initiative is supported by The U.S. Conference of Mayors, The National Association of Counties, The National League of Cities, The Enterprise Foundation, The National Alliance for the Mentally Ill, the National AIDS Housing Coalition, The National Alliance to End Homelessness, The Corporation for Supportive Housing, the Association for Service Disabled Veterans, the National Coalition for Homeless Veterans, and many other groups. I look forward to working with them, along with my colleagues in the Senate, to end chronic homelessness in America.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2829

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 ''Samaritan Initiative Act of 2004''.

SEC. 2. SAMARITAN INITIATIVE.

Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11136 et seq.) is amended by adding at the end the following:

''Subtitle H—Samaritan Initiative

''SEC. 495. PURPOSE.

''The purpose of this subtitle is to authorize competitive grants for coordinated comprehensive housing, treatment, and support services to chronically homeless persons—

''(1) to reduce the prevalence of chronic homelessness;

''(2) to support promising strategies to move chronically homeless persons in urban and rural communities from the streets to safe, permanent housing;

''(3) to provide for integrated systems of services to improve the effectiveness of programs serving chronically homeless persons;

''(4) to promote self-sufficiency and recovery among chronically homeless persons; and

''(5) to encourage programs serving chronically homeless persons to promote access to Federal, State, and local non-homeless specific programs of assistance for which such persons are eligible.

''SEC. 495A. DEFINITIONS.

''For purposes of this subtitle, the following definitions shall apply:

''(1) CHRONICALLY HOMELESS PERSON.—The term 'chronically homeless person' means an unaccompanied individual with a disabling condition who—

''(A) has been sleeping in 1 or more places not meant for human habitation, or in 1 or more emergency homeless shelters, for longer than 1 year; or

''(B) has had 4 or more periods of homelessness that, in total, have lasted more than 3 years.

''(2) DISABLING CONDITION.—The term 'disabling condition' means a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of 2 or more of such conditions, that limits the ability of an individual to work or perform one or more activities of daily living.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means a State, unit of general local government, public housing agency, local workforce investment board, or private nonprofit organization, including a faith-based or community-based organization.

''(4) ELIGIBLE VETERAN.—The term 'eligible veteran' means a person who served in the active United States military, naval, or air service, and who was discharged or released under conditions other than dishonorable.

''(5) HOMELESS MANAGEMENT INFORMATION SYSTEM.—The term 'homeless management information system' shall means a computerized data collection application maintained by an eligible entity, that—

''(A) enumerates the homeless population within the jurisdiction of the eligible entity and the number of homeless individuals that received services from the eligible entity; and

''(B) compiles information on the characteristics and service needs of homeless individuals.

''(6) HOMELESSNESS.—The term 'homelessness' means sleeping in a place not meant for human habitation or in an emergency homeless shelter.

''(7) INTERAGENCY IMPLEMENTATION AND MONITORING TEAM.—The term 'interagency implementation and monitoring team' means the interagency implementation and monitoring team established under section 495B(d).

''(8) PARTICIPATING FEDERAL AGENCY.—The term 'participating Federal agency' means the Departments of Housing and Urban Development, Health and Human Services, and Veterans Affairs, or any other Federal agency that may receive appropriations for purposes of participating under the provisions of this subtitle.

''(9) PRIVATE NONPROFIT ORGANIZATION.—The term 'private nonprofit organization' means a private organization—

''(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

''(B) that has a voluntary board; and

''(C) that has an accounting system or a designated fiscal agent in accordance with requirements established by the participating Federal agencies.

''(10) PUBLIC HOUSING AGENCY.—The term 'public housing agency' has the same meaning as in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

''(11) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the State with regard to provisions of this subtitle.

''(12) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means—

''(A) a city, town, township, county, parish, village, or other general purpose political subdivision of a State; and

''(B) any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the jurisdiction with regard to provisions of this subtitle.

''SEC. 495B. GRANT AUTHORITY AND ADMINISTRATION.

''(a) IN GENERAL.—The participating Federal agencies shall enter into a cooperative agreement to make and administer competitive grants to eligible entities, including faith-based and community-based organizations, in accordance with the provisions of this subtitle for the purpose of providing treatment and support services that are coordinated with the provision of housing for chronically homeless persons.

''(b) DELEGATIONS.—No provision of this subtitle shall limit the ability of the participating Federal agencies to delegate, assign, or share administrative responsibilities as the participating Federal agencies may determine to be necessary or appropriate.

''(c) COORDINATION AMONG PARTICIPATING FEDERAL AGENCIES.—The Secretary of Housing and Urban Development shall coordinate with the participating Federal agencies to implement and administer the grant program established under this subtitle.

''(d) INTERAGENCY IMPLEMENTATION AND MONITORING TEAM.—The participating Federal agencies shall establish an interagency implementation and monitoring team to review and conduct oversight of the award of grants, and the use of grant funds awarded under this subtitle. Each participating Federal agency shall appoint appropriate designees to serve on the interagency implementation and monitoring team.

''(e) COORDINATION REQUIREMENTS.—

''(1) IN GENERAL.—In carrying out this subtitle, the interagency implementation and monitoring team shall, as appropriate and to the extent feasible, establish uniform or coordinated requirements, standards, procedures, and timetables with respect to—

''(A) application procedures and grant requirements, including those providing for—

''(i) a single consolidated application form; and

''(ii) a single timetable, location, and procedure for filing of a consolidated application;

''(B) criteria for the award of grants;

''(C) a coordinated process for review and the approval or denial of the consolidated application;

''(D) the establishment of performance standards and measures of performance outcomes, including—

''(i) the requirement that the Secretary of Housing and Urban Development attempt to quantify the reduction in chronic homelessness; and

''(ii) the requirement that, where applicable, the grantees utilize a homeless management information system;

''(E) oversight, including monitoring, audits, and evaluations of grantees, and requirements for annual reports by grantees; and

''(F) such other factors that the interagency implementation and monitoring team determines are necessary or appropriate.

''(2) PERFORMANCE ASSESSMENT.—

''(A) IN GENERAL.—The interagency implementation and monitoring team shall establish such performance standards, performance measures, and annual reporting requirements, and make such performance reviews and audits as may be necessary or appropriate—

''(i) to determine whether a grantee has carried out its activities in a timely manner and in accordance with the applicable requirements of this subtitle;

''(ii) to assess the effectiveness of a grantee in accomplishing the objectives of this subtitle; and

''(iii) for other purposes as the interagency implementation and monitoring team determines significant with respect to the performance assessment of a grantee.

''(B) PROVISION OF SUPPORT AND STAFF.—The Secretary of Veterans Affairs may provide program monitoring and evaluation services and staff to participating Federal agencies. In such cases, participating Federal agencies may reimburse the Department of Veterans Affairs for the cost of such staff and services.

''(f) PROVISIONS AND REQUIREMENTS APPLICABLE TO GRANTS UNDER THIS SUBTITLE.—

''(1) IN GENERAL.—A grantee under this subtitle shall establish and operate a system of assistance to chronically homeless persons that identifies such persons and provides them access to affordable permanent housing that is coordinated with appropriate treatment and support.

''(2) REQUIRED GRANTEE ACTIVITIES.—A grantee under this subtitle shall carry out, directly or through arrangements with a network of other entities, activities relating to the housing, treatment, and support of homeless persons, which may include the following:

''(A) HOUSING ACTIVITIES.—Eligible activities specified in section 495C(a) that ensure the placement of chronically homeless persons in safe, affordable, permanent housing.

''(B) TREATMENT AND SUPPORT ACTIVITIES.—Eligible activities specified in section 495D(a) to address the multiple physical health, mental health, and substance abuse treatment needs of chronically homeless persons who are eligible for or residents in housing under section 495C(a).

''(C) SERVICE COORDINATION.—Activities, including those coordinated with local planning bodies, that promote the access of eligible chronically homeless persons to a range of services that contribute to self-sufficiency, recovery, employment, stability in housing, and access to health care.

''(D) ADMINISTRATION.—Administrative and planning activities, including the development and implementation of comprehensive plans for housing and services at the grantee level with costs not to exceed 6 percent of total costs of carrying out the program under this subtitle.

''(E) OTHER SERVICES.—Such services and activities as the participating Federal agencies may find necessary and appropriate.

''(3) CRITERIA FOR GRANT AWARD.—In awarding grants under this subtitle, the participating Federal agencies shall consider—

''(A) the extent to which the applicant demonstrates an understanding of the unique characteristics of chronically homeless persons;

''(B) the adequacy of the approach of the applicant in addressing the needs of the chronically homeless;

''(C) the capacity of the applicant to carry out and sustain required activities;

''(D) where services are to be provided through a network of entities, the adequacy of the qualifications of such entities, and the

stated willingness of such entities, to collaborate and participate in carrying out proposed activities;

''(E) the extent to which the applicant has been involved in Federal, State, or local non-homeless specific programs of assistance that could provide additional assistance to eligible chronically homeless persons;

''(F) the commitment and the demonstrated ability of the applicant to achieve the reduction in the number of chronically homeless persons; and

''(G) such additional factors as the participating Federal agencies may determine significant or necessary with respect to the potential success of the applicant in carrying out the purposes of this subtitle.

''(4) INITIAL TERM OF GRANT.—Notwithstanding any other provision of law, each grant awarded under this section shall be for an initial term of 3 years.

''(5) GRANT RENEWAL.—Upon the expiration of a grant under this section, the participating Federal agencies may award, on a competitive basis, a renewal grant under this subtitle for an additional 3-year term, subject to the continued qualification of the grantee for the grant as determined by the participating Federal agencies. The amount of a renewal grant under this paragraph may be up to 50 percent of the cost of the activities to be carried out by the grantee.

''(6) FEDERAL MATCHING.—

''(A) IN GENERAL.—A grant under this subtitle shall be available to pay the Federal share of the costs incurred by the grantee for activities under this subtitle.

''(B) FEDERAL SHARE.—For purposes of subparagraph (A), the Federal share shall be—

''(i) 75 percent of the cost of the program for the first year of the grant;

''(ii) 75 percent for the second year of the grant; and

''(iii) 50 percent for each succeeding year, including each year of a renewal grant term under paragraph (5).

''(C) NON-FEDERAL SHARE.—The non-Federal share of costs incurred by the grantee may be in cash or in-kind, as appropriate.

''(7) GEOGRAPHIC DISTRIBUTION.—The participating Federal agencies shall ensure that consideration is given to geographic distribution (such as urban and rural areas) in the awarding of grants under subsection (a).

''(8) DISCLOSURE.—Section 12(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3537a(a)) shall not apply to this subtitle.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) FISCAL YEAR 2005.—There are authorized to be appropriated to carry out this subtitle $70,000,000 for fiscal year 2005, of which—

''(A) $50,000,000 is authorized to be appropriated to the Department of Housing and Urban Development;

''(B) $10,000,000 is authorized to be appropriated to the Department of Health and Human Services; and

''(C) Not more than $10,000,000 is authorized from the amounts to be appropriated to the Department of Veterans Affairs for treatment of homeless veterans under medical care to carry out section 495D.

''(2) FISCAL YEARS 2006, 2007, AND 2008.—There are authorized to be appropriated to carry out this subtitle such sums as may be necessary for each of fiscal years 2006, 2007, and 2008.

''(h) AUTHORITY TO CONSOLIDATE FUNDS.—

''(1) IN GENERAL.—For purposes of carrying out this subtitle, and in accordance with the agreement under subsection (a), the participating Federal agencies are authorized to transfer to the Secretary of Housing and Urban Development funds appropriated for use under this subtitle, and the Secretary of Housing and Urban Development may receive such funds.

''(2) RULE OF CONSTRUCTION.—Notwithstanding subsection (g), in the event that funds are not appropriated for use in accordance with this subtitle to one or more participating Federal agencies in any fiscal year, paragraph (1) shall not be construed to require a participating Federal agency that has been provided with budget authority pursuant to subsection (g) in a fiscal year to use such budget authority to fund grants for activities that are not in accordance with the primary mission of such participating Federal agency.

''(i) TECHNICAL ASSISTANCE AND SUPPORT.—In addition to funds otherwise provided for agency administrative costs, not more than 2 percent of amounts appropriated for the activities under this subtitle may be used by the participating Federal agencies for administrative costs, including costs associated with—

''(1) providing technical assistance to applicants and grantees; and

''(2) providing support and assistance in selecting and assessing projects to carry out this subtitle, including any preparation necessary for such selection and assessment.

''SEC. 495C. HOUSING ACTIVITIES.

''(a) ELIGIBLE HOUSING ACTIVITIES.—Subject to section 495B, a grant under this subtitle shall be used for activities in support of permanent housing for chronically homeless persons, including the following:

''(1) PROVISION OF HOUSING.—

''(A) ACQUISITION.—The acquisition of occupancy-ready real property.

''(B) REHABILITATION.—The minor rehabilitation of real property for housing.

''(C) OPERATING COSTS.—The costs of operating a housing project, including salaries and benefits, maintenance, insurance, utilities, replacement reserve accounts, and furnishings.

''(D) LEASING.—Leasing of an existing structure or structures, or portions thereof to provide housing.

''(E) HOUSING COUNSELING.—The costs of counseling and advice services with respect to property maintenance, financial management, and other such matters as may be appropriate to assist chronically homeless persons in obtaining housing.

''(2) RENTAL ASSISTANCE.—Project-based or tenant-based rental assistance for chronically homeless persons, which assistance shall be provided to the extent practicable, and administered in the manner provided under the rules and regulations governing the provision of assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

''(3) OTHER ACTIVITIES.—Such other activities as the Secretary of Housing and Urban Development determines to be appropriate.

''(b) PROGRAM REQUIREMENTS FOR HOUSING ACTIVITIES.—

''(1) REQUIREMENTS CONCERNING REAL PROPERTY.—

''(A) USE RESTRICTION.—Each grantee under this subtitle shall ensure that permanent housing for chronically homeless persons that are acquired or rehabilitated with grant amounts under this subtitle is used for such persons for not less than 10 years.

''(B) HOUSING QUALITY.—Each grantee under this subtitle shall ensure that housing assisted with grant amounts provided under this subtitle is decent, safe, and sanitary, and complies with all applicable State and local housing codes, building codes, and licensing requirements in the jurisdiction in which the housing is located.

''(C) PREVENTION OF UNDUE BENEFIT.—Subject to section 495B(e), the Secretary of Housing and Urban Development may prescribe such terms and conditions as the Secretary considers necessary to prevent grantees from unduly benefiting from the sale or other disposition of projects, other than a sale or other disposition resulting in the use of a project for the direct benefit of chronically homeless persons.

''(2) HOMELESS MANAGEMENT INFORMATION SYSTEM.—Each grantee shall be required to provide such information to the appropriate administrator of the local homeless management information system, as is necessary for the implementation and operation of homeless management information systems.

''SEC. 495D. TREATMENT AND SUPPORT SERVICES.

''Subject to section 495B, a grant under this subtitle shall be used to provide treatment and support services, which may include the following:

''(1) PRIMARY HEALTH SERVICES.—Primary health services, including the following:

''(A) PHYSICIAN AND OTHER SERVICES.—Health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physicians' assistants, nurse practitioners, or nurse midwives.

''(B) DIAGNOSTIC SERVICES.—Diagnostic laboratory and radiological services.

''(C) PREVENTIVE SERVICES.—Preventive health services.

''(D) EMERGENCY SERVICES.—Emergency medical services.

''(E) ACCESS TO PHARMACEUTICAL SERVICES.—Access to pharmaceutical services.

''(2) ALCOHOL AND DRUG ABUSE SERVICES.—Services or activities designed to prevent, deter, reduce, or eliminate substance abuse or addictive behaviors, including a comprehensive range of personal and family counseling methods, early interventions, methadone treatment for opiate abusers, or detoxification for alcohol and other drug abusers, and treatment services such as intake and assessment, behavioral therapy and counseling, clinical and case management, pharmacotherapies, and self-help and peer support activities.

''(3) MENTAL HEALTH AND COUNSELING SERVICES.—Mental health and counseling services, including services and activities that apply therapeutic processes to personal, family, or situational problems in order to bring about a positive resolution of the problem or improved individual functioning or circumstances, including crisis interventions, individual supportive therapy, and prescription of psychotropic medications or explanations about the use and management of medications.

''(4) OUTREACH AND ENGAGEMENT.—Outreach services including extending services or help to homeless persons to develop a relationship of trust and engage such persons into appropriate service programs.

''(5) INFORMATION AND REFERRAL.—Services or activities designed to provide information about services and assistance provided through public and private programs, including Federal, State and local non-homeless targeted programs that provide or financially support the provision of medical, social, educational, or other related services, and a brief assessment of client needs to facilitate appropriate referrals.

''(6) CASE MANAGEMENT.—Case management services and activities, including the arrangement, coordination, monitoring, and delivery of services to meet the needs of individuals who are homeless, including individual service plan development, counseling, monitoring, securing and coordinating services.

''(7) OTHER SERVICES.—Such other services as the Secretary of Health and Human Services determines appropriate.

"SEC. 495E. VETERANS' BENEFITS.

"Subject to section 495B, the Secretary of Veterans Affairs is authorized to provide eligible veterans with case management services.

"SEC. 495F. AUTHORITY OF OTHER FEDERAL AGENCIES TO PARTICIPATE UNDER THIS SUBTITLE.

"Federal agencies other than the participating Federal agencies may participate in the grant program established under this subtitle to the extent that funds are appropriated for such purpose to each agency.".

By Mr. SMITH (for himself, Mr. BINGAMAN, Mr. CONRAD, Mr. DASCHLE, Mr. HATCH, and Mr. THOMAS):

S. 2831. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to clarify that federally recognized Indian tribal governments are to be regulated under the same government employer rules and procedures that apply to Federal, State, and other local government employers with regard to the establishment and maintenance of employee benefit plans; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today to speak about the need to clarify the legal status of employee benefit plans offered by Indian tribal governments.

In the past, the pension and welfare benefit plans of Indian tribal governments enjoyed the same status as granted to state and local governments. However, in recent years, a legal cloud has developed over the status of these plans. Confusion has arisen regarding whether or not the existing definition of a governmental plan includes plans sponsored by Indian tribal governments. In part, this has been a result of the Internal Revenue Service's lack of guidance to tribal governments on this issue; the inconsistent practice of granting governmental plan status to plans sponsored by Indian tribal governments; and finally a January "no ruling" position by the Internal Revenue Service that places many plans in the status of operating without a current determination letter recognizing the legality of their plan. As a result, many tribal governments have limited their offering of such welfare and retirement benefits to employees.

Today, I am introducing legislation—the Government Pensions Equalization Act—to remove this legal uncertainty by amending the definition of a governmental plan to explicitly include plans offered by Indian tribal governments. Indian tribes, like all employers, require legal certainty regarding the status of their employee benefit under the Internal Revenue Code and ERISA. Moreover, Indian tribes should be afforded the same sovereignty status given state and local governments.

Governmental plans are relieved from many of the requirements governing the operation of tax qualified pension and welfare benefit plans. There are several reasons for this relief. Governments exist for the benefit of their citizens and are not subject to the profit and loss pressures affecting the private sector. Governments offer redress for grievances under their own judicial systems. Elected officials who are responsible for government benefit programs are directly accountable to their constituents via the ballot box. Governments often offer more generous benefit plans for key officers, such as judges, legislators, and key executive personnel as a means to gain the valuable services of these skilled individuals. They also offer special pensions for public safety officers who can retire at a relatively young age and short period of service. This flexibility is impossible without the special relief provided governmental plans.

Indian tribal governments meet all the special protections, conditions, and needs I have described. This legislation clarifies once and for all that they should be afforded the same treatment as their state and local government counterparts.

Passage of this legislation is an important step in the fight to protect the sovereignty of Indian country and to foster the ability of tribal governments to provide retirement security to their employees and nation. I look forward to President Bush signing this legislation into law. I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed ion the RECORD, as follows:

S. 2831

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 "Governmental Pension Plan Equalization Act of 2004".

SEC. 2. CLARIFICATION OF "GOVERNMENTAL PLAN" DEFINITIONS.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 414(d) of the Internal Revenue Code of 1986 (definition of governmental plan) is amended by adding at the end thereof the following new sentence: "The term 'governmental plan' also includes a plan established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency or instrumentality of an Indian tribal government or a subdivision thereof, or an entity established under tribal, Federal, or State law which is wholly owned or controlled by any of the foregoing.".

(b) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 3(32)of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(32)) is amended by adding at the end the following new sentence: "The term 'governmental plan' also includes a plan established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40) of the Internal Revenue Code of 1986), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency or instrumentality of an Indian tribal government or subdivision thereof, or an entity established under tribal, Federal, or State law which is wholly owned or controlled by any of the foregoing.".

SEC. 3. EXTENSION TO ALL GOVERNMENTAL PLANS OF CURRENT MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—

(1) Subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) of the Internal Revenue Code of 1986 are each amended by striking "section 414(d))" and all that follows and inserting "section 414(d)).".

(2) Subparagraph (G) of section 401(k)(3) of such Code and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by striking "maintained by a State or local government or political subdivision thereof (or agency or instrumentality thereof)".

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 401(a)(5)(G) of such Code is amended to read as follows:

"(G) GOVERNMENTAL PLANS.—".

(2) The heading for section 401(a)(26)(H) of such Code is amended to read as follows:

"(H) EXCEPTION FOR GOVERNMENTAL PLANS.—".

(3) Section 401(k)(3)(G) of such Code is amended by inserting "GOVERNMENTAL PLAN.—" after "(G)".

SEC. 4. CLARIFICATION THAT TRIBAL GOVERNMENTS ARE SUBJECT TO THE SAME DEFINED BENEFIT PLAN RULES AND REGULATIONS APPLIED TO STATE AND OTHER LOCAL GOVERNMENTS, THEIR POLICE AND FIREFIGHTERS.

(a) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) POLICE AND FIREFIGHTERS.—Subparagraph (H) section 415(b)(2) of the Internal Revenue Code of 1986 (defining participant) is amended—

(A) in clause (i) by inserting ", Indian tribal government (as defined in section 7701(a)(40)),'' after "State", and

(B) in clause (ii)(I) by inserting ", Indian tribal government," after "State" both places it appears.

(2) STATE AND LOCAL GOVERNMENT PLANS.—

(A) IN GENERAL.—Subparagraph (A) of section 415(b)(10) of such Code (relating to limitation to equal accrued benefit) is amended by inserting ", Indian tribal government (as defined in section 7701(a)(40)),'' after "State".

(B) CONFORMING AMENDMENT.—The heading for section 415(b)(10) of such Code is amended to read as follows:

"(10) SPECIAL RULE FOR STATE, INDIAN TRIBAL, AND LOCAL GOVERNMENT PLANS.—".

(3) GOVERNMENT PICK UP CONTRIBUTIONS.—Paragraph (2) of section 414(h) of such Code (relating to designation by units of government) is amended by inserting ", Indian tribal government (as defined in section 7701(a)(40)),'' after "State".

(b) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 4021(b)of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321(b)) is amended—

(1) in paragraph (12), by striking "or" at the end;

(2) in paragraph (13), by striking "plan." and inserting "plan; or"; and

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

"(14) established and maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40) of the Internal Revenue Code of 1986), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency or instrumentality of an Indian tribal government or subdivision thereof, or an entity established under tribal, Federal, or State law which is wholly owned or controlled by any of the foregoing.".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to years beginning before, on, or after the date of the enactment of this Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 432—EXPRESSING THE SENSE OF THE SENATE THAT CONGRESS SHOULD REJECT SOCIAL SECURITY PRIVATIZATION PROPOSALS, INCLUDING THOSE THAT REQUIRE DEEP CUTS IN SOCIAL SECURITY BENEFITS, SUCH AS THE PROPOSALS OF PRESIDENT BUSH'S SOCIAL SECURITY COMMISSION

Mr. CORZINE (for himself, Mr. BAUCUS, Mr. DURBIN, and Mr. DASCHLE) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 432

Whereas Social Security is based on a promise to the American people: if you work hard and contribute to Social Security, you will be able to retire and live in dignity;

Whereas Social Security is the primary source of income for two-thirds of American seniors;

Whereas Social Security benefits for retired workers average only about $900 per month;

Whereas $900 per month is insufficient to maintain a decent standard of living in many parts of the United States, especially for seniors with relatively high health care costs;

Whereas in 2001, President George W. Bush created the President's Commission to Strengthen Social Security (referred to in this resolution as the ''Bush Social Security Commission''), naming as Commission members only those who advocated Social Security privatization, and mandating that the proposals put forward by the Commission include privatization of Social Security;

Whereas the Bush Social Security Commission produced Social Security privatization proposals that required deep cuts in Social Security benefits;

Whereas the Bush Social Security Commission's proposed changes could reduce Social Security benefits to future retirees by as much as 46 percent;

Whereas under the Bush Social Security Commission's proposal, the cuts in Social Security benefits would apply to all seniors, not just those seniors who choose to participate in privatized accounts;

Whereas the cuts in Social Security benefits could be even deeper if individuals do shift funds to privatized accounts;

Whereas privatization advocates attempt to justify cuts in Social Security benefits by pointing to future projected shortfalls in the Social Security trust fund, but diversion of payroll tax revenues from the trust fund into privatized accounts would substantially accelerate the date by which the Social Security trust fund becomes insolvent;

Whereas in order to avoid accelerating the insolvency of the Social Security trust fund, the Bush Social Security Commission was forced to propose that the Federal Government incur as much as $4,700,000,000,000 in Federal debt (in today's dollars) by 2041;

Whereas in response to the Bush Social Security Commission's report, 50 members of the Senate wrote to President Bush, urging him to reject the Commission's proposed cuts in Social Security benefits;

Whereas the President has not complied with the request of the Senators and instead has reiterated his intention to move toward the privatization of Social Security; and

Whereas the deep cuts in Social Security benefits proposed by the Bush Social Security Commission could jeopardize the financial security of millions of Americans: Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress should reject Social Security privatization proposals, including those that require deep cuts in Social Security benefits, such as the proposals of President Bush's Social Security Commission.

Mr. CORZINE. Mr. President, today, along with Senator DASCHLE, Senator BAUCUS and Senator DURBIN, I am submitting a resolution that calls on the Congress to reject Social Security privatization plans, including those that require deep cuts in guaranteed benefits, such as the proposals by President Bush's Social Security Commission.

For nearly 70 years, Social Security has reflected the best of America's values. Social Security promises Americans that if you work hard, pay your taxes, and play by the rules, you will be able to retire and live in dignity.

Social Security benefits are far from lavish. The average retiree receives only about $900 a month. That doesn't go far in many parts of the country—certainly not in New Jersey. Unfortunately, even the benefits promised under current law are now at risk.

President Bush says he wants to move toward privatization. But what he does not say is that shifting funds from the Social Security Trust Fund into privatized accounts almost inevitably leads to deep cuts in guaranteed benefits.

To appreciate the depth of the cuts that flow from privatization, one need only consider the privatization plans developed by President Bush's own Social Security Commission. That commission included only proponents of privatization selected by President Bush, and it developed privatization plans that call for deep benefits cuts. According to the nonpartisan actuaries at the Social Security Administration, those cuts would exceed 25 percent for some current workers. In the future, seniors could face a 45 percent cut in benefits.

The President likes to argue that privatization is about choice. But there would be no choice about these cuts—they would harm every senior. In fact, those who chose to participate in privatized accounts would see their benefits cut even deeper.

That is why, in response to the Bush Commission's report, 50 members of the Senate wrote to President Bush, urging him to reject the Commission's proposed cuts in benefits. Unfortunately, we have yet to receive a response.

Privatization advocates try to justify cuts in Social Security by pointing to future projected shortfalls in the Trust Fund. But diverting payroll taxes from the Trust Fund only makes matters worse, and would substantially accelerate the date by which the Fund would become insolvent. That is why privatization almost inevitably leads to deep cuts in benefits.

It is critical that this issue be fully discussed now—before the election. So I will be looking for an opportunity to bring this resolution before the Senate before the end of the year. I hope we can kill this radical idea before it has a chance to get off the ground.

We must never accept any plan that takes the security out of Social Security.

NOTICES OF HEARINGS/MEETINGS

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Public Lands and Forests of the Committee on Energy and Natural Resources.

The hearing will be held Wednesday, September 29, at 2:30 p.m., in room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on the following bills: S. 2378, to provide for the conveyance of certain public land in Clark County, NV, for use as a heliport; S. 2410, to promote wildland firefighter safety; H.R. 1651, to provide for the exchange of land within the Sierra National Forest, CA, and for other purposes; H.R. 2400, to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure of Guam; H.R. 3874, to convey for public purposes certain Federal lands in Riverside County, CA, that have been identified for disposal; H.R. 4170, to authorize the Secretary of the Interior to recruit volunteers to assist with, or facilitate, the activities of various agencies and offices of the Department of the Interior; and Senate Resolution 387, a resolution commemorating the 40th Anniversary of the Wilderness Act.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510–6150.

For further information, please contact Dick Bouts at 202–224–7545, Frank Gladics at 202–224–2878, or Amy Miller at 202–224–8276.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. ROBERTS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on September 22, 2004, at 2 p.m., to conduct a hearing on ''Examination and