

SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

TITLE V—FEDERAL PAYMENTS

SEC. 501. TRANSFER OF RESPONSIBILITY TO SECRETARY OF THE TREASURY WITH RESPECT TO PROMPT PAYMENT.

(a) DEFINITION.—Section 3901(a)(3) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(b) INTEREST.—Section 3902(c)(3)(D) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(c) REGULATIONS.—Section 3903(a) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

SEC. 502. PROMOTING ELECTRONIC PAYMENTS.

(a) EARLY RELEASE OF ELECTRONIC PAYMENTS.—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) provide that the required payment date is—

“(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;” and

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Secretary of the Treasury may waive the application of requirements under paragraph (1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Secretary of the Treasury, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a nontax debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Secretary of the Treasury shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

SEC. 503. DEBT SERVICES ACCOUNT.

(a) TRANSFER OF FUNDS TO DEBT SERVICES ACCOUNT.—The Secretary of the Treasury may transfer balances in accounts established before the date of the enactment of this Act pursuant to section 3711(g)(7) of title 31, United States Code, to the Debt Services Account established under subsection (b). All amounts transferred to the Debt Services Account under this section shall remain available until expended.

(b) ESTABLISHMENT OF DEBT SERVICES ACCOUNT.—Subsection (g)(7) of section 3711 of title 31, United States Code, is amended by striking the second sentence and inserting the following: “Any fee charged pursuant to this subsection shall be deposited into an account established in the Treasury to be known as the ‘Debt Services Account’ (hereinafter referred to in this section as the ‘Account’).”

(c) REIMBURSEMENT OF FUNDS.—Section 3711(g) of title 31, United States Code, is amended—

(1) by striking paragraph (8);

(2) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively; and

(3) by amending paragraph (9) (as redesignated by paragraph (2)) to read as follows:

“(9) To carry out the purposes of this subsection, including services provided under sections 3716 and 3720A, the Secretary of the Treasury may—

“(A) prescribe such rules, regulations, and procedures as the Secretary considers necessary;

“(B) transfer such funds from funds appropriated to the Department of the Treasury as may be necessary to meet liabilities and obligations incurred prior to the receipt of fees that result from debt collection; and

“(C) reimburse any funds from which funds were transferred under subparagraph (B) from fees collected pursuant to sections 3711, 3716, and 3720A. Any reimbursement under this subparagraph shall occur during the period of availability of the funds transferred under subparagraph (B) and shall be available to the same extent and for the same purposes as the funds originally transferred.”.

(d) DEPOSIT OF TAX REFUND OFFSET FEES.—The last sentence of section 3720A(d) of title 31, United States Code, is amended to read as follows: “Amounts paid to the Secretary of the Treasury as fees under this section shall be deposited into the Debt Services Account of the Department of the Treasury described in section 3711(g)(7) and shall be collected and accounted for in accordance with the provisions of that section.”.

Mr. HORN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

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

There was no objection.

GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1999

The SPEAKER pro tempore (Mr. SESSIONS). Pursuant to House Resolution 43 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 436.

□ 1227

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the consideration of the bill (H.R. 436) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, with Mr. GIBBONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. TURNER) each will control 30 minutes.

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

Mr. HORN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Federal Government's failure to collect delinquent debts is costing American taxpayers billions of dollars each year. According to the Department of the Treasury, the Federal Government is owed approximately \$50 billion in delinquent nontax debt. The tax debt is even more. Of that amount, more than \$47 billion has been delinquent for more than 180 days.

In addition, the Federal Government also writes off an additional \$10 billion in delinquent nontax debt each year. To facilitate the collection of this enormous amount of nontax debt owed to the Federal Government, the taxpayers, Congress passed and the President signed into law, in 1996, the Debt Collection Improvement Act.

This bipartisan legislation, in which the gentlewoman from New York (Mrs. MALONEY), the then Ranking Democrat on the Subcommittee on Government Management, Information and Technology, was the coauthor, and she had had great experience with this in the New York City Council, and this legislation established significant new debt collection tools and enhanced existing ones. These included centralized servicing of debts more than 180 days delinquent at the Department of Treasury's Financial Management Service and at designated agency debt collection centers.

The 1996 act also enhanced existing debt collection tools such as the Federal payment offset, a program where a portion of a Federal payment to a delinquent debtor can be intercepted to satisfy the delinquent Federal debt. The legislation also expanded the use of private collection agencies to assist in collecting delinquent nontax debts.

The bill before the House of Representatives, H.R. 436, the Government Waste, Fraud, and Error Reduction Act of 1999, builds on the 1996 Debt Collection Improvement Act by providing the Federal government with additional tools to improve its collection of delinquent nontax debts. The bill includes provisions that seek to reduce waste, fraud and error in the Federal benefit

and credit programs. H.R. 436 prohibits Federal agencies from discharging or writing off nontax debts prior to the initiation of collection activity.

The bill also expands the application of gain-sharing, a procedure that allows Federal agencies to retain a portion of the amounts they collect. It is an incentive to make sure that that agency is really on top of the nontax debt.

□ 1230

Under the Debt Collection Improvement Act of 1996, agencies are only permitted to retain a percentage of the delinquent loans that they collect. H.R. 436, the bill before us now, would expand that to allow agencies to retain a portion of all delinquent debts, not just loans that they collect. The expansion of gains-sharing will give agencies greater incentive to collect debts and increase taxpayer savings.

The bill authorizes the offset, or withholding, of Social Security benefits to recipients who owe past-due child support to a State. Currently, Social Security benefits can be intercepted to offset a recipient's debt to the Federal Government. This bill would assist States in their efforts to collect billions of dollars in unpaid child support. According to the Congressional Budget Office, this added offset authority would recover \$17 million each year in past-due child support.

To help eliminate waste, fraud and error in Federal benefits and credit programs, H.R. 436 authorizes Federal agencies to bar delinquent debtors from obtaining a Federal permit or license or receiving financial assistance in the form of a loan or loan guarantee until the delinquent debt is repaid.

H.R. 436 promotes the sale of new and delinquent loans by Federal agencies. Loan sale programs would benefit the Federal Government in a number of ways. Loans that are sold in a competitive market could yield substantial proceeds, could reduce administrative costs and also allow agencies to focus their limited resources on other programs.

An agency, with the guidance from the Office of Management and Budget, could exempt any class of debt, such as farm loans, foreign loans, whatever they are, from the sale provisions of this bill if it is determined that the sale would interfere with the agency's program or missions.

This bill also focuses its attention on large debts. It requires agencies to report annually to Congress on their uncollected, high-value delinquent debts that are greater than \$1 million.

H.R. 436 contains these important provisions and a variety of others designed to improve the efficiency and effectiveness of the Federal debt collection programs. This measure has strong bipartisan support. Since the

very beginning, both parties on the Committee on Government Reform have worked together on the original act, as I noted earlier, and on the revisions to that act. I am sure down the line there will still be other revisions.

This legislation is similar to what passed the House of Representatives unanimously last year under suspension of the rules by a voice vote, and that was the end of the second session of the 105th Congress. The bill did not have an opportunity to be taken up at the end of the rush of legislation by the Senate. The bill has been the subject of a hearing held by the Subcommittee on Government Management, Information, and Technology on March 2, 1998.

The amendment in the nature of a substitute that I have placed at the desk clarifies provisions of H.R. 436 and incorporates recommendations offered by the administration in consultation with the Committee on Government Reform to improve Federal payment systems and financial management.

Mr. Chairman, I would like to thank in particular the gentleman from California (Mr. WAXMAN), ranking Democrat on the full Committee on Government Reform. And, as I mentioned earlier, the gentlewoman from New York (Mrs. MALONEY) has been a key author of the legislation and the gentleman from Texas (Mr. TURNER), the new ranking member on the Subcommittee on Government Management, Information, and Technology. Their assistance has been invaluable in getting this important legislation to the floor.

H.R. 436 is a significant step forward in the battle to collect the billions of dollars in delinquent debts that are owed to the American taxpayers. I urge my colleagues to support this legislation.

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

Mr. TURNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to first commend the gentleman from California (Mr. HORN), my good friend, for his outstanding leadership on government management issues generally and in particular for his leadership in debt collection, which is the subject of this bill before the House today.

The gentlewoman from New York (Mrs. MALONEY) has sponsored a number of debt collection initiatives as the former ranking member on the Subcommittee on Government Management, Information and Technology, which she did during the 105th Congress. And I would also like to commend the gentlewoman for her outstanding leadership in trying to bring a bill before the House that is a true bipartisan bill that will improve the debt collection practices of the Federal Government.

H.R. 436 is a fiscal reform bill. It finishes a process begun in 1996 with the Debt Collection Improvement Act,

which represented a bipartisan effort by the gentleman from California (Chairman HORN) and the gentlewoman from New York (Mrs. MALONEY). Under the Debt Collection Improvement Act, the Treasury Department is authorized to use new tools designed to recoup as much as \$1 billion in delinquent nontax debt each year.

The Federal Government currently carries about \$30 billion in delinquent debts on its books that could be potentially collected. Much of this debt, however, is old and perhaps it is unrealistic to be collectable. But the older the debt gets, the more difficult it is to recover.

This bill would encourage Federal agencies to initiate debt collection activities and to sell nontax debt that is not an integral part of the agency's mission. Additionally, this bill encourages the government, when awarding contracts to private collection agencies, to consider those agencies' past performance records, including the amount of money they have previously collected and the existence and frequency of debtor complaints.

H.R. 436 provides the government with the necessary flexibility to evaluate its contractors to assure that the government can consider factors other than just the net collections. For example, it is important to the government to utilize private contractors to assess the feasibility of debt collection and, in turn, to send out debt collection notices, conduct the necessary paperwork, and to resolve claims through administrative processes that may not necessarily result in any collections.

By providing flexibility and encouraging agencies to optimize debt collection incentives, we can ensure that the government is more efficient and more effective.

Mr. Chairman, this resolution focuses attention on debtors who owe the United States Government over \$1 million in nontax debt. By working to decrease these high-risk debts, our government should reduce its outstanding delinquent debts substantially.

The bill also authorizes the Department of the Treasury to withhold certain Federal Social Security, black lung, and railroad retirement payments from those owing past-due child support, an area that the gentlewoman from New York has taken a strong interest in the drafting of this legislation.

The Congressional Budget Office estimates that these withholdings should result in an additional \$10 million in child support collections for those who are due such support across this country. It is possible that this provision could recoup even more than the \$10 million.

This bill should provide the government with an increased capacity to recover money that is rightfully owed to the taxpayers of the United States. The

bill should result in an additional \$18 million that can be returned to the taxpayers over the 1999 to the 2004 period. It should continue to provide this kind of return well into the future.

Mr. Chairman, this bill passed out of the Committee on Government Reform with bipartisan support, with the leadership of the gentleman from California (Chairman HORN) and the gentlewoman from New York. Both have been very active in the area of debt collection and have created the framework that we now have in the Debt Collection Improvement Act. The gentleman from California has been very receptive to the administration's concerns regarding this bill, and the administration is not opposed.

For these reasons, I am glad to join with my colleagues here today in support of H.R. 436.

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

Mr. HORN. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. WALDEN). He has taken a great interest as a new member of the committee in this matter, and I am delighted to have his support on the floor.

Mr. WALDEN of Oregon. Mr. Chairman, I would like to thank the gentleman from California, the distinguished chairman of our Subcommittee on Government Management, Information and Technology, for bringing forth this important piece of legislation.

Mr. Chairman, I would also like to speak to the importance of ensuring that Federal agencies create incentives for debt collection contractors to obtain voluntary payments from debtors before instituting involuntary collection actions such as wage garnishment or litigation against that debtor.

I say that because I have learned that under the Department of Education's contract, for example, the contractor has a greater incentive to collect a debt through involuntary administrative wage garnishment procedures rather than through voluntary payments from the debtor. This is because the methodology used by the Department of Education to evaluate the performance of its contractors, allocate accounts among contractors and pay bonuses is weighted in favor of wage garnishment rather than voluntary collections. The preparation of cases for litigation is also given substantial weight.

Mr. Chairman, as the gentleman from California and I have discussed, I would like to see the Debt Collection Act amended at some point to require that voluntary collections be given greater emphasis and these coercive methods, give them less emphasis.

In my view, the performance of a debt collection contractor in achieving netback collections for the government should be in the order of 75 percent, if not more, of the weighting in the eval-

uation methodology and the preparation of cases for litigation or wage garnishment should receive no more than, say, 20 percent combined.

These reforms would help, I believe, the Federal Government to do a better job of debt collection in a fair, efficient and voluntary manner which I think would be preferable.

However, given the administration's objections to such an amendment and in the spirit of trying to minimize our differences in an effort to pass good and meaningful legislation, I will not be offering that amendment. But it is a topic that I hope we can discuss in the future.

While I understand the desire of the administration to have unfettered discretion as to how these contracts are administered, I have trouble accepting the suggestion that the infliction of wage garnishment or litigation on a debtor is more preferable to a more voluntary action convincing that debtor to pay. As everyone knows, it is just this sort of approach to collections that caused our friends at the IRS problems at times with the public.

Mr. Chairman, I look forward to working with the gentleman from California and the gentleman from Texas and the administration and members of our committee to address these issues and make Federal debt collections both more voluntary and more effective.

Mr. TURNER. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY), who has worked countless hours on this bill as the ranking member of the Subcommittee on Government Management, Information and Technology.

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the bill; and I applaud the hard work of the gentleman from California (Chairman HORN) and the gentleman from Texas (Mr. TURNER), ranking member, in bringing this legislation to the floor.

I would like to comment on the statement of the gentleman from Oregon (Mr. WALDEN), who spoke about certainly supporting voluntary efforts first. This bill does that. Before there is any movement to centralize collections or to initiate any effort to collect it, there are three attempts to persuade the debtor to pay what is owed to the taxpayers of this country. At least three letters and phone calls have to go out trying to persuade this person to live up to their obligations before any other method or any other project is encountered.

Mr. Chairman, the legislation before us builds on the success of the Debt Collection Improvement Act of 1996, which the gentleman from California and I authored over 3 years ago. When we introduced the Debt Collection Improvement Act, we had just conducted a study that showed that over \$50 billion was owed to the taxpayers of this country, \$50 billion in nontax debt, \$50

billion that could be used for teachers, police officers, roads, mass transit, all types of things to help our people in this country.

Furthermore, the government was writing off, writing off and forgetting about over more than \$10 billion of that debt each year. Our original bill, which received widespread bipartisan support, simply employed good business, common-sense tools to collect this debt. First, it centralized collection and management in Treasury, whose mission it is to bring in revenues that are owed to this country and to manage our finances.

□ 1245

It called upon common sense good business tactics such as computerizing the debt, cross-servicing, certainly not handing out a debt to a bad debtor, managing it better. These efforts, according to Treasury, should bring in billions of dollars to our citizens.

The bill we have today builds on the successes of the original piece of legislation. It prohibits agencies from writing off debt without making significant efforts to collect it, first through persuasion, then through letters, phone calls, all types of efforts, and then finally allowing the private sector to come in and try to collect that debt before it is written off or forgotten about.

This bill is a strong piece of legislation. It will significantly aid the government in its efforts to collect the money that is owed to the hardworking citizens of our country. It builds on some of the successes of better management in our original bill, strengthens gain sharing, rewards agencies that do well by allowing them to keep part of the money that they are managing better.

My only disappointment with this legislation before us is that it does not contain a provision that many of us had worked on that was attached to last year's version of the bill. My provision would institute greater data sharing practices and information among government agencies, to strengthen Federal debt collection efforts, and provide for stronger verification of eligibility for Federal benefits.

This provision was supported by the administration, by OMB, who estimated it would bring in roughly a billion a year. As the Chairman knows, there were concerns raised about permitting access to the national directory of new hires, so the provision was removed from this bill that is before us today.

I am optimistic that we can address these concerns and agree on a bill that permits greater data sharing among agencies in a manner that is responsible and fair.

I applaud the gentleman from California (Chairman HORN) for his leadership. He apparently is setting up some

meetings on this with his colleagues, and I appreciate that. I know that he is supportive. I look forward to working with him to improve this legislation, to enact this legislation today, and I thank him for his support for this legislation and his hard work.

Mr. HORN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I particularly appreciate the comments made by our two previous speakers, the gentleman from Oregon (Mr. WALDEN) and the gentlewoman from New York (Mrs. MALONEY). Both have had excellent ideas. I know, as the gentlewoman from New York (Mrs. MALONEY) is aware, we will have an annual hearing at least on the effectiveness of this legislation when conducted by any administration.

So a lot of the ideas that still are good and are not in law, we will be glad to consider them when we hold our major hearing this year on the 1996 law and next year when we have given them a year to implement the revisions.

As the gentleman from Texas (Mr. TURNER) noted, the administration is in support of this legislation. I insert for the RECORD the statement of administration policy, dated February 23, 1999 with reference to H.R. 436, Government Waste, Fraud, and Error Reduction Act of 1999.

The Administration supports House passage of the amendment in the nature of a substitute to H.R. 436 to be offered by Chairman Horn, the sponsor of the bill. The administration intends to advise agencies on criteria to be used in exercising the authority to exempt classes of debts or loans from sale as provided in H.R. 436.

Mr. Chairman, the statement is as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, February 23, 1999 (House).
STATEMENT OF ADMINISTRATION POLICY
(This statement has been coordinated by OMB with the concerned agencies.)
H.R. 436—GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1999
(Horn (R) CA and 6 cosponsors)

The Administration supports House passage of the amendment in the nature of a substitute to H.R. 436 to be offered by Chairman Horn, the sponsor of the bill. The Administration intends to advise agencies on criteria to be used in exercising the authority to exempt classes of debts or loans from sale as provided in H.R. 436.

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

Mr. TURNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would merely close by again commending the gentleman from California (Chairman HORN) on his leadership in this effort to improve the debt collection practices of the Federal Government. I think the taxpayers are the winners for the effort that he has made along with the efforts

of the gentlewoman from New York (Mrs. MALONEY) on working on this issue for many years.

Mr. Chairman, I yield back the balance of my time.

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the Government Waste, Fraud and Error Reduction Act. Clearly, it is in the best interests of the taxpayers of the United States to identify, track and sanction those persons who owe the government of the United States past due debt. This legislation provides the agencies of the federal government many of the tools they need to improve the debt collection practices.

I am particularly pleased this bill has recognized the continuing national scandal that we all know as the national child support enforcement system. Each and every day we read new stories about fathers with obvious means ignoring his legal and moral obligation to his children. In fact, each year over \$5 billion in the basic necessities of life are denied to children of divorce due to lack of child support payments. This, in turn, forces mothers, and some dads, into endless, expensive and debasing legal battles just to get the basic support to which they are legally and morally entitled. As you know, for these families, it is just a short drop onto the welfare rolls. That's when these families become bona fide "wards of the state."

Years ago, in one of the many significant reforms of the child support enforcement that I have been involved in, this Congress gave the federal government the authority to attach Social Security benefits in cases of past due child support orders. This legislation takes that common-sense reform one more step by granting the states the authority to attach Social Security benefits in cases where they are owed back child support.

Mr. Chairman, this is an important step. For those of us who have been involved in the effort to strengthen our child support enforcement system, we know that the national network is only as strong as its weakest link. Families trying to collect their legal child support payments must know that there are no more safe haven for child support deadbeats—that delinquent fathers cannot escape their legal and moral obligations by simply fleeing across state lines.

This provision alone—allowing the states to attach Social Security benefits—could bring in an additional \$10 to \$17 million in past due support each year.

Child support evasion is not a victimless crime. There are many victims—the first being the children and the last being the taxpayer. Through this single provision of H.R. 436 we are taking additional steps to protect all of them.

Mr. HORN. Mr. Chairman, I urge adoption of this legislation, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the order of the House of today, the amendment in the nature of a substitute by the gentleman from California (Mr. HORN) is considered as an original bill for the purpose of amendment under the 5-minute rule and is considered read.

The text of the amendment in the nature of a substitute is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Waste, Fraud, and Error Reduction Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.
- Sec. 4. Application of Act.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

- Sec. 101. Improving financial management.
- Sec. 102. Improving travel management.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

- Sec. 201. Miscellaneous corrections to subchapter II of chapter 37 of title 31, United States Code.
- Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.
- Sec. 203. Collection and compromise of nontax debts and claims.

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

- Sec. 301. Authority to sell nontax debts.
- Sec. 302. Requirement to sell certain nontax debts.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

- Sec. 401. Annual report on high value nontax debts.
- Sec. 402. Review by Inspectors General.
- Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value nontax debt.

TITLE V—FEDERAL PAYMENTS

- Sec. 501. Transfer of responsibility to Secretary of the Treasury with respect to prompt payment.
- Sec. 502. Promoting electronic payments.
- Sec. 503. Debt services account.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

- (1) To reduce waste, fraud, and error in Federal benefit programs.
- (2) To focus Federal agency management attention on high-risk programs.
- (3) To better collect debts owed to the United States.
- (4) To improve Federal payment systems.
- (5) To improve reporting on Government operations.

SEC. 3. DEFINITION.

As used in this Act, the term "nontax debt" means any debt (within the meaning of that term as used in chapter 37 of title 31, United States Code) other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

SEC. 4. APPLICATION OF ACT.

No provision of this Act shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

- (1) involves the administration of the internal revenue laws; or
- (2) conflicts with the Internal Revenue Service Restructuring and Reform Act of 1998, the Internal Revenue Code of 1986, or the Tariff Act of 1930.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

SEC. 101. IMPROVING FINANCIAL MANAGEMENT.

Section 3515 of title 31, United States Code, is amended—

- (1) in subsection (a)—

(A) by striking "1997" and inserting "2000"; and

(B) by inserting "Congress and" after "submit to"; and

(2) by striking subsections (e), (f), (g), and (h).

SEC. 102. IMPROVING TRAVEL MANAGEMENT.

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: "The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title."

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use travel management centers, travel agents, and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 2000.

(c) PAYMENT OF STATE AND LOCAL TAXES ON TRAVEL EXPENSES.—

(1) IN GENERAL.—The Administrator of General Services shall develop a mechanism to ensure that employees of executive agencies are not inappropriately charged State and local taxes on travel expenses, including transportation, lodging, automobile rental, and other miscellaneous travel expenses.

(2) REPORT.—Not later than March 31, 2000, the Administrator shall, after consultation with the heads of executive agencies, submit to Congress a report describing the steps taken, and proposed to be taken, to carry out this subsection.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

SEC. 201. MISCELLANEOUS CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—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."

(b) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(c) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking "delinquent loans" and inserting "debts".

(d) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is amended by adding at the end the following:

"(11) In attempting to collect under this subsection through the use of garnishment

any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor's current employer, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

"(12) In evaluating the performance of a contractor under any contract entered into under this subsection, the Secretary of the Treasury shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

"(13) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under Government collection contracts of similar size, if applicable. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria."

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is amended by adding at the end the following:

"(h) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

"(i) In evaluating the performance of a contractor under any contract for the performance of debt collection services entered into by an executive, judicial, or legislative agency, the head of the agency shall consider the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

"(j) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that considers the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria."

(3) CONSTRUCTION.—None of the amendments made by this subsection shall be construed as altering or superseding the provisions of title 11, United States Code, or section 6103 of the Internal Revenue Code of 1986.

(e) CLERICAL AMENDMENT.—Section 3720A(h) of title 31, United States Code, is amended—

(1) beginning in paragraph (3), by striking the close quotation marks and all that follows through the matter preceding subsection (i); and

(2) by adding at the end the following:

"For purposes of this subsection, the disbursing official for the Department of the Treasury is the Secretary of the Treasury or his or her designee."

(f) CORRECTION OF REFERENCES TO FEDERAL AGENCY.—Sections 3716(c)(6) and 3720A(a), (b), (c), and (e) of title 31, United States Code, are each amended by striking "Federal agency" each place it appears and inserting "executive, judicial, or legislative agency".

(g) INAPPLICABILITY OF ACT TO CERTAIN AGENCIES.—Notwithstanding any other provision of law, no provision in this Act, the Debt Collection Improvement Act of 1996 (chapter 10 of title III of Public Law 104-134; 31 U.S.C. 3701 note), chapter 37 or subchapter II of chapter 33 of title 31, United States Code, or any amendments made by such Acts or any regulations issued thereunder, shall apply to activities carried out pursuant to a law enacted to protect, operate, and administer any deposit insurance funds, including the resolution and liquidation of failed or failing insured depository institutions.

(h) CONTRACTS FOR COLLECTION SERVICES.—Section 3718 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (b)(1)(A), by inserting "or, if appropriate, any monetary claim, including any claims for civil fines or penalties, asserted by the Attorney General" before the period;

(2) in the third sentence of subsection (b)(1)(A)—

(A) by inserting "or in connection with other monetary claims" after "collection of claims of indebtedness";

(B) by inserting "or claim" after "the indebtedness"; and

(C) by inserting "or other person" after "the debtor"; and

(3) in subsection (d), by inserting "or any other monetary claim of" after "indebtedness owed".

SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL BENEFITS.

(a) IN GENERAL.—Section 3720B of title 31, United States Code, is amended to read as follows:

"§ 3720B. Barring delinquent Federal debtors from obtaining Federal benefits

"(a)(1) A person shall not be eligible for the award or renewal of any Federal benefit described in paragraph (2) if the person has an outstanding nontax debt that is in a delinquent status with any executive, judicial, or legislative agency, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional Federal benefits described in paragraph (2) only after such delinquency is resolved in accordance with those standards.

"(2) The Federal benefits referred to in paragraph (1) are the following:

"(A) Financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee.

"(B) Any Federal permit or Federal license required by law.

"(b) The Secretary of the Treasury may exempt any class of claims from the application of subsection (a) at the request of an executive, judicial, or legislative agency.

"(c)(1) The head of any executive, judicial, or legislative agency may waive the application of subsection (a) to any Federal benefit that is administered by the agency based on standards promulgated by the Secretary of the Treasury.

"(2) The head of an executive, judicial, or legislative agency may delegate the waiver authority under paragraph (1) to the chief financial officer or, in the case of any Federal performance-based organization, the chief operating officer of the agency.

"(3) The chief financial officer or chief operating officer of an agency to whom waiver

authority is delegated under paragraph (2) may redelegate that authority only to the deputy chief financial officer or deputy chief operating officer of the agency. Such deputy chief financial officer or deputy chief operating officer may not redelegate such authority.

“(d) As used in this section, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 31, United States Code, is amended by striking the item relating to section 3720B and inserting the following:

“3720B. Barring delinquent Federal debtors from obtaining Federal benefits.”

(c) CONSTRUCTION.—The amendment made by this section shall not be construed as altering or superseding the provisions of title 11, United States Code.

SEC. 203. COLLECTION AND COMPROMISE OF NONTAX DEBTS AND CLAIMS.

(a) USE OF PRIVATE COLLECTION CONTRACTORS AND FEDERAL DEBT COLLECTION CENTERS.—Paragraph (5) of section 3711(g) of title 31, United States Code, is amended to read as follows:

“(5)(A) Nontax debts referred or transferred under this subsection shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities.

“(B) The head of each executive agency that operates a debt collection center may enter into an agreement with the Secretary of the Treasury to carry out the purposes of this subsection.

“(C) The Secretary of the Treasury shall—

“(i) maintain a schedule of private collection contractors and debt collection centers operated by agencies that are eligible for referral of claims under this subsection;

“(ii) maximize collections of delinquent nontax debts by referring delinquent nontax debts to private collection contractors promptly;

“(iii) maintain competition between private collection contractors;

“(iv) ensure, to the maximum extent practicable, that a private collection contractor to which a nontax debt is referred is responsible for any administrative costs associated with the contract under which the referral is made.

“(D) As used in this paragraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) LIMITATION ON DISCHARGE BEFORE USE OF PRIVATE COLLECTION CONTRACTOR OR DEBT COLLECTION CENTER.—Paragraph (9) of section 3711(g) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (H) as clauses (i) through (viii);

(2) by inserting “(A)” after “(9)”;

(3) in subparagraph (A) (as designated by paragraph (2) of this subsection) in the matter preceding clause (i) (as designated by paragraph (1) of this subsection), by inserting “and subject to subparagraph (B)” after “as applicable”; and

(4) by adding at the end the following:

“(B)(i) The head of an executive, judicial, or legislative agency may not discharge a nontax debt or terminate collection action on a nontax debt unless the debt has been referred to a private collection contractor or a debt collection center, referred to the Attorney General for litigation, sold without re-

course, administrative wage garnishment has been undertaken, or in the event of bankruptcy, death, or disability.

“(ii) The head of an executive, judicial, or legislative agency may waive the application of clause (i) to any nontax debt, or class of nontax debts if the head of the agency determines that the waiver is in the best interest of the United States.

“(iii) As used in this subparagraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

SEC. 301. AUTHORITY TO SELL NONTAX DEBTS.

(a) PURPOSE.—The purpose of this section is to provide that the head of each executive, judicial, or legislative agency shall establish a program of nontax debt sales in order to—

(1) minimize the loan and nontax debt portfolios of the agency;

(2) improve credit management while serving public needs;

(3) reduce delinquent nontax debts held by the agency;

(4) obtain the maximum value for loan and nontax debt assets; and

(5) obtain valid data on the amount of the Federal subsidy inherent in loan programs conducted pursuant to the Federal Credit Reform Act of 1990 (Public Law 93-344).

(b) SALES AUTHORIZED.—(1) Section 3711 of title 31, United States Code, is amended by inserting after subsection (h) the following new subsection:

“(i)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and using competitive procedures, any nontax debt owed to the United States that is administered by the agency.

“(2) Costs the agency incurs in selling nontax debt pursuant to this subsection may be deducted from the proceeds received from the sale. Such costs include—

“(A) the costs of any contract for identification, billing, or collection services;

“(B) the costs of contractors assisting in the sale of nontax debt;

“(C) the fees of appraisers, auctioneers, and realty brokers;

“(D) the costs of advertising and surveying; and

“(E) other reasonable costs incurred by the agency, as determined by the Director of the Office of Management and Budget.

“(3) Sales of nontax debt under this subsection—

“(A) shall be for—

“(i) cash; or

“(ii) cash and a residuary equity, joint venture, or profit participation, if the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the proceeds will be greater than the proceeds from a sale solely for cash;

“(B) shall be without recourse against the United States; and

“(C) shall transfer to the purchaser all rights of the United States to demand payment of the nontax debt, other than with respect to a residuary equity, joint venture, or profit participation under subparagraph (A)(ii), but shall not transfer to the purchaser any rights or defenses uniquely available to the United States.

“(3) This subsection is not intended to limit existing statutory authority of the head of an executive, judicial, or legislative agency to sell loans, nontax debts, or other assets.”

SEC. 302. REQUIREMENT TO SELL CERTAIN NONTAX DEBTS.

Section 3711 of title 31, United States Code, is amended further by adding at the end the following new subsection:

“(j)(1)(A) The head of each executive, judicial, or legislative agency shall sell any nontax loan owed to the United States by the later of—

“(i) the date on which the nontax debt becomes 24 months delinquent; or

“(ii) 24 months after referral of the nontax debt to the Secretary of the Treasury pursuant to section 3711(g)(1) of title 31, United States Code. Sales under this subsection shall be conducted under the authority in section 301.

“(B) The head of an executive, judicial, or legislative agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, may exempt from sale delinquent debt or debts under this subsection if the head of the agency determines that the sale is not in the best financial interest of the United States.

“(2) The head of each executive, judicial, or legislative agency shall sell each loan obligation arising from a program administered by the agency, not later than 6 months after the loan is disbursed, unless the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the loan was disbursed, or the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that a longer period is necessary to protect the financial interests of the United States. Sales under this subsection shall be conducted under the authority in section 301.

“(3) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States unless the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the sale is not in the best financial interests of the United States. Sales under this paragraph shall be conducted under the authority of subsection (i).

“(4)(A) The head of an executive, judicial, or legislative agency shall not, without the approval of the Attorney General, sell any nontax debt that is the subject of an allegation of or investigation for fraud, or that has been referred to the Department of Justice for litigation.

“(B) The head of an executive, judicial, or legislative agency may exempt from sale under this subsection any class of nontax debts or loans if the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the indebtedness was incurred.”

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX DEBTS.

(a) IN GENERAL.—Not later than 90 days after the end of each fiscal year, the head of each agency that administers a program that gives rise to a delinquent high value nontax debt shall submit a report to Congress that lists each such debt.

(b) CONTENT.—A report under this section shall, for each debt listed in the report, include the following:

(1) The name of each person liable for the debt, including, for a person that is a company, cooperative, or partnership, the names of the owners and principal officers.

(2) The amounts of principal, interest, and penalty comprising the debt.

(3) The actions the agency has taken to collect the debt, and prevent future losses.

(4) Specification of any portion of the debt that has been written-down administratively or due to a bankruptcy proceeding.

(5) An assessment of why the debtor defaulted.

(c) DEFINITIONS.—In this title:

(1) AGENCY.—The term “agency” has the meaning that term has in chapter 37 of title 31, United States Code, as amended by this Act.

(2) HIGH VALUE NONTAX DEBT.—The term “high value nontax debt” means a nontax debt having an outstanding value (including principal, interest, and penalties) that exceeds \$1,000,000.

SEC. 402. REVIEW BY INSPECTORS GENERAL.

The Inspector General of each agency shall review the applicable annual report to Congress required in section 401 and make such recommendations as necessary to improve performance of the agency. Each Inspector General shall periodically review and report to Congress on the agency’s nontax debt collection management practices. As part of such reviews, the Inspector General shall examine agency efforts to reduce the aggregate amount of high value nontax debts that are resolved in whole or in part by compromise, default, or bankruptcy.

SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

TITLE V—FEDERAL PAYMENTS

SEC. 501. TRANSFER OF RESPONSIBILITY TO SECRETARY OF THE TREASURY WITH RESPECT TO PROMPT PAYMENT.

(a) DEFINITION.—Section 3901(a)(3) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(b) INTEREST.—Section 3902(c)(3)(D) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(c) REGULATIONS.—Section 3903(a) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

SEC. 502. PROMOTING ELECTRONIC PAYMENTS.

(a) EARLY RELEASE OF ELECTRONIC PAYMENTS.—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) provide that the required payment date is—

“(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;” and

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Secretary of the Treasury may waive the application of requirements under paragraph (1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Secretary of the Treasury, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a nontax debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Secretary of the Treasury shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

SEC. 503. DEBT SERVICES ACCOUNT.

(a) TRANSFER OF FUNDS TO DEBT SERVICES ACCOUNT.—The Secretary of the Treasury may transfer balances in accounts established before the date of the enactment of this Act pursuant to section of 3711(g)(7) of title 31, United States Code, to the Debt Services Account established under subsection (b). All amounts transferred to the Debt Services Account under this section shall remain available until expended.

(b) ESTABLISHMENT OF DEBT SERVICES ACCOUNT.—Subsection (g)(7) of section 3711 of title 31, United States Code, is amended by striking the second sentence and inserting the following: “Any fee charged pursuant to this subsection shall be deposited into an account established in the Treasury to be known as the ‘Debt Services Account’ (hereinafter referred to in this section as the ‘Account’).”

(c) REIMBURSEMENT OF FUNDS.—Section 3711(g) of title 31, United States Code, is amended—

(1) by striking paragraph (8);

(2) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively; and

(3) by amending paragraph (9) (as redesignated by paragraph (2)) to read as follows:

“(9) To carry out the purposes of this subsection, including services provided under sections 3716 and 3720A, the Secretary of the Treasury may—

“(A) prescribe such rules, regulations, and procedures as the Secretary considers necessary;

“(B) transfer such funds from funds appropriated to the Department of the Treasury as may be necessary to meet liabilities and obligations incurred prior to the receipt of fees that result from debt collection; and

“(C) reimburse any funds from which funds were transferred under subparagraph (B) from fees collected pursuant to sections 3711, 3716, and 3720A. Any reimbursement under this subparagraph shall occur during the period of availability of the funds transferred under subparagraph (B) and shall be available to the same extent and for the same purposes as the funds originally transferred.”.

(d) DEPOSIT OF TAX REFUND OFFSET FEES.—The last sentence of section 3720A(d) of title 31, United States Code, is amended to read as follows: “Amounts paid to the Secretary of the Treasury as fees under this section shall be deposited into the Debt Services Account of the Department of the Treasury described in section 3711(g)(7) and shall be collected and accounted for in accordance with the provisions of that section.”.

The CHAIRMAN. During consideration of the bill for amendment, the

Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

Are there any amendments?

If not, the question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SESSIONS) having assumed the chair, Mr. GIBBONS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 436) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, pursuant to House Resolution 43, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 419, nays 1, not voting 13, as follows:

[Roll No. 25]

YEAS—419

Abercrombie	Bachus	Barcia
Ackerman	Baird	Barr
Allen	Baker	Barrett (NE)
Andrews	Baldacci	Barrett (WI)
Archer	Baldwin	Bartlett
Armey	Ballenger	Barton

Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel

English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchev
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Istook
Jackson (IL)
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg

Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-
McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Obeyer
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascarell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)

Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner

Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skeltton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo

Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Townes
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)

the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 409.

□ 1315

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 409) to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal assistance application and reporting requirements, and improve the delivery of services to the public, with Mr. PEASE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. TURNER) each will control 30 minutes.

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

Mr. HORN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to thank my colleagues, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. HOYER), the author of this bipartisan bill, for their very hard work in bringing this measure to the floor.

This legislation will help keep Federal grant programs much more user friendly and less burdensome. H.R. 409 builds upon past efforts of the Subcommittee on Government Management, Information and Technology to improve program performance. This has been accomplished through, among other vehicles, the Government Performance and Results Act, the Single Audit Act, the Paperwork Reduction Act, and the Unfunded Mandates Reform Act.

H.R. 409 requires Federal agencies to coordinate and streamline the process by which applicants apply for assistance programs, particularly where similar programs are administered by different Federal agencies.

The purpose of this legislation is to facilitate better coordination among the Federal Government, State, local and tribal governments and not-for-profit organizations. It also simplifies Federal financial assistance application and reporting requirements and ultimately results in improved delivery of services to the public.

I urge my colleagues to support it.

Mr. TURNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first, I would like to recognize the hard work and the leadership provided by the original sponsors of H.R. 409, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. HOYER). Both of these gentlemen have put in countless hours working on this bill, which will

NAYS—1

Paul

NOT VOTING—13

Aderholt	Martinez	Reyes
Capps	McInnis	Rush
Davis (IL)	Menendez	Weldon (PA)
Livingston	Morella	
Lowey	Northup	

□ 1312

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ADERHOLT. Mr. Speaker, on roll call No. 25, I was inadvertently detained. Had I been present, I would have voted "yes."

Mr. MCINNIS. Mr. Speaker, due to business in Colorado, I will be unable to vote on the following bill, H.R. 436. Had I been able to vote, I would have voted "yea."

Mr. PICKERING. Mr. Speaker, I was unavoidably detained and missed the following rollcall vote:

Rollcall vote No. 24, H.R. 438. Had I been present, I would have voted "aye."

GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 436, the bill just passed.

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

There was no objection.

FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 75 and rule XVIII, the Chair declares the House in