

continuation of my efforts to push the military to recognize that public safety should be the top priority as America eliminates its chemical weapons in compliance with the CWC. The Army's selection of incineration as their preferred technology dates all the way back to 1982—almost 20 years ago. It is unreasonable, and in fact irresponsible, to assume that there have been no technological advancements since that time which could lead to improved methods of disposal. Only ten years ago few would have predicted the dynamic nature of the Internet would provide Americans instant access to information around the globe. Given that example, why has the department chosen to ignore potential strides in chemical weapons destruction? Why then has the safety of those Americans who live near chemical weapons destruction sites taken a back seat to fiscal and calendar concerns?

In an effort to force the Department to consider the possibility of alternatives to incineration, I offered and the Senate accepted an amendment to the FY97 Defense Appropriations bill which established the Assembled Chemical Weapons Assessment program. As I previously stated, this program identified a total of six technologies as suitable for demonstration. Unfortunately the Department has chosen to fund only three. As a result of the Department's decision to not fully test each technology, much of the good will established by the program has eroded. Continued DOD intransigence will lead to well deserved skepticism regarding the eventual report issued by ACWA. The citizens who are counting on the federal government's honest assessment of how to proceed deserve the security of knowing that all viable options were appropriately considered.

I have outlined the hypocrisy of the Department's argument in a floor statement I made on June 8, 1999, and so I will not repeat myself at this point. Regardless of the Department's contention that funding for further testing is limited, I believe the interests of public safety far outweigh any limited fiscal concerns. This is not a case of one Senator screaming that the "sky is falling." Rather, this is an effort to hold the Department of Defense accountable for what should have always been its first priority—the safety of potentially impacted citizens. I will continue to press for full testing and accountability.

I thank my colleagues and urge their support for the Military Construction bill.

#### WORK INCENTIVES IMPROVEMENT ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 331, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 331) to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE*.—This Act may be cited as the "Work Incentives Improvement Act of 1999".

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

#### TITLE I—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

Sec. 101. Expanding State options under the medicaid program for workers with disabilities.

Sec. 102. Continuation of medicare coverage for working individuals with disabilities.

Sec. 103. Grants to develop and establish State infrastructures to support working individuals with disabilities.

Sec. 104. Demonstration of coverage under the medicaid program of workers with potentially severe disabilities.

#### TITLE II—TICKET TO WORK AND SELF-SUFFICIENCY AND RELATED PROVISIONS

Subtitle A—Ticket to Work and Self-Sufficiency

Sec. 201. Establishment of the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Elimination of Work Disincentives

Sec. 211. Work activity standard as a basis for review of an individual's disabled status.

Sec. 212. Expedited reinstatement of disability benefits.

Subtitle C—Work Incentives Planning, Assistance, and Outreach

Sec. 221. Work incentives outreach program.

Sec. 222. State grants for work incentives assistance to disabled beneficiaries.

#### TITLE III—DEMONSTRATION PROJECTS AND STUDIES

Sec. 301. Permanent extension of disability insurance program demonstration project authority.

Sec. 302. Demonstration projects providing for reductions in disability insurance benefits based on earnings.

Sec. 303. Studies and reports.

#### TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Sec. 401. Technical amendments relating to drug addicts and alcoholics.

Sec. 402. Treatment of prisoners.

Sec. 403. Revocation by members of the clergy of exemption from Social Security coverage.

Sec. 404. Additional technical amendment relating to cooperative research or demonstration projects under titles II and XVI.

Sec. 405. Authorization for State to permit annual wage reports.

#### TITLE V—REVENUE

Sec. 501. Modification to foreign tax credit carryback and carryover periods.

Sec. 502. Limitation on use of non-accrual experience method of accounting.

Sec. 503. Extension of Internal Revenue Service user fees.

#### SEC. 2. FINDINGS AND PURPOSES.

(a) *FINDINGS*.—Congress makes the following findings:

(1) Health care is important to all Americans.

(2) Health care is particularly important to individuals with disabilities and special health care needs who often cannot afford the insurance available to them through the private market, are uninsurable by the plans available in the private sector, and are at great risk of incurring very high and economically devastating health care costs.

(3) Americans with significant disabilities often are unable to obtain health care insurance that provides coverage of the services and supports that enable them to live independently and enter or rejoin the workforce. Personal assistance services (such as attendant services, personal assistance with transportation to and from work, reader services, job coaches, and related assistance) remove many of the barriers between significant disability and work. Coverage for such services, as well as for prescription drugs, durable medical equipment, and basic health care are powerful and proven tools for individuals with significant disabilities to obtain and retain employment.

(4) For individuals with disabilities, the fear of losing health care and related services is one of the greatest barriers keeping the individuals from maximizing their employment, earning potential, and independence.

(5) Individuals with disabilities who are beneficiaries under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) risk losing medicare or medicaid coverage that is linked to their cash benefits, a risk that is an equal, or greater, work disincentive than the loss of cash benefits associated with working.

(6) Currently, less than 1/2 of 1 percent of social security disability insurance and supplemental security income beneficiaries cease to receive benefits as a result of employment.

(7) Beneficiaries have cited the lack of adequate employment training and placement services as an additional barrier to employment.

(8) If an additional 1/2 of 1 percent of the current social security disability insurance (DI) and supplemental security income (SSI) recipients were to cease receiving benefits as a result of employment, the savings to the Social Security Trust Funds in cash assistance would total \$3,500,000,000 over the worklife of the individuals.

(b) *PURPOSES*.—The purposes of this Act are as follows:

(1) To provide health care and employment preparation and placement services to individuals with disabilities that will enable those individuals to reduce their dependency on cash benefit programs.

(2) To encourage States to adopt the option of allowing individuals with disabilities to purchase medicaid coverage that is necessary to enable such individuals to maintain employment.

(3) To provide individuals with disabilities the option of maintaining medicare coverage while working.

(4) To establish a return to work ticket program that will allow individuals with disabilities to seek the services necessary to obtain and retain employment and reduce their dependency on cash benefit programs.

#### TITLE I—EXPANDED AVAILABILITY OF HEALTH CARE SERVICES

##### SEC. 101. EXPANDING STATE OPTIONS UNDER THE MEDICAID PROGRAM FOR WORKERS WITH DISABILITIES.

(a) *IN GENERAL*.—

(1) *STATE OPTION TO ELIMINATE INCOME, ASSETS, AND RESOURCE LIMITATIONS FOR WORKERS*

WITH DISABILITIES BUYING INTO MEDICAID.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(A) in subclause (XIII), by striking “or” at the end;

(B) in subclause (XIV), by adding “or” at the end; and

(C) by adding at the end the following:

“(XV) who, but for earnings in excess of the limit established under section 1905(q)(2)(B), would be considered to be receiving supplemental security income and whose assets, resources, and earned or unearned income (or both) do not exceed such limitations (if any) as the State may establish.”.

(2) STATE OPTION TO PROVIDE OPPORTUNITY FOR EMPLOYED INDIVIDUALS WITH A MEDICALLY IMPROVED DISABILITY TO BUY INTO MEDICAID.—

(A) ELIGIBILITY.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)), as amended by paragraph (1), is amended—

(i) in subclause (XIV), by striking “or” at the end;

(ii) in subclause (XV), by adding “or” at the end; and

(iii) by adding at the end the following:

“(XVI) who are employed individuals with a medically improved disability described in section 1905(v)(1) and whose assets, resources, and earned or unearned income (or both) do not exceed such limitations (if any) as the State may establish, but only if the State provides medical assistance to individuals described in subclause (XV);”.

(B) DEFINITION OF EMPLOYED INDIVIDUALS WITH A MEDICALLY IMPROVED DISABILITY.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following:

“(v)(1) The term ‘employed individual with a medically improved disability’ means an individual who—

“(A) is at least 16, but less than 65, years of age;

“(B) is employed (as defined in paragraph (2));

“(C) ceases to be eligible for medical assistance under section 1902(a)(10)(A)(ii)(XV) because the individual, by reason of medical improvement, is determined at the time of a regularly scheduled continuing disability review to no longer be eligible for benefits under section 223(d) or 1614(a)(3); and

“(D) continues to have a severe medically determinable impairment, as determined under regulations of the Secretary.

“(2) For purposes of paragraph (1), an individual is considered to be ‘employed’ if the individual—

“(A) is earning at least the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act (29 U.S.C. 206) and working at least 40 hours per month; or

“(B) is engaged in a work effort that meets substantial and reasonable threshold criteria for hours of work, wages, or other measures, as defined by the State and approved by the Secretary.”.

(C) CONFORMING AMENDMENT.—Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(i) in clause (x), by striking “or” at the end;

(ii) in clause (xi), by adding “or” at the end; and

(iii) by inserting after clause (xi), the following:

“(xii) employed individuals with a medically improved disability (as defined in subsection (v)).”.

(3) STATE AUTHORITY TO IMPOSE INCOME-RELATED PREMIUMS AND COST-SHARING.—Section 1916 of such Act (42 U.S.C. 1396o) is amended—

(A) in subsection (a), by striking “The State plan” and inserting “Subject to subsection (g), the State plan”; and

(B) by adding at the end the following:

“(g) With respect to individuals provided medical assistance only under subclause (XV) or (XVI) of section 1902(a)(10)(A)(ii), a State may (in a uniform manner for individuals described in either such subclause)—

“(1) require such individuals to pay premiums or other cost-sharing charges set on a sliding scale based on income that the State may determine; and

“(2) require payment of 100 percent of such premiums in the case of such an individual who has income that exceeds 250 percent of the income official poverty line (referred to in subsection (c)(1)) applicable to a family of the size involved.”.

(4) PROHIBITION AGAINST SUPPLANTATION OF STATE FUNDS AND STATE FAILURE TO MAINTAIN EFFORT.—Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended—

(A) by striking the period at the end of paragraph (18) and inserting “; or”; and

(B) by inserting after such paragraph the following:

“(19) with respect to amounts expended for medical assistance provided to an individual described in subclause (XV) or (XVI) of section 1902(a)(10)(A)(ii) for a fiscal year unless the State demonstrates to the satisfaction of the Secretary that the level of State funds expended for such fiscal year for programs to enable working individuals with disabilities to work (other than for such medical assistance) is not less than the level expended for such programs during the most recent State fiscal year ending before the date of enactment of this paragraph.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1903(f)(4) of the Social Security Act (42 U.S.C. 1396b(f)(4)) is amended in the matter preceding subparagraph (A) by inserting “1902(a)(10)(A)(ii)(XV), 1902(a)(10)(A)(ii)(XVI)” after “1902(a)(10)(A)(ii)(X).”.

(2) Section 1903(f)(4) of such Act, as amended by paragraph (1), is amended by inserting “1902(a)(10)(A)(ii)(XIII),” before “1902(a)(10)(A)(ii)(XV).”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section apply to medical assistance for items and services furnished on or after October 1, 1999.

(2) RETROACTIVITY OF CONFORMING AMENDMENT.—The amendment made by subsection (b)(2) takes effect as if included in the enactment of the Balanced Budget Act of 1997.

**SEC. 102. CONTINUATION OF MEDICARE COVERAGE FOR WORKING INDIVIDUALS WITH DISABILITIES.**

(a) CONTINUATION OF COVERAGE.—

(1) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(A) in the third sentence of subsection (b), by inserting “, except as provided in subsection (j)” after “but not in excess of 24 such months”; and

(B) by adding at the end the following:

“(j) The 24-month limitation on deemed entitlement under the third sentence of subsection (b) shall not apply—

“(1) for months occurring during the 10-year period beginning with the first month that begins after the date of enactment of this subsection; and

“(2) for subsequent months, in the case of an individual who was entitled to benefits under subsection (b) as of the last month of such 10-year period and would continue (but for such 24-month limitation) to be so entitled.”.

(2) CONFORMING AMENDMENT.—Section 1818A(a)(2)(C) of the Social Security Act (42 U.S.C. 1395i-2a(a)(2)(C)) is amended—

(A) by striking “solely”; and

(B) by inserting “or the expiration of the last month of the 10-year period described in section 226(j)” before the semicolon.

(b) GAO REPORT.—Not later than 8 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to Congress that—

(1) examines the effectiveness and cost of subsection (j) of section 226 of the Social Security Act (42 U.S.C. 426); and

(2) recommends whether that subsection should continue to be applied beyond the 10-year period described in the subsection.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply to months beginning with the first month that begins after the date of the enactment of this Act.

(d) TREATMENT OF CERTAIN INDIVIDUALS.—An individual enrolled under section 1818A of the Social Security Act (42 U.S.C. 1395i-2a) shall be treated with respect to premium payment obligations under such section as though the individual had continued to be entitled to benefits under section 226(b) of such Act for—

(1) months described in section 226(j)(1) of such Act (42 U.S.C. 426(j)(1)) (as added by subsection (a)); and

(2) subsequent months, in the case of an individual who was so enrolled as of the last month described in section 226(j)(2) of such Act (42 U.S.C. 426(j)(2)) (as so added).

**SEC. 103. GRANTS TO DEVELOP AND ESTABLISH STATE INFRASTRUCTURES TO SUPPORT WORKING INDIVIDUALS WITH DISABILITIES.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall award grants described in subsection (b) to States to support the design, establishment, and operation of State infrastructures that provide items and services to support working individuals with disabilities.

(2) APPLICATION.—In order to be eligible for an award of a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require.

(3) DEFINITION OF STATE.—In this section, the term “State” means each of the 50 States, the District of Columbia, Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(b) GRANTS FOR INFRASTRUCTURE AND OUTREACH.—

(1) IN GENERAL.—Out of the funds appropriated under subsection (e), the Secretary shall award grants to States to—

(A) support the establishment, implementation, and operation of the State infrastructures described in subsection (a); and

(B) conduct outreach campaigns regarding the existence of such infrastructures.

(2) ELIGIBILITY FOR GRANTS.—

(A) IN GENERAL.—No State may receive a grant under this subsection unless the State—

(i) has an approved amendment to the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) that provides medical assistance under such plan to individuals described in section 1902(a)(10)(A)(ii)(XV) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)); and

(ii) demonstrates to the satisfaction of the Secretary that the State makes personal assistance services available under the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) to the extent necessary to enable individuals described in clause (i) to remain employed (as determined under section 1905(v)(2) of the Social Security Act (42 U.S.C. 1396d(v)(2))).

(B) DEFINITION OF PERSONAL ASSISTANCE SERVICES.—In this paragraph, the term “personal assistance services” means a range of services,

provided by 1 or more persons, designed to assist an individual with a disability to perform daily activities on and off the job that the individual would typically perform if the individual did not have a disability. Such services shall be designed to increase the individual's control in life and ability to perform everyday activities on or off the job.

(3) DETERMINATION OF AWARDS.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall determine a formula for awarding grants to States under this section that provides special consideration to States that provide medical assistance under title XIX of the Social Security Act to individuals described in section 1902(a)(10)(A)(ii)(XVI) of that Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XVI)).

(B) AWARD LIMITS.—

(i) MINIMUM AWARDS.—

(I) IN GENERAL.—Subject to subclause (II), no State with an approved application under this section shall receive a grant for a fiscal year that is less than \$500,000.

(II) PRO RATA REDUCTIONS.—If the funds appropriated under subsection (e) for a fiscal year are not sufficient to pay each State with an application approved under this section the minimum amount described in subclause (I), the Secretary shall pay each such State an amount equal to the pro rata share of the amount made available.

(ii) MAXIMUM AWARDS.—No State with an application that has been approved under this section shall receive a grant for a fiscal year that exceeds 15 percent of the total expenditures by the State (including the reimbursed Federal share of such expenditures) for medical assistance for individuals eligible under subclause (XV) and (XVI) of section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)), as estimated by the State and approved by the Secretary.

(c) AVAILABILITY OF FUNDS.—

(1) FUNDS AWARDED TO STATES.—Funds awarded to a State under a grant made under this section for a fiscal year shall remain available until expended.

(2) FUNDS NOT AWARDED TO STATES.—Funds not awarded to States in the fiscal year for which they are appropriated shall remain available in succeeding fiscal years for awarding by the Secretary.

(d) ANNUAL REPORT.—A State that is awarded a grant under this section shall submit an annual report to the Secretary on the use of funds provided under the grant. Each report shall include the percentage increase in the number of title II disability beneficiaries, as defined in section 1148(k)(3) of the Social Security Act (as amended by section 201) in the State, and title XVI disability beneficiaries, as defined in section 1148(k)(4) of the Social Security Act (as so amended) in the State who return to work.

(e) APPROPRIATION.—

(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to make grants under this section—

(A) for fiscal year 2000, \$20,000,000;

(B) for fiscal year 2001, \$25,000,000;

(C) for fiscal year 2002, \$30,000,000;

(D) for fiscal year 2003, \$35,000,000;

(E) for fiscal year 2004, \$40,000,000; and

(F) for each of fiscal years 2005 through 2010, the amount appropriated for the preceding fiscal year increased by the percentage increase (if any) in the Consumer Price Index for All Urban Consumers (United States city average) for the preceding fiscal year.

(2) BUDGET AUTHORITY.—This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under paragraph (1).

(f) RECOMMENDATION.—Not later than October 1, 2009, the Secretary, in consultation with the Work Incentives Advisory Panel established under section 201(f), shall submit a recommendation to the Committee on Commerce of the House of Representatives and the Committee on Finance of the Senate regarding whether the grant program established under this section should be continued after fiscal year 2010.

**SEC. 104. DEMONSTRATION OF COVERAGE UNDER THE MEDICAID PROGRAM OF WORKERS WITH POTENTIALLY SEVERE DISABILITIES.**

(a) STATE APPLICATION.—A State may apply to the Secretary of Health and Human Services (in this section referred to as the "Secretary") for approval of a demonstration project (in this section referred to as a "demonstration project") under which up to a specified maximum number of individuals who are workers with a potentially severe disability (as defined in subsection (b)(1)) are provided medical assistance equal to that provided under section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) to individuals described in section 1902(a)(10)(A)(ii)(XV) of that Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).

(b) WORKER WITH A POTENTIALLY SEVERE DISABILITY DEFINED.—For purposes of this section—

(1) IN GENERAL.—The term "worker with a potentially severe disability" means, with respect to a demonstration project, an individual who—

(A) is at least 16, but less than 65, years of age;

(B) has a specific physical or mental impairment that, as defined by the State under the demonstration project, is reasonably expected, but for the receipt of items and services described in section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)), to become blind or disabled (as defined under section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a))); and

(C) is employed (as defined in paragraph (2)).

(2) DEFINITION OF EMPLOYED.—An individual is considered to be "employed" if the individual—

(A) is earning at least the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act (29 U.S.C. 206) and working at least 40 hours per month; or

(B) is engaged in a work effort that meets substantial and reasonable threshold criteria for hours of work, wages, or other measures, as defined under the demonstration project and approved by the Secretary.

(c) APPROVAL OF DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—Subject to paragraph (3), the Secretary shall approve applications under subsection (a) that meet the requirements of paragraph (2) and such additional terms and conditions as the Secretary may require. The Secretary may waive the requirement of section 1902(a)(1) of the Social Security Act (42 U.S.C. 1396a(a)(1)) to allow for sub-State demonstrations.

(2) TERMS AND CONDITIONS OF DEMONSTRATION PROJECTS.—The Secretary may not approve a demonstration project under this section unless the State provides assurances satisfactory to the Secretary that the following conditions are or will be met:

(A) ELECTION OF OPTIONAL CATEGORY.—The State has elected to provide coverage under its plan under title XIX of the Social Security Act of individuals described in section 1902(a)(10)(A)(ii)(XV) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XV)).

(B) MAINTENANCE OF STATE EFFORT.—Federal funds paid to a State pursuant to this section must be used to supplement, but not supplant, the level of State funds expended for workers with potentially severe disabilities under programs in effect for such individuals at the time the demonstration project is approved under this section.

(C) INDEPENDENT EVALUATION.—The State provides for an independent evaluation of the project.

(3) LIMITATIONS ON FEDERAL FUNDING.—

(A) APPROPRIATION.—

(i) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section—

(I) for fiscal year 2000, \$70,000,000;

(II) for fiscal year 2001, \$73,000,000;

(III) for fiscal year 2002, \$77,000,000; and

(IV) for fiscal year 2003, \$80,000,000.

(ii) BUDGET AUTHORITY.—Clause (i) constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under clause (i).

(B) LIMITATION ON PAYMENTS.—In no case may—

(i) the aggregate amount of payments made by the Secretary to States under this section exceed \$300,000,000; or

(ii) payments be provided by the Secretary for a fiscal year after fiscal year 2005.

(C) FUNDS ALLOCATED TO STATES.—The Secretary shall allocate funds to States based on their applications and the availability of funds. Funds allocated to a State under a grant made under this section for a fiscal year shall remain available until expended.

(D) FUNDS NOT ALLOCATED TO STATES.—Funds not allocated to States in the fiscal year for which they are appropriated shall remain available in succeeding fiscal years for allocation by the Secretary using the allocation formula established under this section.

(E) PAYMENTS TO STATES.—The Secretary shall pay to each State with a demonstration project approved under this section, from its allocation under subparagraph (C), an amount for each quarter equal to the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1395d(b)) of expenditures in the quarter for medical assistance provided to workers with a potentially severe disability.

(d) RECOMMENDATION.—Not later than October 1, 2002, the Secretary shall submit a recommendation to the Committee on Commerce of the House of Representatives and the Committee on Finance of the Senate regarding whether the demonstration project established under this section should be continued after fiscal year 2003.

(e) STATE DEFINED.—In this section, the term "State" has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

**TITLE II—TICKET TO WORK AND SELF-SUFFICIENCY AND RELATED PROVISIONS**

**Subtitle A—Ticket to Work and Self-Sufficiency**

**SEC. 201. ESTABLISHMENT OF THE TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.**

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding after section 1147 (as added by section 8 of the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998 (Public Law 105-306; 112 Stat. 2928)) the following:

**"TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM**

"SEC. 1148. (a) IN GENERAL.—The Commissioner shall establish a Ticket to Work and Self-Sufficiency Program, under which a disabled beneficiary may use a ticket to work and self-sufficiency issued by the Commissioner in accordance with this section to obtain employment services, vocational rehabilitation services, or other support services from an employment network which is of the beneficiary's choice and

which is willing to provide such services to the beneficiary.

**"(b) TICKET SYSTEM.—**

**"(1) DISTRIBUTION OF TICKETS.—**The Commissioner may issue a ticket to work and self-sufficiency to disabled beneficiaries for participation in the Program.

**"(2) ASSIGNMENT OF TICKETS.—**A disabled beneficiary holding a ticket to work and self-sufficiency may assign the ticket to any employment network of the beneficiary's choice which is serving under the Program and is willing to accept the assignment.

**"(3) TICKET TERMS.—**A ticket issued under paragraph (1) shall consist of a document which evidences the Commissioner's agreement to pay (as provided in paragraph (4)) an employment network, which is serving under the Program and to which such ticket is assigned by the beneficiary, for such employment services, vocational rehabilitation services, and other support services as the employment network may provide to the beneficiary.

**"(4) PAYMENTS TO EMPLOYMENT NETWORKS.—**The Commissioner shall pay an employment network under the Program in accordance with the outcome payment system under subsection (h)(2) or under the outcome-milestone payment system under subsection (h)(3) (whichever is elected pursuant to subsection (h)(1)). An employment network may not request or receive compensation for such services from the beneficiary.

**"(c) STATE PARTICIPATION.—**

**"(1) IN GENERAL.—**Each State agency administering or supervising the administration of the State plan approved under title I of the Rehabilitation Act of 1973 may elect to participate in the Program as an employment network with respect to a disabled beneficiary. If the State agency does elect to participate in the Program, the State agency also shall elect to be paid under the outcome payment system or the outcome-milestone payment system in accordance with subsection (h)(1). With respect to a disabled beneficiary that the State agency does not elect to have participate in the Program, the State agency shall be paid for services provided to that beneficiary under the system for payment applicable under section 222(d) and subsections (d) and (e) of section 1615. The Commissioner shall provide for periodic opportunities for exercising such elections (and revocations).

**"(2) EFFECT OF PARTICIPATION BY STATE AGENCY.—**

**"(A) STATE AGENCIES PARTICIPATING.—**In any case in which a State agency described in paragraph (1) elects under that paragraph to participate in the Program, the employment services, vocational rehabilitation services, and other support services which, upon assignment of tickets to work and self-sufficiency, are provided to disabled beneficiaries by the State agency acting as an employment network shall be governed by plans for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973.

**"(B) STATE AGENCIES ADMINISTERING MATERNAL AND CHILD HEALTH SERVICES PROGRAMS.—**Subparagraph (A) shall not apply with respect to any State agency administering a program under title V of this Act.

**"(3) SPECIAL REQUIREMENTS APPLICABLE TO CROSS-REFERRAL TO CERTAIN STATE AGENCIES.—**

**"(A) IN GENERAL.—**In any case in which an employment network has been assigned a ticket to work and self-sufficiency by a disabled beneficiary, no State agency shall be deemed required, under this section, title I of the Workforce Investment Act of 1998, title I of the Rehabilitation Act of 1973, or a State plan approved under such title, to accept any referral of such disabled beneficiary from such employment network unless such employment network and such State agency have entered into a written agree-

ment that meets the requirements of subparagraph (B). Any beneficiary who has assigned a ticket to work and self-sufficiency to an employment network that has not entered into such a written agreement with such a State agency may not access vocational rehabilitation services under title I of the Rehabilitation Act of 1973 until such time as the beneficiary is reassigned to a State vocational rehabilitation agency by the Program Manager.

**"(B) TERMS OF AGREEMENT.—**An agreement required by subparagraph (A) shall specify, in accordance with regulations prescribed pursuant to subparagraph (C)—

**"(i) the extent (if any) to which the employment network holding the ticket will provide to the State agency—**

**"(I) reimbursement for costs incurred in providing services described in subparagraph (A) to the disabled beneficiary; and**

**"(II) other amounts from payments made by the Commissioner to the employment network pursuant to subsection (h); and**

**"(ii) any other conditions that may be required by such regulations.**

**"(C) REGULATIONS.—**The Commissioner and the Secretary of Education shall jointly prescribe regulations specifying the terms of agreements required by subparagraph (A) and otherwise necessary to carry out the provisions of this paragraph.

**"(D) PENALTY.—**No payment may be made to an employment network pursuant to subsection (h) in connection with services provided to any disabled beneficiary if such employment network makes referrals described in subparagraph (A) in violation of the terms of the agreement required under subparagraph (A) or without having entered into such an agreement.

**"(d) RESPONSIBILITIES OF THE COMMISSIONER.—**

**"(1) SELECTION AND QUALIFICATIONS OF PROGRAM MANAGERS.—**The Commissioner shall enter into agreements with 1 or more organizations in the private or public sector for service as a program manager to assist the Commissioner in administering the Program. Any such program manager shall be selected by means of a competitive bidding process, from among organizations in the private or public sector with available expertise and experience in the field of vocational rehabilitation and employment services.

**"(2) TENURE, RENEWAL, AND EARLY TERMINATION.—**Each agreement entered into under paragraph (1) shall provide for early termination upon failure to meet performance standards which shall be specified in the agreement and which shall be weighted to take into account any performance in prior terms. Such performance standards shall include—

**"(A) measures for ease of access by beneficiaries to services; and**

**"(B) measures for determining the extent to which failures in obtaining services for beneficiaries fall within acceptable parameters, as determined by the Commissioner.**

**"(3) PRECLUSION FROM DIRECT PARTICIPATION IN DELIVERY OF SERVICES IN OWN SERVICE AREA.—**Agreements under paragraph (1) shall preclude—

**"(A) direct participation by a program manager in the delivery of employment services, vocational rehabilitation services, or other support services to beneficiaries in the service area covered by the program manager's agreement; and**

**"(B) the holding by a program manager of a financial interest in an employment network or service provider which provides services in a geographic area covered under the program manager's agreement.**

**"(4) SELECTION OF EMPLOYMENT NETWORKS.—**

**"(A) IN GENERAL.—**The Commissioner shall select and enter into agreements with employment networks for service under the Program. Such

employment networks shall be in addition to State agencies serving as employment networks pursuant to elections under subsection (c).

**"(B) ALTERNATE PARTICIPANTS.—**In any State where the Program is being implemented, the Commissioner shall enter into an agreement with any alternate participant that is operating under the authority of section 222(d)(2) in the State as of the date of enactment of this section and chooses to serve as an employment network under the Program.

**"(5) TERMINATION OF AGREEMENTS WITH EMPLOYMENT NETWORKS.—**The Commissioner shall terminate agreements with employment networks for inadequate performance, as determined by the Commissioner.

**"(6) QUALITY ASSURANCE.—**The Commissioner shall provide for such periodic reviews as are necessary to provide for effective quality assurance in the provision of services by employment networks. The Commissioner shall solicit and consider the views of consumers and the program manager under which the employment networks serve and shall consult with providers of services to develop performance measurements. The Commissioner shall ensure that the results of the periodic reviews are made available to beneficiaries who are prospective service recipients as they select employment networks. The Commissioner shall ensure that the periodic surveys of beneficiaries receiving services under the Program are designed to measure customer service satisfaction.

**"(7) DISPUTE RESOLUTION.—**The Commissioner shall provide for a mechanism for resolving disputes between beneficiaries and employment networks, between program managers and employment networks, and between program managers and providers of services. The Commissioner shall afford a party to such a dispute a reasonable opportunity for a full and fair review of the matter in dispute.

**"(e) PROGRAM MANAGERS.—**

**"(1) IN GENERAL.—**A program manager shall conduct tasks appropriate to assist the Commissioner in carrying out the Commissioner's duties in administering the Program.

**"(2) RECRUITMENT OF EMPLOYMENT NETWORKS.—**A program manager shall recruit, and recommend for selection by the Commissioner, employment networks for service under the Program. The program manager shall carry out such recruitment and provide such recommendations, and shall monitor all employment networks serving in the Program in the geographic area covered under the program manager's agreement, to the extent necessary and appropriate to ensure that adequate choices of services are made available to beneficiaries. Employment networks may serve under the Program only pursuant to an agreement entered into with the Commissioner under the Program incorporating the applicable provisions of this section and regulations thereunder, and the program manager shall provide and maintain assurances to the Commissioner that payment by the Commissioner to employment networks pursuant to this section is warranted based on compliance by such employment networks with the terms of such agreement and this section. The program manager shall not impose numerical limits on the number of employment networks to be recommended pursuant to this paragraph.

**"(3) FACILITATION OF ACCESS BY BENEFICIARIES TO EMPLOYMENT NETWORKS.—**A program manager shall facilitate access by beneficiaries to employment networks. The program manager shall ensure that each beneficiary is allowed changes in employment networks for good cause, as determined by the Commissioner, without being deemed to have rejected services under the Program. The program manager shall establish and maintain lists of employment networks available to beneficiaries and shall make

such lists generally available to the public. The program manager shall ensure that all information provided to disabled beneficiaries pursuant to this paragraph is provided in accessible formats.

“(4) ENSURING AVAILABILITY OF ADEQUATE SERVICES.—The program manager shall ensure that employment services, vocational rehabilitation services, and other support services are provided to beneficiaries throughout the geographic area covered under the program manager’s agreement, including rural areas.

“(5) REASONABLE ACCESS TO SERVICES.—The program manager shall take such measures as are necessary to ensure that sufficient employment networks are available and that each beneficiary receiving services under the Program has reasonable access to employment services, vocational rehabilitation services, and other support services. Services provided under the Program may include case management, work incentives planning, supported employment, career planning, career plan development, vocational assessment, job training, placement, followup services, and such other services as may be specified by the Commissioner under the Program. The program manager shall ensure that such services are available in each service area.

“(f) EMPLOYMENT NETWORKS.—

“(1) QUALIFICATIONS FOR EMPLOYMENT NETWORKS.—

“(A) IN GENERAL.—Each employment network serving under the Program shall consist of an agency or instrumentality of a State (or a political subdivision thereof) or a private entity that assumes responsibility for the coordination and delivery of services under the Program to individuals assigning to the employment network tickets to work and self-sufficiency issued under subsection (b).

“(B) ONE-STOP DELIVERY SYSTEMS.—An employment network serving under the Program may consist of a one-stop delivery system established under subtitle B of title I of the Workforce Investment Act of 1998.

“(C) COMPLIANCE WITH SELECTION CRITERIA.—No employment network may serve under the Program unless it meets and maintains compliance with both general selection criteria (such as professional and educational qualifications (where applicable)) and specific selection criteria (such as substantial expertise and experience in providing relevant employment services and supports).

“(D) SINGLE OR ASSOCIATED PROVIDERS ALLOWED.—An employment network shall consist of either a single provider of such services or of an association of such providers organized so as to combine their resources into a single entity. An employment network may meet the requirements of subsection (e)(4) by providing services directly, or by entering into agreements with other individuals or entities providing appropriate employment services, vocational rehabilitation services, or other support services.

“(2) REQUIREMENTS RELATING TO PROVISION OF SERVICES.—Each employment network serving under the Program shall be required under the terms of its agreement with the Commissioner to—

“(A) serve prescribed service areas; and

“(B) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual work plans meeting the requirements of subsection (g).

“(3) ANNUAL FINANCIAL REPORTING.—Each employment network shall meet financial reporting requirements as prescribed by the Commissioner.

“(4) PERIODIC OUTCOMES REPORTING.—Each employment network shall prepare periodic re-

ports, on at least an annual basis, itemizing for the covered period specific outcomes achieved with respect to specific services provided by the employment network. Such reports shall conform to a national model prescribed under this section. Each employment network shall provide a copy of the latest report issued by the employment network pursuant to this paragraph to each beneficiary upon enrollment under the Program for services to be received through such employment network. Upon issuance of each report to each beneficiary, a copy of the report shall be maintained in the files of the employment network. The program manager shall ensure that copies of all such reports issued under this paragraph are made available to the public under reasonable terms.

“(g) INDIVIDUAL WORK PLANS.—

“(1) REQUIREMENTS.—Each employment network shall—

“(A) take such measures as are necessary to ensure that employment services, vocational rehabilitation services, and other support services provided under the Program by, or under agreements entered into with, the employment network are provided under appropriate individual work plans that meet the requirements of subparagraph (C);

“(B) develop and implement each such individual work plan in partnership with each beneficiary receiving such services in a manner that affords the beneficiary the opportunity to exercise informed choice in selecting an employment goal and specific services needed to achieve that employment goal;

“(C) ensure that each individual work plan includes at least—

“(i) a statement of the vocational goal developed with the beneficiary;

“(ii) a statement of the services and supports that have been deemed necessary for the beneficiary to accomplish that goal;

“(iii) a statement of any terms and conditions related to the provision of such services and supports; and

“(iv) a statement of understanding regarding the beneficiary’s rights under the Program (such as the right to retrieve the ticket to work and self-sufficiency if the beneficiary is dissatisfied with the services being provided by the employment network) and remedies available to the individual, including information on the availability of advocacy services and assistance in resolving disputes through the State grant program authorized under section 1150;

“(D) provide a beneficiary the opportunity to amend the individual work plan if a change in circumstances necessitates a change in the plan; and

“(E) make each beneficiary’s individual work plan available to the beneficiary in, as appropriate, an accessible format chosen by the beneficiary.

“(2) EFFECTIVE UPON WRITTEN APPROVAL.—A beneficiary’s individual work plan shall take effect upon written approval by the beneficiary or a representative of the beneficiary and a representative of the employment network that, in providing such written approval, acknowledges assignment of the beneficiary’s ticket to work and self-sufficiency.

“(h) EMPLOYMENT NETWORK PAYMENT SYSTEMS.—

“(1) ELECTION OF PAYMENT SYSTEM BY EMPLOYMENT NETWORKS.—

“(A) IN GENERAL.—The Program shall provide for payment authorized by the Commissioner to employment networks under either an outcome payment system or an outcome-milestone payment system. Each employment network shall elect which payment system will be utilized by the employment network, and, for such period of time as such election remains in effect, the payment system so elected shall be utilized ex-

clusively in connection with such employment network (except as provided in subparagraph (B)).

“(B) NO CHANGE IN METHOD OF PAYMENT FOR BENEFICIARIES WITH TICKETS ALREADY ASSIGNED TO THE EMPLOYMENT NETWORKS.—Any election of a payment system by an employment network that would result in a change in the method of payment to the employment network for services provided to a beneficiary who is receiving services from the employment network at the time of the election shall not be effective with respect to payment for services provided to that beneficiary and the method of payment previously selected shall continue to apply with respect to such services.

“(2) OUTCOME PAYMENT SYSTEM.—

“(A) IN GENERAL.—The outcome payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

“(B) PAYMENTS MADE DURING OUTCOME PAYMENT PERIOD.—The outcome payment system shall provide for a schedule of payments to an employment network in connection with each individual who is a beneficiary for each month during the individual’s outcome payment period for which benefits (described in paragraphs (3) and (4) of subsection (k)) are not payable to such individual because of work or earnings.

“(C) COMPUTATION OF PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome payment system shall be designed so that—

“(i) the payment for each of the 60 months during the outcome payment period for which benefits (described in paragraphs (3) and (4) of subsection (k)) are not payable is equal to a fixed percentage of the payment calculation base for the calendar year in which such month occurs; and

“(ii) such fixed percentage is set at a percentage which does not exceed 40 percent.

“(3) OUTCOME-MILESTONE PAYMENT SYSTEM.—

“(A) IN GENERAL.—The outcome-milestone payment system shall consist of a payment structure governing employment networks electing such system under paragraph (1)(A) which meets the requirements of this paragraph.

“(B) EARLY PAYMENTS UPON ATTAINMENT OF MILESTONES IN ADVANCE OF OUTCOME PAYMENT PERIODS.—The outcome-milestone payment system shall provide for 1 or more milestones with respect to beneficiaries receiving services from an employment network under the Program that are directed toward the goal of permanent employment. Such milestones shall form a part of a payment structure that provides, in addition to payments made during outcome payment periods, payments made prior to outcome payment periods in amounts based on the attainment of such milestones.

“(C) LIMITATION ON TOTAL PAYMENTS TO EMPLOYMENT NETWORK.—The payment schedule of the outcome-milestone payment system shall be designed so that the total of the payments to the employment network with respect to each beneficiary is less than, on a net present value basis (using an interest rate determined by the Commissioner that appropriately reflects the cost of funds faced by providers), the total amount to which payments to the employment network with respect to the beneficiary would be limited if the employment network were paid under the outcome payment system.

“(4) DEFINITIONS.—In this subsection:

“(A) PAYMENT CALCULATION BASE.—The term ‘payment calculation base’ means, for any calendar year—

“(i) in connection with a title II disability beneficiary, the average disability insurance benefit payable under section 223 for all beneficiaries for months during the preceding calendar year; and

“(ii) in connection with a title XVI disability beneficiary (who is not concurrently a title II disability beneficiary), the average payment of supplemental security income benefits based on disability payable under title XVI (excluding State supplementation) for months during the preceding calendar year to all beneficiaries who have attained age 18 but have not attained age 65.

“(B) OUTCOME PAYMENT PERIOD.—The term ‘outcome payment period’ means, in connection with any individual who had assigned a ticket to work and self-sufficiency to an employment network under the Program, a period—

“(i) beginning with the first month, ending after the date on which such ticket was assigned to the employment network, for which benefits (described in paragraphs (3) and (4) of subsection (k)) are not payable to such individual by reason of engagement in substantial gainful activity or by reason of earnings from work activity; and

“(ii) ending with the 60th month (consecutive or otherwise), ending after such date, for which such benefits are not payable to such individual by reason of engagement in substantial gainful activity or by reason of earnings from work activity.

“(5) PERIODIC REVIEW AND ALTERATIONS OF PRESCRIBED SCHEDULES.—

“(A) PERCENTAGES AND PERIODS.—The Commissioner shall periodically review the percentage specified in paragraph (2)(C), the total payments permissible under paragraph (3)(C), and the period of time specified in paragraph (4)(B) to determine whether such percentages, such permissible payments, and such period provide an adequate incentive for employment networks to assist beneficiaries to enter the workforce, while providing for appropriate economies. The Commissioner may alter such percentage, such total permissible payments, or such period of time to the extent that the Commissioner determines, on the basis of the Commissioner’s review under this paragraph, that such an alteration would better provide the incentive and economies described in the preceding sentence.

“(B) NUMBER AND AMOUNTS OF MILESTONE PAYMENTS.—The Commissioner shall periodically review the number and amounts of milestone payments established by the Commissioner pursuant to this section to determine whether they provide an adequate incentive for employment networks to assist beneficiaries to enter the workforce, taking into account information provided to the Commissioner by program managers, the Work Incentives Advisory Panel established under section 201(f) of the Work Incentives Improvement Act of 1999, and other reliable sources. The Commissioner may from time to time alter the number and amounts of milestone payments initially established by the Commissioner pursuant to this section to the extent that the Commissioner determines that such an alteration would allow an adequate incentive for employment networks to assist beneficiaries to enter the workforce. Such alteration shall be based on information provided to the Commissioner by program managers, the Work Incentives Advisory Panel established under section 201(f) of the Work Incentives Improvement Act of 1999, or other reliable sources.

“(i) SUSPENSION OF DISABILITY REVIEWS.—During any period for which an individual is using, as defined by the Commissioner, a ticket to work and self-sufficiency issued under this section, the Commissioner (and any applicable State agency) may not initiate a continuing disability review or other review under section 221 of whether the individual is or is not under a disability or a review under title XVI similar to any such review under section 221.

“(j) ALLOCATION OF COSTS.—

“(1) PAYMENTS TO EMPLOYMENT NETWORKS.—Payments to employment networks (including

State agencies that elect to participate in the Program as an employment network) shall be made from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as appropriate, in the case of ticketed title II disability beneficiaries who return to work, or from the appropriation made available for making supplemental security income payments under title XVI, in the case of title XVI disability beneficiaries who return to work. With respect to ticketed beneficiaries who concurrently are entitled to benefits under title II and eligible for payments under title XVI who return to work, the Commissioner shall allocate the cost of payments to employment networks to which the tickets of such beneficiaries have been assigned among such Trust Funds and appropriation, as appropriate.

“(2) ADMINISTRATIVE EXPENSES.—The costs of administering this section (other than payments to employment networks) shall be paid from amounts made available for the administration of title II and amounts made available for the administration of title XVI, and shall be allocated among those amounts as appropriate.

“(k) DEFINITIONS.—In this section:

“(1) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of Social Security.

“(2) DISABLED BENEFICIARY.—The term ‘disabled beneficiary’ means a title II disability beneficiary or a title XVI disability beneficiary.

“(3) TITLE II DISABILITY BENEFICIARY.—The term ‘title II disability beneficiary’ means an individual entitled to disability insurance benefits under section 223 or to monthly insurance benefits under section 202 based on such individual’s disability (as defined in section 223(d)). An individual is a title II disability beneficiary for each month for which such individual is entitled to such benefits.

“(4) TITLE XVI DISABILITY BENEFICIARY.—The term ‘title XVI disability beneficiary’ means an individual eligible for supplemental security income benefits under title XVI on the basis of blindness (within the meaning of section 1614(a)(2)) or disability (within the meaning of section 1614(a)(3)). An individual is a title XVI disability beneficiary for each month for which such individual is eligible for such benefits.

“(5) SUPPLEMENTAL SECURITY INCOME BENEFIT UNDER TITLE XVI.—The term ‘supplemental security income benefit under title XVI’ means a cash benefit under section 1611 or 1619(a), and does not include a State supplementary payment, administered federally or otherwise.

“(1) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Commissioner shall prescribe such regulations as are necessary to carry out the provisions of this section.

“(m) REAUTHORIZATION OF PROGRAM.—

“(1) IN GENERAL.—The Program established under this section shall terminate on the date that is 5 years after the date that the Commissioner commences implementation of the Program.

“(2) ASSURANCE OF OUTCOME PAYMENT PERIOD.—Notwithstanding paragraph (1)—

“(A) any individual who has initiated a work plan in accordance with subsection (g) may use services provided under the Program in accordance with this section; and

“(B) any employment network that provides services to such an individual shall receive payments for such services, during the individual’s outcome payment period (as defined in paragraph (4)(B) of subsection (h), including any alteration of such period in accordance with paragraph (5) of that subsection).”

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO TITLE II.—

(A) Section 221(i) of the Social Security Act (42 U.S.C. 421(i)) is amended by adding at the end the following:

“(5) For suspension of reviews under this subsection in the case of an individual using a ticket to work and self-sufficiency, see section 1148(i).”

(B) Section 222(a) of the Social Security Act (42 U.S.C. 422(a)) is repealed.

(C) Section 222(b) of the Social Security Act (42 U.S.C. 422(b)) is repealed.

(D) Section 225(b)(1) of the Social Security Act (42 U.S.C. 425(b)(1)) is amended by striking “a program of vocational rehabilitation services” and inserting “a program consisting of the Ticket to Work and Self-Sufficiency Program under section 1148 or another program of vocational rehabilitation services, employment services, or other support services”.

(2) AMENDMENTS TO TITLE XVI.—

(A) Section 1615(a) of the Social Security Act (42 U.S.C. 1382d(a)) is amended to read as follows:

“SEC. 1615. (a) In the case of any blind or disabled individual who—

“(1) has not attained age 16, and

“(2) with respect to whom benefits are paid under this title,

the Commissioner of Social Security shall make provision for referral of such individual to the appropriate State agency administering the State program under title V.”

(B) Section 1615(c) of the Social Security Act (42 U.S.C. 1382d(c)) is repealed.

(C) Section 1631(a)(6)(A) of the Social Security Act (42 U.S.C. 1383(a)(6)(A)) is amended by striking “a program of vocational rehabilitation services” and inserting “a program consisting of the Ticket to Work and Self-Sufficiency Program under section 1148 or another program of vocational rehabilitation services, employment services, or other support services”.

(D) Section 1633(c) of the Social Security Act (42 U.S.C. 1383b(c)) is amended—

(i) by inserting “(1)” after “(c)”; and

(ii) by adding at the end the following:

“(2) For suspension of continuing disability reviews and other reviews under this title similar to reviews under section 221 in the case of an individual using a ticket to work and self-sufficiency, see section 1148(i).”

(c) EFFECTIVE DATE.—Subject to subsection (d), the amendments made by subsections (a) and (b) shall take effect with the first month following 1 year after the date of enactment of this Act.

(d) GRADUATED IMPLEMENTATION OF PROGRAM.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Commissioner of Social Security shall commence implementation of the amendments made by this section (other than paragraphs (1)(C) and (2)(B) of subsection (b)) in graduated phases at phase-in sites selected by the Commissioner. Such phase-in sites shall be selected so as to ensure, prior to full implementation of the Ticket to Work and Self-Sufficiency Program, the development and refinement of referral processes, payment systems, computer linkages, management information systems, and administrative processes necessary to provide for full implementation of such amendments. Subsection (c) shall apply with respect to paragraphs (1)(C) and (2)(B) of subsection (b) without regard to this subsection.

(2) REQUIREMENTS.—Implementation of the Program at each phase-in site shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration, so as to ensure that the most efficacious methods are determined and in place for full implementation of the Program on a timely basis.

(3) FULL IMPLEMENTATION.—The Commissioner shall ensure that the ability to provide tickets and services to individuals under the Program exists in every State as soon as practicable on or after the effective date specified in

subsection (c) but not later than 3 years after such date.

(4) ONGOING EVALUATION OF PROGRAM.—

(A) IN GENERAL.—The Commissioner shall design and conduct a series of evaluations to assess the cost-effectiveness of activities carried out under this section and the amendments made thereby, as well as the effects of this section and the amendments made thereby on work outcomes for beneficiaries receiving tickets to work and self-sufficiency under the Program.

(B) CONSULTATION.—The Commissioner shall design and carry out the series of evaluations after receiving relevant advice from experts in the fields of disability, vocational rehabilitation, and program evaluation and individuals using tickets to work and self-sufficiency under the Program and consulting with the Work Incentives Advisory Panel established under section 201(f), the Comptroller General of the United States, other agencies of the Federal Government, and private organizations with appropriate expertise.

(C) METHODOLOGY.—

(i) IMPLEMENTATION.—The Commissioner, in consultation with the Work Incentives Advisory Panel established under section 201(f), shall ensure that plans for evaluations and data collection methods under the Program are appropriately designed to obtain detailed employment information.

(ii) SPECIFIC MATTERS TO BE ADDRESSED.—Each such evaluation shall address (but is not limited to)—

(I) the annual cost (including net cost) of the Program and the annual cost (including net cost) that would have been incurred in the absence of the Program;

(II) the determinants of return to work, including the characteristics of beneficiaries in receipt of tickets under the Program;

(III) the types of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and to those who do not return to work;

(IV) the duration of employment services, vocational rehabilitation services, and other support services furnished to beneficiaries in receipt of tickets under the Program who return to work and the duration of such services furnished to those who do not return to work and the cost to employment networks of furnishing such services;

(V) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work after receiving tickets under the Program and those who return to work without receiving such tickets;

(VI) the characteristics of providers whose services are provided within an employment network under the Program;

(VII) the extent (if any) to which employment networks display a greater willingness to provide services to beneficiaries with a range of disabilities;

(VIII) the characteristics (including employment outcomes) of those beneficiaries who receive services under the outcome payment system and of those beneficiaries who receive services under the outcome-milestone payment system;

(IX) measures of satisfaction among beneficiaries in receipt of tickets under the Program; and

(X) reasons for (including comments solicited from beneficiaries regarding) their choice not to use their tickets or their inability to return to work despite the use of their tickets.

(D) PERIODIC EVALUATION REPORTS.—Following the close of the third and fifth fiscal years ending after the effective date under subsection (c), and prior to the close of the seventh fiscal year ending after such date, the Commis-

sioner shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the Commissioner's evaluation of the progress of activities conducted under the provisions of this section and the amendments made thereby. Each such report shall set forth the Commissioner's evaluation of the extent to which the Program has been successful and the Commissioner's conclusions on whether or how the Program should be modified. Each such report shall include such data, findings, materials, and recommendations as the Commissioner may consider appropriate.

(5) EXTENT OF STATE'S RIGHT OF FIRST REFUSAL IN ADVANCE OF FULL IMPLEMENTATION OF AMENDMENTS IN SUCH STATE.—

(A) IN GENERAL.—In the case of any State in which the amendments made by subsection (a) have not been fully implemented pursuant to this subsection, the Commissioner shall determine by regulation the extent to which—

(i) the requirement under section 222(a) of the Social Security Act for prompt referrals to a State agency, and

(ii) the authority of the Commissioner under section 222(d)(2) of the Social Security Act to provide vocational rehabilitation services in such State by agreement or contract with other public or private agencies, organizations, institutions, or individuals, shall apply in such State.

(B) EXISTING AGREEMENTS.—Nothing in subparagraph (A) or the amendments made by subsection (a) shall be construed to limit, impede, or otherwise affect any agreement entered into pursuant to section 222(d)(2) of the Social Security Act before the date of enactment of this Act with respect to services provided pursuant to such agreement to beneficiaries receiving services under such agreement as of such date, except with respect to services (if any) to be provided after 3 years after the effective date provided in subsection (c).

(e) SPECIFIC REGULATIONS REQUIRED.—

(1) IN GENERAL.—The Commissioner of Social Security shall prescribe such regulations as are necessary to implement the amendments made by this section.

(2) SPECIFIC MATTERS TO BE INCLUDED IN REGULATIONS.—The matters which shall be addressed in such regulations shall include—

(A) the form and manner in which tickets to work and self-sufficiency may be distributed to beneficiaries pursuant to section 1148(b)(1) of the Social Security Act;

(B) the format and wording of such tickets, which shall incorporate by reference any contractual terms governing service by employment networks under the Program;

(C) the form and manner in which State agencies may elect participation in the Ticket to Work and Self-Sufficiency Program (and revoke such an election) pursuant to section 1148(c)(1) of the Social Security Act and provision for periodic opportunities for exercising such elections (and revocations);

(D) the status of State agencies under section 1148(c)(1) at the time that State agencies exercise elections (and revocations) under that section;

(E) the terms of agreements to be entered into with program managers pursuant to section 1148(d) of the Social Security Act, including—

(i) the terms by which program managers are precluded from direct participation in the delivery of services pursuant to section 1148(d)(3) of the Social Security Act;

(ii) standards which must be met by quality assurance measures referred to in paragraph (6) of section 1148(d) and methods of recruitment of employment networks utilized pursuant to paragraph (2) of section 1148(e); and

(iii) the format under which dispute resolution will operate under section 1148(d)(7);

(F) the terms of agreements to be entered into with employment networks pursuant to section 1148(d)(4) of the Social Security Act, including—

(i) the manner in which service areas are specified pursuant to section 1148(f)(2)(A) of the Social Security Act;

(ii) the general selection criteria and the specific selection criteria which are applicable to employment networks under section 1148(f)(1)(C) of the Social Security Act in selecting service providers;

(iii) specific requirements relating to annual financial reporting by employment networks pursuant to section 1148(f)(3) of the Social Security Act; and

(iv) the national model to which periodic outcomes reporting by employment networks must conform under section 1148(f)(4) of the Social Security Act;

(G) standards which must be met by individual work plans pursuant to section 1148(g) of the Social Security Act;

(H) standards which must be met by payment systems required under section 1148(h) of the Social Security Act, including—

(i) the form and manner in which elections by employment networks of payment systems are to be exercised pursuant to section 1148(h)(1)(A);

(ii) the terms which must be met by an outcome payment system under section 1148(h)(2);

(iii) the terms which must be met by an outcome-milestone payment system under section 1148(h)(3);

(iv) any revision of the percentage specified in paragraph (2)(C) of section 1148(h) of the Social Security Act or the period of time specified in paragraph (4)(B) of such section 1148(h); and

(v) annual oversight procedures for such systems; and

(I) procedures for effective oversight of the Program by the Commissioner of Social Security, including periodic reviews and reporting requirements.

(f) WORK INCENTIVES ADVISORY PANEL.—

(1) ESTABLISHMENT.—There is established within the Social Security Administration a panel to be known as the "Work Incentives Advisory Panel" (in this subsection referred to as the "Panel").

(2) DUTIES OF PANEL.—It shall be the duty of the Panel to—

(A) advise the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of Education, and the Commissioner of Social Security on issues related to work incentives programs, planning, and assistance for individuals with disabilities, including work incentive provisions under titles II, XI, XVI, XVIII, and XIX of the Social Security Act (42 U.S.C. 401 et seq., 1301 et seq., 1381 et seq., 1395 et seq., 1396 et seq.); and

(B) with respect to the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act—

(i) advise the Commissioner of Social Security with respect to establishing phase-in sites for such Program and fully implementing the Program thereafter, the refinement of access of disabled beneficiaries to employment networks, payment systems, and management information systems, and advise the Commissioner whether such measures are being taken to the extent necessary to ensure the success of the Program;

(ii) advise the Commissioner regarding the most effective designs for research and demonstration projects associated with the Program or conducted pursuant to section 302;

(iii) advise the Commissioner on the development of performance measurements relating to quality assurance under section 1148(d)(6) of the Social Security Act; and

(iv) furnish progress reports on the Program to the Commissioner and each House of Congress.

## (3) MEMBERSHIP.—

(A) NUMBER AND APPOINTMENT.—The Panel shall be composed of 12 members appointed by the Commissioner of Social Security in consultation with the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate.

(B) REPRESENTATION.—All members appointed to the Panel shall have experience or expert knowledge in the fields of, or related to, work incentive programs, employment services, vocational rehabilitation services, health care services, and other support services for individuals with disabilities. At least 7 members of the Panel shall be individuals with disabilities or representatives of individuals with disabilities, except that, of those 7 members, at least 5 members shall be current or former title II disability beneficiaries or title XVI disability beneficiaries (as such terms are defined in section 1148(k) of the Social Security Act (as added by subsection (a)).

## (C) TERMS.—

(i) IN GENERAL.—Each member shall be appointed for a term of 4 years (or, if less, for the remaining life of the Panel), except as provided in clauses (ii) and (iii). The initial members shall be appointed not later than 90 days after the date of enactment of this Act.

(ii) TERMS OF INITIAL APPOINTEES.—As designated by the Commissioner at the time of appointment, of the members first appointed—

(I) 6 of the members appointed under subparagraph (A) shall be appointed for a term of 2 years; and

(II) 6 of the members appointed under subparagraph (A) shall be appointed for a term of 4 years.

(iii) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Panel shall be filled in the manner in which the original appointment was made.

(D) BASIC PAY.—Members shall each be paid at a rate, and in a manner, that is consistent with guidelines established under section 7 of the Federal Advisory Committee Act (5 U.S.C. App.).

(E) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(F) QUORUM.—Eight members of the Panel shall constitute a quorum but a lesser number may hold hearings.

(G) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Commissioner. The term of office of the Chairperson shall be 4 years.

(H) MEETINGS.—The Panel shall meet at least quarterly and at other times at the call of the Chairperson or a majority of its members.

(4) DIRECTOR AND STAFF OF PANEL; EXPERTS AND CONSULTANTS.—

(A) DIRECTOR.—The Panel shall have a Director who shall be appointed by the Commissioner and paid at a rate, and in a manner, that is consistent with guidelines established under section 7 of the Federal Advisory Committee Act (5 U.S.C. App.).

(B) STAFF.—Subject to rules prescribed by the Commissioner, the Director may appoint and fix the pay of additional personnel as the Director considers appropriate.

(C) EXPERTS AND CONSULTANTS.—Subject to rules prescribed by the Commissioner, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(D) STAFF OF FEDERAL AGENCIES.—Upon request of the Panel, the head of any Federal de-

partment or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Panel to assist it in carrying out its duties under this subsection.

## (5) POWERS OF PANEL.—

(A) HEARINGS AND SESSIONS.—The Panel may, for the purpose of carrying out its duties under this subsection, hold such hearings, sit and act at such times and places, and take such testimony and evidence as the Panel considers appropriate.

(B) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Panel may, if authorized by the Panel, take any action which the Panel is authorized to take by this subsection.

(C) MAILS.—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

## (6) REPORTS.—

(A) INTERIM REPORTS.—The Panel shall submit to the President and Congress interim reports at least annually.

(B) FINAL REPORT.—The Panel shall transmit a final report to the President and Congress not later than 8 years after the date of enactment of this Act. The final report shall contain a detailed statement of the findings and conclusions of the Panel, together with its recommendations for legislation and administrative actions which the Panel considers appropriate.

(7) TERMINATION.—The Panel shall terminate 30 days after the date of the submission of its final report under paragraph (6)(B).

(8) ALLOCATION OF COSTS.—The costs of carrying out this subsection shall be paid from amounts made available for the administration of title II of the Social Security Act (42 U.S.C. 401 et seq.) and amounts made available for the administration of title XVI of that Act (42 U.S.C. 1381 et seq.), and shall be allocated among those amounts as appropriate.

**Subtitle B—Elimination of Work Disincentives**  
**SEC. 211. WORK ACTIVITY STANDARD AS A BASIS FOR REVIEW OF AN INDIVIDUAL'S DISABLED STATUS.**

Section 221 of the Social Security Act (42 U.S.C. 421) is amended by adding at the end the following:

“(m)(1) In any case where an individual entitled to disability insurance benefits under section 223 or to monthly insurance benefits under section 202 based on such individual's disability (as defined in section 223(d)) has received such benefits for at least 24 months—

“(A) no continuing disability review conducted by the Commissioner may be scheduled for the individual solely as a result of the individual's work activity;

“(B) no work activity engaged in by the individual may be used as evidence that the individual is no longer disabled; and

“(C) no cessation of work activity by the individual may give rise to a presumption that the individual is unable to engage in work.

“(2) An individual to which paragraph (1) applies shall continue to be subject to—

“(A) continuing disability reviews on a regularly scheduled basis that is not triggered by work; and

“(B) termination of benefits under this title in the event that the individual has earnings that exceed the level of earnings established by the Commissioner to represent substantial gainful activity.”.

**SEC. 212. EXPEDITED REINSTATEMENT OF DISABILITY BENEFITS.**

(a) OASDI BENEFITS.—Section 223 of the Social Security Act (42 U.S.C. 423) is amended—

(1) by redesignating subsection (i) as subsection (j); and

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

“Reinstatement of Entitlement

“(i)(1)(A) Entitlement to benefits described in subparagraph (B)(i)(I) shall be reinstated in

any case where the Commissioner determines that an individual described in subparagraph (B) has filed a request for reinstatement meeting the requirements of paragraph (2)(A) during the period prescribed in subparagraph (C). Reinstatement of such entitlement shall be in accordance with the terms of this subsection.

“(B) An individual is described in this subparagraph if—

“(i) prior to the month in which the individual files a request for reinstatement—

“(I) the individual was entitled to benefits under this section or section 202 on the basis of disability pursuant to an application filed therefore; and

“(II) such entitlement terminated due to the performance of substantial gainful activity;

“(ii) the individual is under a disability and the physical or mental impairment that is the basis for the finding of disability is the same as (or related to) the physical or mental impairment that was the basis for the finding of disability that gave rise to the entitlement described in clause (i); and

“(iii) the individual's disability renders the individual unable to perform substantial gainful activity.

“(C)(i) Except as provided in clause (ii), the period prescribed in this subparagraph with respect to an individual is 60 consecutive months beginning with the month following the most recent month for which the individual was entitled to a benefit described in subparagraph (B)(i)(I) prior to the entitlement termination described in subparagraph (B)(i)(II).

“(ii) In the case of an individual who fails to file a reinstatement request within the period prescribed in clause (i), the Commissioner may extend the period if the Commissioner determines that the individual had good cause for the failure to do so file.

“(2)(A)(i) A request for reinstatement shall be filed in such form, and containing such information, as the Commissioner may prescribe.

“(ii) A request for reinstatement shall include express declarations by the individual that the individual meets the requirements specified in clauses (ii) and (iii) of paragraph (1)(B).

“(B) A request for reinstatement filed in accordance with subparagraph (A) may constitute an application for benefits in the case of any individual who the Commissioner determines is not entitled to reinstated benefits under this subsection.

“(3) In determining whether an individual meets the requirements of paragraph (1)(B)(ii), the provisions of subsection (f) shall apply.

“(4)(A)(i) Subject to clause (ii), entitlement to benefits reinstated under this subsection shall commence with the benefit payable for the month in which a request for reinstatement is filed.

“(ii) An individual whose entitlement to a benefit for any month would have been reinstated under this subsection had the individual filed a request for reinstatement before the end of such month shall be entitled to such benefit for such month if such request for reinstatement is filed before the end of the twelfth month immediately succeeding such month.

“(B)(i) Subject to clauses (ii) and (iii), the amount of the benefit payable for any month pursuant to the reinstatement of entitlement under this subsection shall be determined in accordance with the provisions of this title.

“(ii) For purposes of computing the primary insurance amount of an individual whose entitlement to benefits under this section is reinstated under this subsection, the date of onset of the individual's disability shall be the date of onset used in determining the individual's most recent period of disability arising in connection with such benefits payable on the basis of an application.

“(iii) Benefits under this section or section 202 payable for any month pursuant to a request for reinstatement filed in accordance with paragraph (2) shall be reduced by the amount of any provisional benefit paid to such individual for such month under paragraph (7).

“(C) No benefit shall be payable pursuant to an entitlement reinstated under this subsection to an individual for any month in which the individual engages in substantial gainful activity.

“(D) The entitlement of any individual that is reinstated under this subsection shall end with the benefits payable for the month preceding whichever of the following months is the earliest:

“(i) The month in which the individual dies.

“(ii) The month in which the individual attains retirement age.

“(iii) The third month following the month in which the individual's disability ceases.

“(5) Whenever an individual's entitlement to benefits under this section is reinstated under this subsection, entitlement to benefits payable on the basis of such individual's wages and self-employment income may be reinstated with respect to any person previously entitled to such benefits on the basis of an application if the Commissioner determines that such person satisfies all the requirements for entitlement to such benefits except requirements related to the filing of an application. The provisions of paragraph (4) shall apply to the reinstated entitlement of any such person to the same extent that they apply to the reinstated entitlement of such individual.

“(6) An individual to whom benefits are payable under this section or section 202 pursuant to a reinstatement of entitlement under this subsection for 24 months (whether or not consecutive) shall, with respect to benefits so payable after such twenty-fourth month, be deemed for purposes of paragraph (1)(B)(i)(I) and the determination, if appropriate, of the termination month in accordance with subsection (a)(1) of this section, or subsection (d)(1), (e)(1), or (f)(1) of section 202, to be entitled to such benefits on the basis of an application filed therefore.

“(7)(A) An individual described in paragraph (1)(B) who files a request for reinstatement in accordance with the provisions of paragraph (2)(A) shall be entitled to provisional benefits payable in accordance with this paragraph, unless the Commissioner determines that the individual does not meet the requirements of paragraph (1)(B)(i) or that the individual's declaration under paragraph (2)(A)(ii) is false. Any such determination by the Commissioner shall be final and not subject to review under subsection (b) or (g) of section 205.

“(B) The amount of a provisional benefit for a month shall equal the amount of the last monthly benefit payable to the individual under this title on the basis of an application increased by an amount equal to the amount, if any, by which such last monthly benefit would have been increased as a result of the operation of section 215(i).

“(C)(i) Provisional benefits shall begin with the month in which a request for reinstatement is filed in accordance with paragraph (2)(A).

“(ii) Provisional benefits shall end with the earliest of—

“(I) the month in which the Commissioner makes a determination regarding the individual's entitlement to reinstated benefits;

“(II) the fifth month following the month described in clause (i);

“(III) the month in which the individual performs substantial gainful activity; or

“(IV) the month in which the Commissioner determines that the individual does not meet the requirements of paragraph (1)(B)(i) or that the individual's declaration made in accordance with paragraph (2)(A)(ii) is false.

“(D) In any case in which the Commissioner determines that an individual is not entitled to reinstated benefits, any provisional benefits paid to the individual under this paragraph shall not be subject to recovery as an overpayment unless the Commissioner determines that the individual knew or should have known that the individual did not meet the requirements of paragraph (1)(B).”.

(b) SSI BENEFITS.—

(1) IN GENERAL.—Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended by adding at the end the following:

“Reinstatement of Eligibility on the Basis of Blindness or Disability

“(p)(1)(A) Eligibility for benefits under this title shall be reinstated in any case where the Commissioner determines that an individual described in subparagraph (B) has filed a request for reinstatement meeting the requirements of paragraph (2)(A) during the period prescribed in subparagraph (C). Reinstatement of eligibility shall be in accordance with the terms of this subsection.

“(B) An individual is described in this subparagraph if—

“(i) prior to the month in which the individual files a request for reinstatement—

“(I) the individual was eligible for benefits under this title on the basis of blindness or disability pursuant to an application filed therefore; and

“(II) the individual thereafter was ineligible for such benefits due to earned income (or earned and unearned income) for a period of 12 or more consecutive months;

“(ii) the individual is blind or disabled and the physical or mental impairment that is the basis for the finding of blindness or disability is the same as (or related to) the physical or mental impairment that was the basis for the finding of blindness or disability that gave rise to the eligibility described in clause (i);

“(iii) the individual's blindness or disability renders the individual unable to perform substantial gainful activity; and

“(iv) the individual satisfies the nonmedical requirements for eligibility for benefits under this title.

“(C)(i) Except as provided in clause (ii), the period prescribed in this subparagraph with respect to an individual is 60 consecutive months beginning with the month following the most recent month for which the individual was eligible for a benefit under this title (including section 1619) prior to the period of ineligibility described in subparagraph (B)(i)(II).

“(ii) In the case of an individual who fails to file a reinstatement request within the period prescribed in clause (i), the Commissioner may extend the period if the Commissioner determines that the individual had good cause for the failure to so file.

“(2)(A)(i) A request for reinstatement shall be filed in such form, and containing such information, as the Commissioner may prescribe.

“(ii) A request for reinstatement shall include express declarations by the individual that the individual meets the requirements specified in clauses (ii) through (iv) of paragraph (1)(B).

“(B) A request for reinstatement filed in accordance with subparagraph (A) may constitute an application for benefits in the case of any individual who the Commissioner determines is not eligible for reinstated benefits under this subsection.

“(3) In determining whether an individual meets the requirements of paragraph (1)(B)(ii), the provisions of section 1614(a)(4) shall apply.

“(4)(A) Eligibility for benefits reinstated under this subsection shall commence with the benefit payable for the month following the month in which a request for reinstatement is filed.

“(B)(i) Subject to clause (ii), the amount of the benefit payable for any month pursuant to the reinstatement of eligibility under this subsection shall be determined in accordance with the provisions of this title.

“(ii) The benefit under this title payable for any month pursuant to a request for reinstatement filed in accordance with paragraph (2) shall be reduced by the amount of any provisional benefit paid to such individual for such month under paragraph (7).

“(C) Except as otherwise provided in this subsection, eligibility for benefits under this title reinstated pursuant to a request filed under paragraph (2) shall be subject to the same terms and conditions as eligibility established pursuant to an application filed therefore.

“(5) Whenever an individual's eligibility for benefits under this title is reinstated under this subsection, eligibility for such benefits shall be reinstated with respect to the individual's spouse if such spouse was previously an eligible spouse of the individual under this title and the Commissioner determines that such spouse satisfies all the requirements for eligibility for such benefits except requirements related to the filing of an application. The provisions of paragraph (4) shall apply to the reinstated eligibility of the spouse to the same extent that they apply to the reinstated eligibility of such individual.

“(6) An individual to whom benefits are payable under this title pursuant to a reinstatement of eligibility under this subsection for twenty-four months (whether or not consecutive) shall, with respect to benefits so payable after such twenty-fourth month, be deemed for purposes of paragraph (1)(B)(i)(I) to be eligible for such benefits on the basis of an application filed therefore.

“(7)(A) An individual described in paragraph (1)(B) who files a request for reinstatement in accordance with the provisions of paragraph (2)(A) shall be eligible for provisional benefits payable in accordance with this paragraph, unless the Commissioner determines that the individual does not meet the requirements of paragraph (1)(B)(i) or that the individual's declaration under paragraph (2)(A)(ii) is false. Any such determination by the Commissioner shall be final and not subject to review under paragraph (1) or (3) of subsection (c).

“(B)(i) Except as otherwise provided in clause (ii), the amount of a provisional benefit for a month shall equal the amount of the monthly benefit that would be payable to an eligible individual under this title with the same kind and amount of income.

“(ii) If the individual has a spouse who was previously an eligible spouse of the individual under this title and the Commissioner determines that such spouse satisfies all the requirements of section 1614(b) except requirements related to the filing of an application, the amount of a provisional benefit for a month shall equal the amount of the month benefit that would be payable to an eligible individual and eligible spouse under this title with the same kind and amount of income.

“(C)(i) Provisional benefits shall begin with the month following the month in which a request for reinstatement is filed in accordance with paragraph (2)(A).

“(ii) Provisional benefits shall end with the earliest of—

“(I) the month in which the Commissioner makes a determination regarding the individual's eligibility for reinstated benefits;

“(II) the fifth month following the month for which provisional benefits are first payable under clause (i); or

“(III) the month in which the Commissioner determines that the individual does not meet the requirements of paragraph (1)(B)(i) or that the individual's declaration made in accordance with paragraph (2)(A)(ii) is false.

“(D) In any case in which the Commissioner determines that an individual is not eligible for reinstated benefits, any provisional benefits paid to the individual under this paragraph shall not be subject to recovery as an overpayment unless the Commissioner determines that the individual knew or should have known that the individual did not meet the requirements of paragraph (1)(B).

“(8) For purposes of this subsection other than paragraph (7), the term ‘benefits under this title’ includes State supplementary payments made pursuant to an agreement under section 1616(a) or section 212(b) of Public Law 93-66.”

(2) CONFORMING AMENDMENTS.—

(A) Section 1631(j)(1) of such Act (42 U.S.C. 1383(j)(1)) is amended by striking the period and inserting “, or has filed a request for reinstatement of eligibility under subsection (p)(2) and been determined to be eligible for reinstatement.”

(B) Section 1631(j)(2)(A)(i)(I) of such Act (42 U.S.C. 1383(j)(2)(A)(i)(I)) is amended by inserting “(other than pursuant to a request for reinstatement under subsection (p))” after “eligible”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the first day of the thirteenth month beginning after the date of enactment of this Act.

(2) LIMITATION.—No benefit shall be payable under title II or XVI of the Social Security Act on the basis of a request for reinstatement filed under section 223(i) or 1631(p) of such Act before the effective date described in paragraph (1).

**Subtitle C—Work Incentives Planning, Assistance, and Outreach**

**SEC. 221. WORK INCENTIVES OUTREACH PROGRAM.**

Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.), as amended by section 201, is amended by adding after section 1148 the following:

“WORK INCENTIVES OUTREACH PROGRAM

“SEC. 1149. (a) ESTABLISHMENT.—

“(1) IN GENERAL.—The Commissioner, in consultation with the Work Incentives Advisory Panel established under section 201(f) of the Work Incentives Improvement Act of 1999, shall establish a community-based work incentives planning and assistance program for the purpose of disseminating accurate information to disabled beneficiaries on work incentives programs and issues related to such programs.

“(2) GRANTS, COOPERATIVE AGREEMENTS, CONTRACTS, AND OUTREACH.—Under the program established under this section, the Commissioner shall—

“(A) establish a competitive program of grants, cooperative agreements, or contracts to provide benefits planning and assistance, including information on the availability of protection and advocacy services, to disabled beneficiaries, including individuals participating in the Ticket to Work and Self-Sufficiency Program established under section 1148, the program established under section 1619, and other programs that are designed to encourage disabled beneficiaries to work;

“(B) conduct directly, or through grants, cooperative agreements, or contracts, ongoing outreach efforts to disabled beneficiaries (and to the families of such beneficiaries) who are potentially eligible to participate in Federal or State work incentive programs that are designed to assist disabled beneficiaries to work, including—

“(i) preparing and disseminating information explaining such programs; and

“(ii) working in cooperation with other Federal, State, and private agencies and nonprofit organizations that serve disabled beneficiaries,

and with agencies and organizations that focus on vocational rehabilitation and work-related training and counseling;

“(C) establish a corps of trained, accessible, and responsive work incentives specialists within the Social Security Administration who will specialize in disability work incentives under titles II and XVI for the purpose of disseminating accurate information with respect to inquiries and issues relating to work incentives to—

“(i) disabled beneficiaries;

“(ii) benefit applicants under titles II and XVI; and

“(iii) individuals or entities awarded grants under subparagraphs (A) or (B); and

“(D) provide—

“(i) training for work incentives specialists and individuals providing planning assistance described in subparagraph (C); and

“(ii) technical assistance to organizations and entities that are designed to encourage disabled beneficiaries to return to work.

“(3) COORDINATION WITH OTHER PROGRAMS.—The responsibilities of the Commissioner established under this section shall be coordinated with other public and private programs that provide information and assistance regarding rehabilitation services and independent living supports and benefits planning for disabled beneficiaries including the program under section 1619, the plans for achieving self-support program (PASS), and any other Federal or State work incentives programs that are designed to assist disabled beneficiaries, including educational agencies that provide information and assistance regarding rehabilitation, school-to-work programs, transition services (as defined in, and provided in accordance with, the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.)), a one-stop delivery system established under subtitle B of title I of the Workforce Investment Act of 1998, and other services.

“(b) CONDITIONS.—

“(1) SELECTION OF ENTITIES.—

“(A) APPLICATION.—An entity shall submit an application for a grant, cooperative agreement, or contract to provide benefits planning and assistance to the Commissioner at such time, in such manner, and containing such information as the Commissioner may determine is necessary to meet the requirements of this section.

“(B) STATEWIDENESS.—The Commissioner shall ensure that the planning, assistance, and information described in paragraph (2) shall be available on a statewide basis.

“(C) ELIGIBILITY OF STATES AND PRIVATE ORGANIZATIONS.—

“(i) IN GENERAL.—The Commissioner may award a grant, cooperative agreement, or contract under this section to a State or a private agency or organization (other than Social Security Administration Field Offices and the State agency administering the State medicaid program under title XIX, including any agency or entity described in clause (ii)), that the Commissioner determines is qualified to provide the planning, assistance, and information described in paragraph (2)).

“(ii) AGENCIES AND ENTITIES DESCRIBED.—The agencies and entities described in this clause are the following:

“(1) Any public or private agency or organization (including Centers for Independent Living established under title VII of the Rehabilitation Act of 1973, protection and advocacy organizations, client assistance programs established in accordance with section 112 of the Rehabilitation Act of 1973, and State Developmental Disabilities Councils established in accordance with section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024)) that the Commissioner determines satisfies the requirements of this section.

“(II) The State agency administering the State program funded under part A of title IV.

“(D) EXCLUSION FOR CONFLICT OF INTEREST.—The Commissioner may not award a grant, cooperative agreement, or contract under this section to any entity that the Commissioner determines would have a conflict of interest if the entity were to receive a grant, cooperative agreement, or contract under this section.

“(2) SERVICES PROVIDED.—A recipient of a grant, cooperative agreement, or contract to provide benefits planning and assistance shall select individuals who will act as planners and provide information, guidance, and planning to disabled beneficiaries on the—

“(A) availability and interrelation of any Federal or State work incentives programs designed to assist disabled beneficiaries that the individual may be eligible to participate in;

“(B) adequacy of any health benefits coverage that may be offered by an employer of the individual and the extent to which other health benefits coverage may be available to the individual; and

“(C) availability of protection and advocacy services for disabled beneficiaries and how to access such services.

“(3) AMOUNT OF GRANTS, COOPERATIVE AGREEMENTS, OR CONTRACTS.—

“(A) BASED ON POPULATION OF DISABLED BENEFICIARIES.—Subject to subparagraph (B), the Commissioner shall award a grant, cooperative agreement, or contract under this section to an entity based on the percentage of the population of the State where the entity is located who are disabled beneficiaries.

“(B) LIMITATIONS.—

“(i) PER GRANT.—No entity shall receive a grant, cooperative agreement, or contract under this section for a fiscal year that is less than \$50,000 or more than \$300,000.

“(ii) TOTAL AMOUNT FOR ALL GRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS.—The total amount of all grants, cooperative agreements, and contracts awarded under this section for a fiscal year may not exceed \$23,000,000.

“(4) ALLOCATION OF COSTS.—The costs of carrying out this section shall be paid from amounts made available for the administration of title II and amounts made available for the administration of title XVI, and shall be allocated among those amounts as appropriate.

“(c) DEFINITIONS.—In this section:

“(1) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of Social Security.

“(2) DISABLED BENEFICIARY.—The term ‘disabled beneficiary’ has the meaning given that term in section 1148(k)(2).”

**SEC. 222. STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO DISABLED BENEFICIARIES.**

Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.), as amended by section 221, is amended by adding after section 1149 the following:

“STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO DISABLED BENEFICIARIES

“SEC. 1150. (a) IN GENERAL.—Subject to subsection (c), the Commissioner may make payments in each State to the protection and advocacy system established pursuant to part C of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) for the purpose of providing services to disabled beneficiaries.

“(b) SERVICES PROVIDED.—Services provided to disabled beneficiaries pursuant to a payment made under this section may include—

“(1) information and advice about obtaining vocational rehabilitation and employment services; and

“(2) advocacy or other services that a disabled beneficiary may need to secure or regain gainful employment.

“(c) APPLICATION.—In order to receive payments under this section, a protection and advocacy system shall submit an application to the Commissioner, at such time, in such form and manner, and accompanied by such information and assurances as the Commissioner may require.

“(d) AMOUNT OF PAYMENTS.—

“(1) IN GENERAL.—Subject to the amount appropriated for a fiscal year for making payments under this section, a protection and advocacy system shall not be paid an amount that is less than—

“(A) in the case of a protection and advocacy system located in a State (including the District of Columbia and Puerto Rico) other than Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, the greater of—

“(i) \$100,000; or

“(ii) 1/3 of 1 percent of the amount available for payments under this section; and

“(B) in the case of a protection and advocacy system located in Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, \$50,000.

“(2) INFLATION ADJUSTMENT.—For each fiscal year in which the total amount appropriated to carry out this section exceeds the total amount appropriated to carry out this section in the preceding fiscal year, the Commissioner shall increase each minimum payment under subparagraphs (A) and (B) of paragraph (1) by a percentage equal to the percentage increase in the total amount appropriated to carry out this section between the preceding fiscal year and the fiscal year involved.

“(e) ANNUAL REPORT.—Each protection and advocacy system that receives a payment under this section shall submit an annual report to the Commissioner and the Work Incentives Advisory Panel established under section 201(f) of the Work Incentives Improvement Act of 1999 on the services provided to individuals by the system.

“(f) FUNDING.—

“(1) ALLOCATION OF PAYMENTS.—

“(A) IN GENERAL.—Subject to subparagraph (B), payments under this section shall be made from amounts made available for the administration of title II and amounts made available for the administration of title XVI, and shall be allocated among those amounts as appropriate.

“(B) LIMITATION.—Payments under this section shall not exceed \$7,000,000 for fiscal year 2000, and such sums as may be necessary for any fiscal year thereafter.

“(2) CARRYOVER.—Any amounts allotted for payment to a protection and advocacy system under this section for a fiscal year shall remain available for payment to or on behalf of the protection and advocacy system until the end of the succeeding fiscal year.

“(g) DEFINITIONS.—In this section:

“(1) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of Social Security.

“(2) DISABLED BENEFICIARY.—The term ‘disabled beneficiary’ has the meaning given that term in section 1148(k)(2).

“(3) PROTECTION AND ADVOCACY SYSTEM.—The term ‘protection and advocacy system’ means a protection and advocacy system established pursuant to part C of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.).”

### TITLE III—DEMONSTRATION PROJECTS AND STUDIES

#### SEC. 301. PERMANENT EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) PERMANENT EXTENSION OF AUTHORITY.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended by adding at the end the following:

#### “DEMONSTRATION PROJECT AUTHORITY

“SEC. 234. (a) AUTHORITY.—

“(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the ‘Commissioner’) shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of—

“(A) various alternative methods of treating the work activity of individuals entitled to disability insurance benefits under section 223 or to monthly insurance benefits under section 202 based on such individual’s disability (as defined in section 223(d)), including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of such individuals;

“(B) altering other limitations and conditions applicable to such individuals (including lengthening the trial work period (as defined in section 222(c)), altering the 24-month waiting period for hospital insurance benefits under section 226, altering the manner in which the program under this title is administered, earlier referral of such individuals for rehabilitation, and greater use of employers and others to develop, perform, and otherwise stimulate new forms of rehabilitation); and

“(C) implementing sliding scale benefit offsets using variations in—

“(i) the amount of the offset as a proportion of earned income;

“(ii) the duration of the offset period; and

“(iii) the method of determining the amount of income earned by such individuals,

to the end that savings will accrue to the Trust Funds, or to otherwise promote the objectives or facilitate the administration of this title.

“(2) AUTHORITY FOR EXPANSION OF SCOPE.—The Commissioner may expand the scope of any such experiment or demonstration project to include any group of applicants for benefits under the program established under this title with impairments that reasonably may be presumed to be disabling for purposes of such demonstration project, and may limit any such demonstration project to any such group of applicants, subject to the terms of such demonstration project which shall define the extent of any such presumption.

“(b) REQUIREMENTS.—The experiments and demonstration projects developed under subsection (a) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program under this title without committing such program to the adoption of any particular system either locally or nationally.

“(c) AUTHORITY TO WAIVE COMPLIANCE WITH BENEFITS REQUIREMENTS.—In the case of any experiment or demonstration project conducted under subsection (a), the Commissioner may waive compliance with the benefit requirements of this title, and the Secretary may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII, insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such re-

ports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

“(d) REPORTS.—

“(1) INTERIM REPORTS.—On or before June 9 of each year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials that the Commissioner may consider appropriate.

“(2) FINAL REPORTS.—Not later than 90 days after the termination of any experiment or demonstration project carried out under this section, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a final report with respect to that experiment and demonstration project.”

(b) CONFORMING AMENDMENTS; TRANSFER OF PRIOR AUTHORITY.—

(1) CONFORMING AMENDMENTS.—

(A) REPEAL OF PRIOR AUTHORITY.—Paragraphs (1) through (4) of subsection (a) and subsection (c) of section 505 of the Social Security Disability Amendments of 1980 (42 U.S.C. 1310 note) are repealed.

(B) CONFORMING AMENDMENT REGARDING FUNDING.—Section 201(k) of the Social Security Act (42 U.S.C. 401(k)) is amended by striking “section 505(a) of the Social Security Disability Amendments of 1980” and inserting “section 234”.

(2) TRANSFER OF PRIOR AUTHORITY.—With respect to any experiment or demonstration project being conducted under section 505(a) of the Social Security Disability Amendments of 1980 (42 U.S.C. 1310 note) as of the date of enactment of this Act, the authority to conduct such experiment or demonstration project (including the terms and conditions applicable to the experiment or demonstration project) shall be treated as if that authority (and such terms and conditions) had been established under section 234 of the Social Security Act, as added by subsection (a).

#### SEC. 302. DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS.

(a) AUTHORITY.—The Commissioner of Social Security shall conduct demonstration projects for the purpose of evaluating, through the collection of data, a program for title II disability beneficiaries (as defined in section 1148(k)(3) of the Social Security Act) under which each \$1 of benefits payable under section 223, or under section 202 based on the beneficiary’s disability, is reduced for each \$2 of such beneficiary’s earnings that is above a level to be determined by the Commissioner. Such projects shall be conducted at a number of localities which the Commissioner shall determine is sufficient to adequately evaluate the appropriateness of national implementation of such a program. Such projects shall identify reductions in Federal expenditures that may result from the permanent implementation of such a program.

(b) SCOPE AND SCALE AND MATTERS TO BE DETERMINED.—

(1) IN GENERAL.—The demonstration projects developed under subsection (a) shall be of sufficient duration, shall be of sufficient scope, and shall be carried out on a wide enough scale to permit a thorough evaluation of the project to determine—

(A) the effects, if any, of induced entry into the project and reduced exit from the project;

(B) the extent, if any, to which the project being tested is affected by whether it is in operation in a locality within an area under the administration of the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act; and

(C) the savings that accrue to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and other Federal programs under the project being tested.

The Commissioner shall take into account advice provided by the Work Incentives Advisory Panel pursuant to section 201(f)(2)(B)(ii).

(2) ADDITIONAL MATTERS.—The Commissioner shall also determine with respect to each project—

(A) the annual cost (including net cost) of the project and the annual cost (including net cost) that would have been incurred in the absence of the project;

(B) the determinants of return to work, including the characteristics of the beneficiaries who participate in the project; and

(C) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work as a result of participation in the project.

The Commissioner may include within the matters evaluated under the project the merits of trial work periods and periods of extended eligibility.

(c) WAIVERS.—The Commissioner may waive compliance with the benefit provisions of title II of the Social Security Act, and the Secretary of Health and Human Services may waive compliance with the benefit requirements of title XVIII of that Act, insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

(d) INTERIM REPORTS.—Not later than 2 years after the date of enactment of this Act, and annually thereafter, the Commissioner of Social Security shall submit to Congress an interim report on the progress of the demonstration projects carried out under this subsection together with any related data and materials that the Commissioner of Social Security may consider appropriate.

(e) FINAL REPORT.—The Commissioner of Social Security shall submit to Congress a final report with respect to all demonstration projects carried out under this section not later than 1 year after their completion.

(f) EXPENDITURES.—Expenditures made for demonstration projects under this section shall be made from the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, to the extent provided in advance in appropriation Acts.

#### SEC. 303. STUDIES AND REPORTS.

(a) STUDY BY GENERAL ACCOUNTING OFFICE OF EXISTING DISABILITY-RELATED EMPLOYMENT INCENTIVES.—

(1) STUDY.—As soon as practicable after the date of enactment of this Act, the Comptroller General of the United States shall undertake a study to assess existing tax credits and other disability-related employment incentives under the Americans with Disabilities Act of 1990 and

other Federal laws. In such study, the Comptroller General shall specifically address the extent to which such credits and other incentives would encourage employers to hire and retain individuals with disabilities.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate.

(b) STUDY BY GENERAL ACCOUNTING OFFICE OF EXISTING COORDINATION OF THE DI AND SSI PROGRAMS AS THEY RELATE TO INDIVIDUALS ENTERING OR LEAVING CONCURRENT ENTITLEMENT.—

(1) STUDY.—As soon as practicable after the date of enactment of this Act, the Comptroller General of the United States shall undertake a study to evaluate the coordination under current law of the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of that Act, as such programs relate to individuals entering or leaving concurrent entitlement under such programs. In such study, the Comptroller General shall specifically address the effectiveness of work incentives under such programs with respect to such individuals and the effectiveness of coverage of such individuals under titles XVIII and XIX of the Social Security Act.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate.

(c) STUDY BY GENERAL ACCOUNTING OFFICE OF THE IMPACT OF THE SUBSTANTIAL GAINFUL ACTIVITY LIMIT ON RETURN TO WORK.—

(1) STUDY.—As soon as practicable after the date of enactment of this Act, the Comptroller General of the United States shall undertake a study of the substantial gainful activity level applicable as of that date to recipients of benefits under section 223 of the Social Security Act (42 U.S.C. 423) and under section 202 of that Act (42 U.S.C. 402) on the basis of a recipient having a disability, and the effect of such level as a disincentive for those recipients to return to work. In the study, the Comptroller General also shall address the merits of increasing the substantial gainful activity level applicable to such recipients of benefits and the rationale for not yearly indexing that level to inflation.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate.

(d) REPORT ON DISREGARDS UNDER THE DI AND SSI PROGRAMS.—Not later than 90 days after the date of enactment of this Act, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that—

(1) identifies all income, assets, and resource disregards (imposed under statutory or regulatory authority) that are applicable to individuals receiving benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.);

(2) with respect to each such disregard—

(A) specifies the most recent statutory or regulatory modification of the disregard; and

(B) recommends whether further statutory or regulatory modification of the disregard would be appropriate; and

(3) with respect to the disregard described in section 1612(b)(7) of the Social Security Act (42 U.S.C. 1382a(b)(7)) (relating to grants, scholarships, or fellowships received for use in paying the cost of tuition and fees at any educational (including technical or vocational education) institution)—

(A) identifies the number of individuals receiving benefits under title XVI of such Act (42 U.S.C. 1381 et seq.) who have attained age 22 and have not had any portion of any grant, scholarship, or fellowship received for use in paying the cost of tuition and fees at any educational (including technical or vocational education) institution excluded from their income in accordance with that section;

(B) recommends whether the age at which such grants, scholarships, or fellowships are excluded from income for purposes of determining eligibility under title XVI of the Social Security Act should be increased to age 25; and

(C) recommends whether such disregard should be expanded to include any such grant, scholarship, or fellowship received for use in paying the cost of room and board at any such institution.

#### TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

##### SEC. 401. TECHNICAL AMENDMENTS RELATING TO DRUG ADDICTS AND ALCOHOLICS.

(a) CLARIFICATION RELATING TO THE EFFECTIVE DATE OF THE DENIAL OF SOCIAL SECURITY DISABILITY BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.—Section 105(a)(5) of the Contract with America Advancement Act of 1996 (Public Law 104-121; 110 Stat. 853) is amended—

(1) in subparagraph (A), by striking “by the Commissioner of Social Security” and “by the Commissioner”; and

(2) by adding at the end the following:

“(D) For purposes of this paragraph, an individual's claim, with respect to benefits under title II of the Social Security Act based on disability, which has been denied in whole before the date of enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

“(i) there is pending a request for either administrative or judicial review with respect to such claim, or

“(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

“(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner of Social Security does not perform the entitlement redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such entitlement redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual's entitlement is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 223(f) of the Social Security Act shall not apply to such redetermination.”

(b) CORRECTION TO EFFECTIVE DATE OF PROVISIONS CONCERNING REPRESENTATIVE PAYEES AND TREATMENT REFERRALS OF SOCIAL SECURITY BENEFICIARIES WHO ARE DRUG ADDICTS

AND ALCOHOLICS.—Section 105(a)(5)(B) of the Contract with America Advancement Act of 1996 (42 U.S.C. 405 note) is amended to read as follows:

“(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

“(i) whose claim for benefits is finally adjudicated on or after the date of enactment of this Act; or

“(ii) whose entitlement to benefits is based on an entitlement redetermination made pursuant to subparagraph (C).”

(c) EFFECTIVE DATES.—The amendments made by this section shall take effect as if included in the enactment of section 105 of the Contract with America Advancement Act of 1996 (Public Law 104–121; 110 Stat. 852 et seq.).

#### SEC. 402. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF TITLE II BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 202(x)(3) of the Social Security Act (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting “(A)” after “(3)”; and

(B) by adding at the end the following:

“(B)(i) The Commissioner shall enter into an agreement under this subparagraph with any interested State or local institution comprising a jail, prison, penal institution, or correctional facility, or comprising any other institution a purpose of which is to confine individuals as described in paragraph (1)(A)(ii). Under such agreement—

“(I) the institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, Social Security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

“(II) the Commissioner shall pay to the institution, with respect to information described in subclause (I) concerning each individual who is confined therein as described in paragraph (1)(A), who receives a benefit under this title for the month preceding the first month of such confinement, and whose benefit under this title is determined by the Commissioner to be not payable by reason of confinement based on the information provided by the institution, \$400 (subject to reduction under clause (ii)) if the institution furnishes the information to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or \$200 (subject to reduction under clause (ii)) if the institution furnishes the information after 30 days after such date but within 90 days after such date.

“(ii) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 1611(e)(1)(I).

“(iii) There is authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to enable the Commissioner to make payments to institutions required by clause (i)(II).

“(iv) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any agency administering a Federal or federally assisted cash, food, or medical assistance program for eligibility purposes.”

(2) CONFORMING AMENDMENT TO THE PRIVACY ACT.—Section 552a(a)(8)(B) of title 5, United States Code, is amended—

(A) in clause (vi), by striking “or” at the end; (B) in clause (vii), by adding “or” at the end; and

(C) by adding at the end the following:

“(viii) matches performed pursuant to section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act (42 U.S.C. 402(x)(3)(B), 1382(e)(1)(I));”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(b) ELIMINATION OF TITLE II REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) of the Social Security Act (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking “during” and inserting “throughout”; (B) in clause (i), by striking “an offense punishable by imprisonment for more than 1 year (regardless of the actual sentence imposed)” and inserting “a criminal offense”; and

(C) in clause (ii)(I), by striking “an offense punishable by imprisonment for more than 1 year” and inserting “a criminal offense”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(c) CONFORMING TITLE XVI AMENDMENTS.—

(1) FIFTY PERCENT REDUCTION IN TITLE XVI PAYMENT IN CASE INVOLVING COMPARABLE TITLE II PAYMENT.—Section 1611(e)(1)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)) is amended—

(A) in clause (i)(II), by inserting “(subject to reduction under clause (ii))” after “\$400” and after “\$200”; (B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(C) by inserting after clause (i) the following:

“(ii) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 202(x)(3)(B).”

(2) EXPANSION OF CATEGORIES OF INSTITUTIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH THE COMMISSIONER.—Section 1611(e)(1)(I)(i) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)) is amended in the matter preceding subclause (I) by striking “institution” and all that follows through “section 202(x)(1)(A),” and inserting “institution comprising a jail, prison, penal institution, or correctional facility, or with any other interested State or local institution a purpose of which is to confine individuals as described in section 202(x)(1)(A)(ii).”

(3) ELIMINATION OF OVERLY BROAD EXEMPTION.—Section 1611(e)(1)(I)(iii) of such Act (42 U.S.C. 1382(e)(1)(I)(iii)) (as redesignated by paragraph (1)(B)), is amended by striking “(I) The provisions” and all that follows through “(II).”

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 203(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2186). The reference to section 202(x)(1)(A)(ii) of the Social Security Act in section 1611(e)(1)(I)(i) of the Social Security Act as amended by paragraph (2) shall be deemed a reference to such section 202(x)(1)(A)(ii) as amended by subsection (b)(1)(C).

(d) CONTINUED DENIAL OF BENEFITS TO SEX OFFENDERS REMAINING CONFINED TO PUBLIC IN-

STITUTIONS UPON COMPLETION OF PRISON TERM.—

(1) IN GENERAL.—Section 202(x)(1)(A) of the Social Security Act (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in clause (i), by striking “or” at the end; (B) in clause (ii)(IV), by striking the period and inserting “, or”; and

(C) by adding at the end the following:

“(iii) immediately upon completion of confinement as described in clause (i) pursuant to conviction of a criminal offense an element of which is sexual activity, is confined by court order in an institution at public expense pursuant to a finding that the individual is a sexually dangerous person or a sexual predator or a similar finding.”

(2) CONFORMING AMENDMENT.—Section 202(x)(1)(B)(ii) of the Social Security Act (42 U.S.C. 402(x)(1)(B)(ii)) is amended by striking “clause (ii)” and inserting “clauses (ii) and (iii).”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to benefits for months ending after the date of enactment of this Act.

#### SEC. 403. REVOCATION BY MEMBERS OF THE CLERGY OF EXEMPTION FROM SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Notwithstanding section 1402(e)(4) of the Internal Revenue Code of 1986, any exemption which has been received under section 1402(e)(1) of such Code by a duly ordained, commissioned, or licensed minister of a church, a member of a religious order, or a Christian Science practitioner, and which is effective for the taxable year in which this Act is enacted, may be revoked by filing an application therefore (in such form and manner, and with such official, as may be prescribed by the Commissioner of the Internal Revenue Service), if such application is filed no later than the due date of the Federal income tax return (including any extension thereof) for the applicant's second taxable year beginning after December 31, 1999. Any such revocation shall be effective (for purposes of chapter 2 of the Internal Revenue Code of 1986 and title II of the Social Security Act), as specified in the application, either with respect to the applicant's first taxable year beginning after December 31, 1999, or with respect to the applicant's second taxable year beginning after such date, and for all succeeding taxable years; and the applicant for any such revocation may not thereafter again file application for an exemption under such section 1402(e)(1). If the application is filed after the due date of the applicant's Federal income tax return for a taxable year and is effective with respect to that taxable year, it shall include or be accompanied by payment in full of an amount equal to the total of the taxes that would have been imposed by section 1401 of the Internal Revenue Code of 1986 with respect to all of the applicant's income derived in that taxable year which would have constituted net earnings from self-employment for purposes of chapter 2 of such Code (notwithstanding paragraph (4) or (5) of section 1402(c) of such Code) except for the exemption under section 1402(e)(1) of such Code.

(b) EFFECTIVE DATE.—Subsection (a) shall apply with respect to service performed (to the extent specified in such subsection) in taxable years beginning after December 31, 1999, and with respect to monthly insurance benefits payable under title II of the Social Security Act on the basis of the wages and self-employment income of any individual for months in or after the calendar year in which such individual's application for revocation (as described in such subsection) is effective (and lump-sum death payments payable under such title on the basis of such wages and self-employment income in the case of deaths occurring in or after such calendar year).

**SEC. 404. ADDITIONAL TECHNICAL AMENDMENT RELATING TO COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS UNDER TITLES II AND XVI.**

(a) *IN GENERAL.*—Section 1110(a)(3) of the Social Security Act (42 U.S.C. 1310(a)(3)) is amended by striking “title XVI” and inserting “title II or XVI”.

(b) *EFFECTIVE DATE.*—The amendment made by subsection (a) shall take effect as if included in the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1464).

**SEC. 405. AUTHORIZATION FOR STATE TO PERMIT ANNUAL WAGE REPORTS.**

(a) *IN GENERAL.*—Section 1137(a)(3) of the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is amended by inserting before the semicolon the following: “, and except that in the case of wage reports with respect to domestic service employment, a State may permit employers (as so defined) that make returns with respect to such employment on a calendar year basis pursuant to section 3510 of the Internal Revenue Code of 1986 to make such reports on an annual basis”.

(b) *TECHNICAL AMENDMENTS.*—Section 1137(a)(3) of the Social Security Act (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by striking “(as defined in section 453A(a)(2)(B)(iii))”; and

(2) by inserting “(as defined in section 453A(a)(2)(B))” after “employers”.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to wage reports required to be submitted on and after the date of enactment of this Act.

**TITLE V—REVENUE**

**SEC. 501. MODIFICATION TO FOREIGN TAX CREDIT CARRYBACK AND CARRYOVER PERIODS.**

(a) *IN GENERAL.*—Section 904(c) of the Internal Revenue Code of 1986 (relating to limitation on credit) is amended—

(1) by striking “in the second preceding taxable year,” and

(2) by striking “or fifth” and inserting “fifth, sixth, or seventh”.

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall apply to credits arising in taxable years beginning after December 31, 2001.

**SEC. 502. LIMITATION ON USE OF NON-ACCRUAL EXPERIENCE METHOD OF ACCOUNTING.**

(a) *IN GENERAL.*—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES”.

(b) *EFFECTIVE DATE.*—

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

(2) *CHANGE IN METHOD OF ACCOUNTING.*—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer.

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

**SEC. 503. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.**

(a) *IN GENERAL.*—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous

provisions) is amended by adding at the end the following new section:

**“SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.**

“(a) *GENERAL RULE.*—The Secretary shall establish a program requiring the payment of user fees for—

“(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

“(2) other similar requests.

“(b) *PROGRAM CRITERIA.*—

“(1) *IN GENERAL.*—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) *EXEMPTIONS, ETC.*—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(3) *AVERAGE FEE REQUIREMENT.*—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

Category	Average Fee
Employee plan ruling and opinion .....	\$250
Exempt organization ruling .....	\$350
Employee plan determination .....	\$300
Exempt organization determination ...	\$275
Chief counsel ruling .....	\$200.

“(c) *TERMINATION.*—No fee shall be imposed under this section with respect to requests made after September 30, 2006.”

(b) *CONFORMING AMENDMENTS.*—

(1) The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 7527. Internal Revenue Service user fees.”

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

AMENDMENT NO. 671

(Purpose: To provide a complete substitute) The PRESIDING OFFICER. The clerk will report the Roth amendment. The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 671.

(The text of the amendment is printed in today’s RECORD under “Amendments Submitted.”):

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 671) was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes equally divided in the usual form.

Who yields time?

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I said yesterday, “The time has come.” And, now finally it has. I said yesterday, “Our friends with disabilities have waited patiently.” I say today, They are more than patient. They are saints with tolerance for congressional schedules. Everyone here—everyone in the White House, everyone in the other

body, and because of e-mail, everyone in the country—knows I am referring to our pending consideration of landmark legislation, S. 331, the Work Incentives Improvement Act of 1999.

When I came to Congress in January 1975, one of my legislative priorities was providing access to the American dream for people with disabilities.

Well, today, after 3 long years, endless hours of discussion and drafting, and redrafting, we are about to remove the biggest remaining barrier to the American dream for individuals with disabilities—access to health care if they work. What we are about to do was long in coming. It is so important.

During the process that got us to this point, I have learned a great deal. I suspect the same holds true for the 77 other cosponsors of this bill. People with disabilities want to work, and will work, if given access to health care. This bill does just that—it gives workers with disabilities access to appropriate health care—health care that is not readily available or affordable from the private sector.

People with disabilities want to work, and will work, if given access to job training and job placement assistance. This bill does just that—it gives individuals with disabilities training and help securing a job.

The work Incentives Improvement Act empowers people with disabilities to control the quality of their lives, to pay State and Federal taxes, to return the investment that society has made in them, and most of all, the bill empowers them so they can go to work.

I thank my bipartisan original cosponsors Senators KENNEDY, ROTH, and MOYNIHAN who, with me, created a sound piece of legislation to address this real problem for millions of Americans with disabilities. Their commitment represents the best of what the Senate can accomplish when sound policy is placed above partisanship and beyond who gets credit.

I also thank the additional, original 35 cosponsors of this bill and the subsequent 42 cosponsors who represent a total of over three quarters of this body, perhaps a Senate record on health care legislation.

Over the last two weeks the majority leader has been the driving force that urged us to work out policy differences that were delaying floor consideration. We did so through good faith efforts that broadened support for the bill and reduced its overall modest cost.

In particular, I want to recognize Senators NICKLES, BUNNING and GRAMM for their willingness to reach consensus with us on policy without compromising the integrity of the legislation, thus, allowing S. 331 to move forward.

I especially give a heartfelt thanks to people with disabilities who worked with us, trusted us to do the right thing. With their support, encouragement, and energy we have done the right thing.

Yesterday the President asked us to give him a bill by July 4th, or at least July 26th, the 9th anniversary of the Americans With Disabilities Act. We can. We should, with 100 votes.

I reserve the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, how much time does each side have?

The PRESIDING OFFICER. The Senator from Vermont has 6 minutes 6 seconds remaining. The Senator from Massachusetts has 10 minutes.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

Mr. President, today, we will pass landmark legislation to open the workplace doors for disabled people in communities across this country. At long last, once this measure is enacted into law, large numbers of people with disabilities will have the opportunity to fulfill their hopes and dreams of living independent and productive lives.

A decade ago, when we enacted the Americans With Disabilities Act, we promised our disabled fellow citizens a new and better life in which disability would no longer end the American dream. Too often, for too many Americans, that promise has been unfulfilled. The Work Incentives Improvement Act will dramatically strengthen the fulfillment of that promise.

We know that millions of disabled men and women in this country want to work and are able to work. But they are denied the opportunity to do so, and the nation is denied their talents and their contributions to our communities.

Current laws are an anachronism. Modern medicine and modern technology are making it easier than ever before for disabled persons to have productive lives and careers. Yet current laws are often a greater obstacle to that goal than the disability itself. It's ridiculous that we punish disabled persons who dare to take a job by penalizing them financially, by taking away their health insurance lifeline, and by placing these unfair obstacles in their path.

The Work Incentives Improvement Act removes these unfair barriers to work that face so many Americans with disabilities:

It makes health insurance available and affordable when a disabled person goes to work, or develops a significant disability while working.

It gives people with disabilities greater access to the services they need to become successfully employed.

It phases out the loss of cash benefits as income rises, instead of the unfair sudden cut-off that workers with disabilities face today.

It places work incentive planners in communities, rather than in bureaucracies, to help workers with disabilities

learn how to obtain the employment services and support they need.

Eliminating these barriers to work will help large numbers of disabled Americans to achieve self-sufficiency. We are a better and stronger and fairer country when we open the golden door of opportunity to all Americans, and enable them to be equal partners in the American dream. For millions of Americans with disabilities, this bill is a declaration of independence that can make the American dream come true.

We must banish the patronizing mind-set that disabled people are unable. In fact, they have enormous talent, and America cannot afford to waste an ounce of it.

Today's action is dedicated to the 54 million disabled American men and women who want to work and are able to work, but who face unfair penalties under current law if they take jobs and go to work. It is dedicated to the 12 million children and their families who will now have the chance to dream of a future of work and prosperity, and not government handouts.

Our goal is to remove the unconscionable barriers they face, and free up the enterprise, creativity, and contribution of these Americans. Now, when we say "equal opportunity for all," it will be clear that we mean all.

No one in America should lose their medical coverage, which can mean the difference between life and death—if they go to work. No one in this country should have to choose between buying a decent meal and buying the medication they need.

The Work Incentives Improvement Act will remove these unfair barriers and continue to make health insurance available and affordable to people with disabilities.

Many leaders in communities throughout the country have worked long and hard and well to help us reach this milestone. They are consumers, family members, citizens, and advocates. They see every day that our current job programs are failing people with disabilities; and forcing them and their families into poverty.

We have worked together for many months to develop effective ways to right these wrongs. To all of those who have done so much, I say thank you for helping us to reach this long-awaited day. This bill truly represents legislation of the people, by the people and for the people.

Nearly a year ago, President Clinton signed an executive order to increase employment and health care coverage for people with disabilities. Today, with strong bipartisan support, the Senate is demonstrating its commitment to our fellow disabled citizens.

I especially commend Senator JEFFORDS, Senator ROTH, and Senator MOYNIHAN for their indispensable leadership on this landmark legislation. I also commend the many Senate staff

members whose skilled assistance contributed so much to this achievement—Jennifer Baxendale and Alec Vachon of Senator ROTH's staff, Kristin Testa and John Resnick of Senator MOYNIHAN's staff, Chris Crowley, Jim Downing, and Pat Morrissey of Senator JEFFORDS' staff, and Michael Myers and Connie Garner of my own staff.

For far too long, disabled Americans have been left out and left behind. Today, we are taking long overdue action to correct the injustice they have unfairly suffered.

Mr. JEFFORDS. Mr. President, I see Senator ROTH is on the floor. I control the time. I yield to him 5 minutes.

The PRESIDING OFFICER. The distinguished Senator from Delaware is recognized for 5 minutes.

Mr. ROTH. Mr. President, this is an important day for millions of Americans with disabilities—a day that presents the Senate with an opportunity to build on the legacy of the Americans With Disabilities Act. Today, we have a chance to help disabled Americans move toward independence.

Despite the success of the Americans With Disabilities Act, there are still serious obstacles facing too many people with disabilities—obstacles that stand in the way of employment.

Senators JEFFORDS, MOYNIHAN, KENNEDY, and I want to change that. Accordingly, in January we introduced S. 331, the Work Incentives Improvement Act of 1999.

This legislation has a simple objective—to help people with disabilities go to work if they want to go to work, without fear of losing their health insurance lifeline.

S. 331 has been one of my top priorities this year, and support for the bill has been widespread. Mr. President, a total of 78 Senators now sponsor S. 331. Let me say that again—78 Senators have signed on to S. 331. That would be a remarkable total for any bill, let alone a health care proposal.

S. 331 is necessary because the unemployment rate among working-age adults with severe disabilities is nearly 75 percent. Many of these individuals want to work. S. 331 will allow disabled individuals to work without losing access to health insurance coverage.

Mr. President, we can no longer afford to deny millions of talented Americans the opportunity to contribute in the work force.

More than 300 national groups agree that it is time to act, including organizations representing veterans, people with disabilities, health care providers, and insurers.

This bill is about helping disabled Americans work—if that is what they want to do. It's about helping people reach their potential. It is not about big government—it's about getting government out of the way of individual commitment and creativity.

And this bill isn't about a distinct and separate group of disabled individuals. It is about all of us. Realistically,

we are all just one tragedy away from confronting disability in our own families.

Unfortunately, we cannot prevent all disabilities. But we can prevent making disabled individuals choose between health care and employment. Today, we can take a step toward making that goal a reality.

Before we vote, I would be remiss if I did not thank Senator JEFFORDS and Senator KENNEDY for their longstanding commitment to this important legislation. In addition, my particular thanks go to Senator MOYNIHAN for all of his assistance in moving the bill through the Finance Committee.

As I close, I would like to ask all my colleagues to join with me in voting for S. 331. By passing the Work Incentives Improvement Act today, we can help unleash the creativity and enthusiasm of millions of Americans with disabilities ready and eager to work.

Mr. President, I ask for the yeas and nays on S. 331.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, will the Senator add me as a cosponsor?

Mr. ROTH. Yes.

Mr. MOYNIHAN. Mr. President, our revered chairman of the Finance Committee has been characteristically generous in thanking the associates who have joined him in this matter.

I will take just a moment—I know he would wish me to do so—to call attention to the fact that it is our former colleague, our beloved former colleague, Bob Dole, who first proposed this matter. It was 1986. He introduced the Employment Opportunities for Disabled Americans Act to allow supplementary security income beneficiaries to continue to receive Medicaid when they return to work.

As the chairman of our committee said, this has enabled people to go to work who are disabled but not unwilling.

In a hearing before our committee on this bill, Senator Dole said:

This is about people going to work. It is about dignity and opportunity and all the things we talk about when we talk about being an American.

I think this accounts, sir, for the overwhelming support in this body.

With that thought, and again my thanks to the chairman, I yield the floor.

I have a snippet of time that Senator KENNEDY may wish to use.

The PRESIDING OFFICER. The Senator has 1 minute 43 seconds.

Mr. KENNEDY. Mr. President, I thank all of our colleagues for the program and for their support.

Yesterday when the President was here, he indicated he would like to have this legislation on his desk by the Fourth of July. This really is a dec-

laration of independence for the disabled. He mentioned if we were not able to meet that time limit, we ought to do it the 26th of July which will be the ninth anniversary for the Americans With Disabilities Act.

I think either date will be entirely appropriate for the celebration in this country of the Fourth of July. I can't think of a better Fourth of July for millions of our fellow Americans than the successful signing into law of this legislation.

I yield back the remainder of my time.

The PRESIDING OFFICER. The distinguished Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I thank the Senator from New York for bringing up the role that former Senator Bob Dole played in this whole process. It was his leadership and his constant reminder to me of the need to continue to go forward that I took on that role and now feel so good that tomorrow we are at the point of succeeding.

I thank the disability community. I have never seen such an effort as that provided by those in the disability community of this country to make sure we did not forget our role and our goal.

I also thank Pat Morrisey of my staff who has been an incredible workhorse on this matter. She has done a tremendous job in keeping me on the right track.

This is the final great step in assuring that the disabled community of our country has reached the goal from which they have been precluded by the mobility to get health care—to be fully reentered into life.

I yield back the remainder of my time.

The PRESIDING OFFICER. The committee substitute, as amended, is agreed to.

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

Mr. ROTH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent for 5 minutes to speak on the bill that is pending, given the role that I played in reaching this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I think some explanation is due of how we came to be where we are and the circumstances under which this bill is being considered.

When the bill was reported from the Finance Committee, it was funded by changing the Tax Code in a way that would have produced additional revenues—by conventional definition, that would be a tax increase.

I felt at a time where we find it virtually impossible to control discretionary spending, at a time where in the same day—as was the case yesterday—we vote to secure in a lockbox the surplus that is coming from Social Security and then an hour later we vote to break the lockbox open and spend \$270 million of Social Security money to subsidize loans to the steel industry, it was a very bad precedent to set at this point in this legislative session where we are coming closer and closer to blowing the top out of discretionary spending in the Federal Government to create a brand new entitlement, no matter how meritorious, and do it by raising taxes.

As a result, we had a series of objections to efforts to bring this bill to a vote. Many of those efforts were in the waning hours of various periods of the session before we adjourned for recesses. I have insisted on one fundamental thing which is now embodied in the unanimous-consent request that we have used to bring this bill to the floor; that is, that it be paid for, and that it be paid for by cutting another entitlement program; that it not be paid for by raising taxes.

Now, I have no objection to the bill itself. In fact, I congratulate Senator JEFFORDS. I congratulate the distinguished chairman of the Finance Committee, Senator ROTH. I congratulate the ranking member, Senator MOYNIHAN, not only for putting together a good bill but being willing to go back and refine that bill to deal with legitimate concerns that were raised, and produce a situation where I assume this bill will pass unanimously.

My objection has never been to the bill itself because the policy embodied in the legislation itself is meritorious. The problem is, there are many meritorious proposals that can be made. At a time when we cannot seem to control discretionary spending, if we start in our first new entitlement program of this session to fund it by raising taxes, I think we create a precedent that could be very harmful to the economy and could ultimately drive up interest rates and threaten the recovery.

So, what we have done is ensure that there is no tax increase or any revenue measure in this bill. We have a unanimous-consent agreement that this bill cannot come back to the Senate in this or any other bill unless it is paid for by cutting another entitlement program. So the one thing we can be guaranteed is, in meeting the goals of this meritorious bill, what we are going to be required to do is do what families would have to do if they came up with a good thing to spend money on, and that is

we have to go back and find another entitlement that is less meritorious, and we are going to have to find money from one of those other entitlements to fund this bill. I think that is the right way to do it.

I thank my colleagues for their patience. I know the bill is supported by a lot of people, and they should, because these are people with disabilities who are trying to work.

It has not been easy to stand in the way of this bill. I thought the cause was an important one. I am very happy with the final product. I urge my colleagues to vote for the bill. I assume it will get 100 votes, and I think we are doing it the right way.

I yield the floor.

Mr. HATCH. Mr. President, I commend Senators JEFFORDS, ROTH, KENNEDY, and MOYNIHAN for going the extra mile to work out the provisions of this legislation. I am sure it was not easy; dealing with Medicaid and SSDI never is.

As a veteran of many negotiations and collaborations with on disability issues, I see this legislation as a fine example of progressive policy that does not also beget more bureaucracy and irresponsible spending. I do not believe that improving life for those with disabilities and maintaining fiscal responsibility have to be mutually exclusive goals if we take the time to do it right.

That is why I appreciated the modifications made in this bill prior to its reintroduction early this spring. I know my colleagues on the Finance Committee and my former colleagues on the Health and Education Committee worked very hard to accomplish this goal, and I think that, by and large, they have succeeded. They can be proud to have produced a bill with such solid bipartisan support. I might mention that Pat Morrissey of Senator JEFFORDS' staff was particularly responsive to my earlier questions and concerns.

I would also like to acknowledge the helpful input I received from my own Utah Advisory Committee on Disability Policy. While this measure was particularly important to a number of the committee's individual members, I want to note for the record that the entire committee endorsed it and urged my support for the bill. I am pleased to be able to demonstrate that support today with an "aye" vote.

Mr. GRASSLEY. Mr. President, I rise today in support of legislation sponsored by Senators JEFFORDS, KENNEDY, ROTH and MOYNIHAN. I commend my colleagues for their dedication to improving the way federal programs serve persons with disabilities. Continuing my support for this effort from last Congress, I became an original co-sponsor this year of S. 331, the Work Incentives Improvement Act of 1999.

This bill addresses one of the great tragedies of our disability system. The

tragedy is forcing many people with disabilities to choose between working and maintaining access to health care. The intent of our system was never to demoralize Americans who are ready, willing and able to work. It is critical that we overturn today's policies of disincentives toward work and replace them with thoughtful, targeted incentives that will enable many individuals with disabilities to return to work.

By removing barriers to necessary health care, the Work Incentives Improvement Act gives the disabled population the green light to join the work force. It is smart public policy that will help alleviate the tight labor market, increase the tax base for the Social Security trust fund and address employer concerns. Many employers are wary of adding a high-cost employee to their company's insurance pool.

Most of all, this bill is the right thing to do. By providing disabled workers a better opportunity to earn a living, this bill reinforces our nation's strong work ethic. Earning one's own way in the world helps foster personal responsibility and self-esteem.

Over the years I have heard from Iowans who have been forced to leave the work force because of a disability. More than 40,000 Iowans receive federal disability benefits, but fewer than 20 percent of these Iowans hold a job. Most are discouraged from seeking employment because of the fear of losing critical health benefits covered by Medicare and Medicaid.

For example, Tim Clancy of Iowa City has his Bachelor of Arts from the University of Iowa. He is an active individual and participates in a number of city and county government activities. Tim lives with cerebral palsy and relies on personal assistants for morning and evening help. Recently, he became employed by Target in Coralville, Iowa, but does not have health insurance through his employer. After he completes his trial work period and extended period of eligibility, he will lose his health insurance. The Work Incentives Act would allow Tim—and many others—to continue receiving the same health coverage as he has now.

I look forward to the passage of this legislation. It will unlock the doors to employment for thousands of invaluable citizens.

Mr. BIDEN. Mr. President, I am delighted that the Senate has agreed to pass S. 331, the Work Incentives Improvement Act of 1999, and I am proud to be a cosponsor of this important legislation.

This bill helps maintain the autonomy and self-worth of some of our most vulnerable citizens, the disabled, by removing barriers that prevent them from returning to work. Disabled citizens in Delaware and elsewhere almost uniformly state that their most important goal is to return to work, not only

for the income but for the need to be productive. However, because our laws currently put many obstacles in the way of disabled individuals who want to return to work, they often discover that they are better off financially and medically if they remain unemployed.

The Work Incentives Improvement Act helps tear down some of these perverse provisions of law that block the disabled from achieving their goal of becoming productive, taxpaying citizens. First, and probably most important to the disabled, this bill helps them maintain appropriate health insurance through extensions and expansions of the Medicare and Medicaid programs. Most employer-sponsored insurance does not provide the specific types of coverage that the disabled need to enable them to return to work.

Second, the Work Incentives Improvement Act helps the disabled obtain appropriate employment and vocational rehabilitation services through the Ticket To Work and Self-Sufficiency program, which extends access to such services provided by the private sector.

Finally, this bill continues the demonstration project that allows the disabled who return to work to keep a portion of their cash payments as their work income increases; currently, the abrupt loss of these payments when income reaches a specific threshold has been a severe disincentive for the disabled to return to work.

Mr. President, I am honored to be a cosponsor of this important legislation that helps restore the disabled citizens of Delaware and throughout the United States to their rightful places as equal participants in our society, and I applaud its passage by the Senate.

Mr. MACK. Mr. President, I rise today to speak on behalf of the Work Incentives Improvement Act of 1999. This bill was introduced by Senator JEFFORDS and co-sponsored by 77 members. The primary purpose of this legislation is to expand the availability of health care coverage under the Social Security Act for working individuals with disabilities. This bill establishes a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to make available meaningful work opportunities for the disabled.

Some months ago, in Florida, I met a woman who does not have the use of her arms. This woman is an accomplished artist who uses her feet to create beautiful works of art. She spoke with me about the difficulty she has had over the years obtaining health insurance for routine medical care and asked me to support this bill. It is with her in mind and the many other talented, hard-working disabled Americans that I support this act which will make it possible for them to obtain health coverage and lead productive working lives.

This bill allows states to offer Medicaid coverage to workers with disabilities beyond what is currently available to them under the Balanced Budget Act of 1997. It creates two new optional eligibility categories and allows states to offer buy-ins for the working disabled so that they can maintain health care coverage, work, and have as much independence as their disability allows. One option permits states to offer a Medicaid buy-in to people with disabilities who work and have an earned income above 250% of poverty with specified levels for assets, resources and unearned income set by the state in which they reside. This is important to many of the disabled who have income or assets that exceed the current level and have an earned income that has exceeded \$500 per month during the past year. The state can and should impose a sliding scale of cost-sharing of the premium, up to 100% of the premium, based on the income of the individual. This will allow many of the disabled who simply cannot get health insurance because they have income or assets above a certain level, to obtain health coverage. With the passage of this legislation, a person with disabilities who may be an artist, computer programmer or run a telephone answering service can now be successful at work and have no fear of being unable to obtain health coverage.

The second option allows states that elect to participate in the first option to also cover people who have a severe impairment but can lose eligibility for Supplemental Security Income or Social Security Disability Insurance because of medical improvement. In certain cases, the only reason a person improves is because they receive medical treatment. This bill prevents a person from losing their health care coverage when their health improves due to medical treatment. The state can allow this type of person to buy into the state Medicaid program at a premium set by the state. This is a blessing to persons with disabling conditions which are amenable to treatment such as rheumatoid arthritis, Crohn's disease, depression, or sickle cell anemia. It allows people who can work to work and receive treatment for what may be a chronic disease and have no fear of losing their health coverage.

An additional benefit of this bill provides for the continuation of Medicare coverage for working individuals with disabilities. An extended period of eligibility will allow people who receive Social Security Disability Insurance (SSDI) to continue to receive Part A Medicare coverage without payment for up to six years after returning to work. At present, disabled people may receive Medicare coverage for nine months followed by 36 months of extended eligibility but after that, they have to pay the Part A premium in full. Often, people returning to work

following a period of coverage by SSDI, work part time so they are ineligible for health insurance or they cannot obtain insurance through their employer or from the private market. This bill would permit them to receive Part A coverage and have coverage they could not otherwise obtain.

I join with my colleagues in support of this legislation to help the disabled help themselves.

Mr. DODD. Mr. President, I rise today to lend my strong support to important legislation that will enable millions of individuals with disabilities to achieve greater independence and financial security. The Work Incentives Improvement Act of 1999 offers Americans with disabilities the opportunity to achieve greater independence and financial security without the threat of losing the important protections provided by health insurance coverage.

Mr. President, currently more than 75 percent of all individuals with disabilities are unemployed. Further, less than one-half of one percent of the 7.5 million persons receiving federal disability payments go to work each year. Yet a 1999 Harris Survey determined that 74 percent of Americans with disabilities want to work. However, many individuals with disabilities who work face the significant loss of their health insurance coverage as they surpass certain earning limits. This loss of health coverage often presents an understandable deterrent to employment for many individuals with disabilities. While the great majority of Americans with disabilities would like to work, few can afford to lose the protection provided by their health insurance coverage. Forcing individuals with disabilities to choose between work and health insurance coverage presents a difficult choice no one should be forced to make.

S. 331 would provide incentives for persons with disabilities to return to work without losing their access to health insurance. This legislation removes barriers for disabled individuals seeking to find meaningful employment by allowing this vulnerable segment of our population to retain health insurance coverage. By removing the disincentive to work that the loss of health insurance presents to individuals with disabilities, S. 331 opens the door to greater freedom and increased earning for millions of Americans.

Mr. President, I am extremely heartened by the strong support the Work Incentives Improvement Act of 1999 has received. In support of this important legislation are the Consortium for Citizens with Disabilities, the ARC, Easter Seals, the National Alliance for the Mentally Ill, the Paralyzed Veterans of America, the United Cerebral Palsy Association, and the National Education Association. Additionally, more than three-fourths of the Members of the United States Senate presently cosponsor S. 331.

Finally, Mr. President, I would like to commend Senators JEFFORDS, KENNEDY, ROTH, and MOYNIHAN for the important role they each played in developing the Work Incentives Improvement Act of 1999. Through their tireless efforts, S. 331 will greatly expand the opportunities afforded individuals with disabilities as they enter the workforce and I look forward to its enactment.

Mr. BAYH. Mr. President today I rise as a co-sponsor of the Work Incentives Improvement Act, a bipartisan bill that removes the disincentives currently hindering those people with disabilities who wish to enter the workforce. We all owe our thanks to Senators MOYNIHAN, ROTH, and KENNEDY for their leadership on this bill.

When people want to work the federal government should not stand in their way. When people want to be productive members of our society, tax-paying citizens, the federal government should not stand in their way. Currently, 72% of Americans with disabilities want to work. However, nearly 75% of persons with disabilities are unemployed. We are sending the wrong message right now. The current set of rules make it more economically beneficial for someone with a disability to stay at home than to enter the workforce. There needs to be a transition period put in place to assist those with disabilities before we expect them to become financially independent. We do this with other programs and it is about time we apply such logic to this sector of our community. By passing this bill, if only 1% of the currently disabled Americans become fully employed, the federal savings in disability benefits would total \$3.5 billion over the lifetime of the beneficiaries. Once again, investing in people creates a great rate of return.

In Indiana there are 348,000 people between the ages of 16 and 64 who have a disability. I have heard numerous stories from Hoosiers with disabilities who want to work and are able to work. They have told me how work will mean more than a paycheck for them. It is an opportunity for them to be a productive and contributing member of the community, work towards self-sufficiency, and most importantly, to have a sense of pride in being needed.

Let me tell you about Bob Neal, an employee of the Indianapolis Police Department. He is 42 years old and doesn't want to give up his job even though it would be much easier for him financially if he did. Bob has muscular dystrophy. When asked why he is still working he said "I just figure if I stay home I'll get fatter than I am and get lazy and die earlier. I look forward to working. You gotta have a little pride somewhere. That is why I stay here, because of these people, I could go back to Illinois and never work again, but these people, they know me here."

Bob's story displays the problem with the current predicament in which most people with disabilities find themselves. This bill will address situations similar to that of Bob Neal. It will provide access to health coverage and provide employment assistance while creating incentives to work. It is important to allow Medicare coverage for people with disabilities while they are working so their health can continue to improve. It is no surprise this bill has such overwhelming support from both sides of the aisle.

Today, I will vote in support of this bill with pride for those who take advantage of this newly created opportunity. I urge my colleagues to vote in support of this bill and send the message that people with disabilities will no longer need to choose between working and remaining healthy.

#### MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2000

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on S. 1205, which the clerk will read a third time.

The bill was read the third time.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN) is necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. HARKIN) would vote "aye."

The PRESIDING OFFICER (Mr. HUTCHINSON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 168 Leg.]

#### YEAS—97

Abraham	Campbell	Feinstein
Akaka	Chafee	Fitzgerald
Allard	Cleland	Frist
Ashcroft	Cochran	Gorton
Baucus	Collins	Graham
Bayh	Conrad	Gramm
Bennett	Coverdell	Grams
Biden	Craig	Grassley
Bingaman	Crapo	Gregg
Bond	Daschle	Hagel
Boxer	DeWine	Hatch
Breaux	Dodd	Helms
Brownback	Domenici	Hollings
Bryan	Dorgan	Hutchinson
Bunning	Durbin	Hutchison
Burns	Edwards	Inhofe
Byrd	Enzi	Inouye

Jeffords	McConnell	Shelby
Johnson	Mikulski	Smith (NH)
Kennedy	Moynihan	Smith (OR)
Kerrey	Murkowski	Snowe
Kerry	Murray	Specter
Kohl	Nickles	Stevens
Kyl	Reed	Thomas
Landrieu	Reid	Thompson
Lautenberg	Robb	Thurmond
Leahy	Roberts	Torricelli
Levin	Rockefeller	Voinovich
Lieberman	Roth	Warner
Lincoln	Santorum	Wellstone
Lott	Sarbanes	Wyden
Lugar	Schumer	
Mack	Sessions	

#### NAYS—2

Feingold

McCain

#### NOT VOTING—1

Harkin

The bill (S. 1205) was passed, as follows:

#### S. 1205

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for military construction, family housing, and base realignment and closure functions administered by the Department of Defense, for the fiscal year ending September 30, 2000, and for other purposes, namely:

#### MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, \$1,067,422,000, to remain available until September 30, 2004: *Provided*, That of this amount, not to exceed \$86,414 shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

#### MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, \$884,883,000, to remain available until September 30, 2004: *Provided*, That of this amount, not to exceed \$66,581,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

#### MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, \$783,710,000, to remain available until September 30, 2004: *Provided*, That of this amount, not to exceed

\$32,764,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

#### MILITARY CONSTRUCTION, DEFENSE-WIDE (INCLUDING TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, \$770,690,000, to remain available until September 30, 2004: *Provided*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed \$38,664,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

#### MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$226,734,000, to remain available until September 30, 2004.

#### MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$238,545,000, to remain available until September 30, 2004.

#### MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$105,817,000, to remain available until September 30, 2004.

#### MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$31,475,000, to remain available until September 30, 2004.

#### MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts,