PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. Bonilla). Will the gentlewoman from West Virginia (Mrs. Capito) come forward and lead the House in the Pledge of Allegiance?

Mrs. CAPITO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

Mr. Speaker, the Presbyterian faith is better because of his choice. Upon graduating Princeton, William took an associate pastorate at First Presbyterian Church in Hendersonville, North Carolina. After a successful campaign in the mountains of North Carolina, William received a call from Memorial Presbyterian Church in Montgomery, Alabama, to be its head minister.

Memorial Presbyterian Church is a church with a place in the history of the civil rights movement of the last half of the 20th century. Opening shortly after World War II, in the middle of the 1950s, it was the first church in Montgomery to desegregate by offering open seating to members of both races. During the last half of decades, Memorial has seen many changes, some causing divisions within the church family. In fact, when Reverend Vanderbloemen took over Memorial in 1998, they were meeting in a local YMCA, and 150 members in attendance was a good Sunday. Since 1998, membership has tripled and Memorial Presbyterian opened the first building on its new location on the east side of Montgomery. William founded the InStep Ministries, a series of syndicated radio spots aired daily and on secular stations; and one of the radio pieces prevented a suicide and that person is now a member of Memorial Presbyterian.

William serves on the board of the Presbyterian Coalition, a national gathering of leaders within the Presbyterian Church U.S.A., as well as the Ministerial Board of Advisors to the Reformed Theological Seminary. He and his wife, Melissa, have three children, Matthew who is here with us today, as are Mary and Sarah Catharine.

Mr. Speaker, I know all my colleagues join me in welcoming Reverend Vanderbloemen and thanking him for offering this morning’s prayer.

COMMUNITY SOLUTIONS ACT OF 2003

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 196 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 196

Resolved, That upon the adoption of this resolution it shall be in order, without intervention of any point of order, to consider in the House the bill (H.R. 7) to provide incentives for charitable contributions by individuals and organizations, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to finance their security by building assets. The bill shall be considered as read for amendment. In lieu of the amendments recommended by the Committees on Ways and Means and the Judiciary now printed in the bill, the amendment in the nature of a substitute printed in the Congres-

CONGRESSIONAL RECORD—HOUSE 13759

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one 1-minute speech prior to the beginning of legislatively business today.

THE REVEREND WILLIAM VANDERBLOEMEN

(Mr. Burr of North Carolina. Mr. Speaker, today I rise to welcome the Reverend William Vanderbloemen to the House Chamber. I have known William’s family since my football-playing days at Wake Forest, and it is a pleasure to have such a fine young man here to lead us in prayer as we begin this day’s work.

William is a native of Lenoir, North Carolina, and attended Wake Forest University and graduated in 1992 with a degree in history. He then attended seminary at Princeton where he received his Masters in Divinity in 1995, with the goal of becoming a professor or scholarly author; but as his studies intensified, it became clear to him that he would call the pulpit his home.

Mr. Speaker, the Presbyterian faith is better because of his choice. Upon graduating Princeton, William took an associate pastorate at First Presbyterian Church in Hendersonville, North Carolina. After a successful campaign in the mountains of North Carolina, William received a call from Memorial Presbyterian Church in Montgomery, Alabama, to be its head minister.

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Mr. Speaker, I know all my colleagues join me in welcoming Reverend Vanderbloemen and thanking him for offering this morning’s prayer.

CONGRESSIONAL RECORD—HOUSE

The result of the vote was announced as above recorded.
Mr. Speaker, I reserve the balance of my time.

Mr. Hall of Ohio. Mr. Speaker, I want to thank the gentlewoman from Ohio (Ms. Pryce) for yielding me the time, and I yield myself such time as I may consume.

This is what they call a modified closed rule that will allow for consideration of H.R. 7, the Community Solutions Act of 2001, which supports the President's faith-based initiative. As my colleague has described, this rule permits a Democratic substitute and a motion to recommit. This is similar to other rules for tax-related bills.

When the gentlewoman from Oklahoma (Mr. Watts) and the White House asked if I would be interested in sponsoring this faith-based initiative, I did not hesitate. It was not much of a stretch for me. As we have said, a no-brainer. I did not have to think too long or hard about it because I have had a lot of experience with faith-based programs and people of faith. I admire them and what they do.

I am involved with this issue because I am determined to see an end to hunger in America.

My experience with faith-based programs in my hometown of Dayton, Ohio, in Appalachia, here in the District of Columbia and in other countries has shown me that people who work in the field are not just dedicated, they are inspired. They feel called by their faith to make a difference. One of the values of that calling is that it brings new perspectives and encourages creativity and ingenuity.

Over the July 4th recess, I traveled to East Timor and Indonesia and visited poverty alleviation projects. I toured squallid neighborhoods in Jakarta where hundreds of thousands of people lived in dumps and in conditions not fit for humans. As I visited these projects where repugnant smells were everywhere and hunger and sickness were rampant, I asked the workers why they did this work that they did. I knew what they were going to say to me, because when I ask this question, whether I am in Indonesia; Dayton, Ohio; or rural Appalachia, wherever I go, they tell me what motivates them is their faith. I ask them if they tell people about their faith. They say, “We don’t have to.” "We don’t have to proselytize or force a sermon on them," they answer. “Our faith speaks for itself. We love the people. They respond to our love. And they respond to our programs. They recognize our faith by the work that we do without us forcing it down their throats.”

This bill specifically prohibits Federal funds from being used for sectarian purposes. We need to include everybody in this fight if we ever hope to win the battle against poverty. That
Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), a member of the Committee on the Judiciary.

Mr. GEKAS. Mr. Speaker, I rise in support of the bill that is before us and for the debate that follows.

At first I had been considering appearing before the Committee on Rules to try to make in order some kind of amendment that would prevent courts and other fringe groups or groups that would gather together and form for the purpose of trying to take advantage of the new programs, new spending programs, that would be accorded by this legislation. Since then, in reviewing the legislation and in conferences with other Members and with other individuals outside the Congress, I am convinced that a so-called cult cannot succeed in applying or qualifying for one of these programs.

Why? It is a certainty that these programs are going to be based on the experience and track records mostly of existing faith-based organizations, rather than doing the kind of work we contemplate for years. So we have a foundation upon which these programs can be based.

In conversations with the gentleman from Wisconsin (Mr. GREEN), who did an extensive study of these very same questions, he further satisfied me that my worries about cults being eligible for these programs is not founded on reality.

So, I have no need, did have no need, have no need now, to try to add provisions to this to guard specifically against the dangerous cult, as I view it.

Mr. Speaker, I am satisfied that the rule will allow for a full debate that will encompass all the purposes of the legislation, without indulging in allowing loopholes for fringe groups to enter the process.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, this rule is terribly unfair. The gentleman from Ohio said, well, this is how we treat tax bills. But this is hardly a tax bill. There is a very small piece of it that is tax related. The great bulk of it is the social service aspect. It is very important.

I am very proud of the work I have done with faith-based groups. I care a lot about housing, and the Catholic Archdiocese of Boston has a wonderful record in housing. In area after area, I have been proud to cooperate with them. But none of those organizations have told me that they needed the right to discriminate or ignore State and local anti-discrimination laws.

That is what this bill does. I will insert into the RECORD here pages from the transcript which will show the chairman acknowledges that it preempts State and local anti-discrimination laws, and the gentleman from Florida (Mr. SCARBOROUGH) explaining why it is important that Jewish groups be allowed to discriminate in the serving of soup by not hiring non-Jews. I disagree with both positions. I wish we had ample time to debate them.

Mr. FRANK. There are further questions that we have. There is also this list, the non-discrimination statutes, that must be followed. They are the Federal statutes. Some States have decided to go beyond what the Federal Government has done in preventing discrimination, and I would ask, because it’s not before me, is this preemption of State employment discrimination laws other than those which might track the Federal one? I would yield to anyone who could give me the answer to that. By specifying the Federal anti-discrimination laws that apply, does this mean that State anti-discrimination laws which cover subjects not covered under Federal law, would be preempted in effect, and the religious organizations would not have to apply—follow them? I would yield to anyone who would answer that.

Chairman SENSENBEINER. Will the gentleman yield?

Mr. FRANK. Yes, Mr. Chairman. Chairman SENSENBEINER. Will the gentleman yield?

Mr. FRANK. What if there was a mix of Federal funds and private funds?

Chairman SENSENBEINER. Then they could ignore State laws.

Mr. FRANK. That seems to me to be a serious flaw and hardly consistent with the special outrage that the gentleman from the other side. The principle ought not to be that you can get out of following a State’s enactment because you have accepted Federal funds, and has very straightforwardly made it clear. If you get some Federal funds and you have some of your own funds, you might—not might—you are then allowed to ignore a State law that would otherwise be binding on you. I do not think we ought to be embodying the principle that the acceptance of Federal funds somehow then cancels State law.

There are a number of things. For instance, the States get highway money from the Federal Government. Does that principal apply? Should we then say that a State highway department can ignore its State’s own laws with regard—or contractors getting the State highway money? That, really, frankly, surprises me in the very radical nature of a repudiation of what the State can do. In other words, you are in the State and you have set a policy that there will be discrimination based on color, and the other, other than what the Federal Government does. And an organization in your State, which decides to do a program, and it’s 90 percent of it, and it gets 30 percent of the Federal money, that Federal money now becomes a license to ignore State anti-discrimination law. If there’s a conflict between the Federal and the State, who would apply, but I had not previously thought it would be
Mr. SCARBOROUGH. I do believe, although it has been well, and I'm not trying to persuade you, I'm just merely saying that there are some of us that believe this that may not be able to articulate it very well, that there is culture in, let's say, an urban synagogue or a Catholic Church that is separate from another.

And I see Ms. Waters. She's about to explode, and I'm sure I'm going to be a bigot, and this, that, and the other, but I'm just saying here.

Chairman SENSENBRENNER. The Chair is prepared to declare a 30-second recess.

Mr. SCARBOROUGH. Why is that?

Chairman SENSENBRENNER. So that nobody can get more than 14 minutes.

Mr. SCARBOROUGH. I love Ms. Waters—[Laughter.]

Mr. SCARBOROUGH. I love Ms. Waters, and I'm sure she got up. She couldn't resist herself. [Laughter.]

But there is a culture, seriously, there is an inherent culture in these organizations, like, for instance, and I'll talk about my church. I discussed with a lot of things they believe about people who are not being able to be deacons or, or women not being able to preach, all right? But I know that there are Southern—and if that offends me, I can take a hike. But there are, even though I disagree with some of the things that people in the Southern Baptist Church believe in, they can effectively deliver services because of the culture of whether it's First Baptist Church of Pensacola or——

Mr. WEINER. Will the gentleman yield on that point?

Mr. SCARBOROUGH. Yes, sir, I will.

Mr. WEINER. Would the gentleman yield on that? And I'm convinced the Southern Baptist Church can deliver those under this bill.

Perhaps you can enlighten me, and using the example of the Southern Baptist Church or whatever, something to, someone volunteered for a job interview to work in a job training program to teach typing to someone who had been laid off——

Ms. LOFGREN. Mr. Chairman.

Mr. SCARBOROUGH. Right.

Ms. WEINER. Why is it, give me an example, just so I can fully get my mind around it, why is it necessary that they be Baptist and why is it not only necessary, why is it so important to this program that it means offending 35 or 40 Members around here who might be willing to make this a bill that 300 people can vote for?

Mr. SCARBOROUGH. Yeah, well, I don't think it's—claiming my time—I don't think it's necessary. And, obviously, I think most of us on this panel, I would hope, would agree that it would be extraordinarily bigoted for any, you know, for instance, a synagogue or a Catholic Church that would be, are they not allowed to do that? But, again, if you compel these organizations, again, if you compel these people, if they believe, allow faith-based organizations to deliver services more effectively than, say, the Department of Health and Human Services?

Chairman SENSENBRENNER. The time of the gentleman has expired.

Mr. SCARBOROUGH. [continuing]. There's a risk of changing the very culture of those organizations.

Ms. LOFGREN. Mr. Chairman.

Mr. SCARBOROUGH. Thank you.

Chairman SENSENBRENNER. For what purpose does the gentlewoman from California, Ms. Lofgren, seek recognition?

Ms. LOFGREN. To strike the last word.

Chairman SENSENBRENNER. The gentlewoman is recognized.

Ms. LOFGREN. I—I was fascinated by the gentleman from Wisconsin (Chairman Green). His example from Catholic Charities was interesting. The only instance in my 14 years on the Board of Supervisors that ever came to my attention that someone, a religious group felt that they might not be—having treated fairly, was an evangelical church who wondered whether they were being treated fairly, and I met with them, and they told me they were being taken advantage of because they were not allowed to——

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We have crafted a measure that affords people in big cities and small towns across the country the opportunity to receive these legislated services from the people who know them best, their faith-based institutions that already are the core of their communities. In a civil society in our democracy, we tolerate the views and religions of others. In this spirit, I believe we can allow faith-based institutions to be our partners in communities. Indeed, they already are.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me time.

Mr. Speaker, I appreciate the opportunity presented because of this bill being brought to the floor. I look forward to the debate, and I look forward to passing this law and sending it on to the Senate and the President's desk.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. Snows).

Mr. SHOWS. Mr. Speaker, I thank the gentleman from Ohio for yielding me time.

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these limitations. The answer is that the funding is always going to be there and therefore will not allow discrimination or will we open the process and feed out discrimination.

Charitable Choice is about funding effective public services, not religious worship. It explicitly states that no direct funds "may be expended for sectarian worship, instruction or proselytization." While securing this separation does also allow "conversion-centered" groups to participate via vouchers. This is nothing new in Federal law. Since 1990, low-income parents have used vouchers to enroll their children in thoroughly religious child-care services.

This voucher option is critical for beneficiaries because when helping needy Americans one size does not fit all.

Charitable Choice offers assistance in both the form of vouchers (to recipients) and grants (to organizations) to fund civic assistance programs. This is consistent with the President’s objective to unleash private money for public good. It establishes charitable giving incentives for taxpayers to increase the level of money given directly to public service organizations.

Charitable Choice allows faith-based and secular civic organizations to compete on the basis of the same criteria. Charitable Choice asks the question, “What can you do?” rather than “Who are you?” It holds both the religious and secular civic organizations to the same standard: Results.

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First, I want to make a comment on the rule itself, which is this debate. The gentleman from Virginia just commented that the rule does not allow for the ability to offer amendments. I cast a very difficult vote the other day. I do not favor campaign finance reform, but I believe that our leadership had been trying to work out a way for Shays-Meehan to have a straight up-or-down vote. In fact, this is what we need on charitable choice and this is what we need in health care.

I believe this rule is fair. Most Members of this House, in effect, both on this side and on the other side, argued for a rule that gave people who are arguing a position the ability to have a vote on their bill, and I believe this bill falls into the same category as campaign finance reform, the Fletcher-McCain bill, and other bills. When we have these conflicts where there are two clear sides, we ought to have straight up-or-down votes on those bills.

Secondly, while the gentleman from Virginia (Mr. Scott) is technically correct that this bill is different, it actually protects current religious exemptions. It does not change the religious freedom law. What we have done in this country is said that people who want to preserve their religious freedom are not religious, even if they do not proselytize. Even if they are distributing soup to the hungry or if they are building a home for somebody who is homeless or if they are helping somebody who is dying of AIDS. Even if they do not evangelize, even if they do not pray with that individual, they are not allowed to build the house unless they change their entire religion or basic beliefs. That is what religious freedom is in this country, and that is what this bill is trying to uphold with current procedures as to how we do charitable work in this country so as to not step on religious freedom, and this bill attempts to rectify that.

I rise today in support of the rule, in support of H.R. 7, The Community Solutions Act of 2001. The heart of the so-called faith-based program would allow religious organizations to bid for Federal funds to feed the hungry, fight juvenile crime, assist older Americans, aid students, and help welfare recipients find work, among other charitable activities. I applaud the tremendous work that faith-based organizations have done to provide much-needed services to our communities.

Organizations such as the Nashville Rescue Mission in my district offer a hand up to those in need without any influx of Federal dollars. This legislation should give the other groups the opportunity to compete for such funds should they so desire. These important faith-based service programs no doubt play an extremely important role in transforming lives as they daily reach out to the less fortunate in Tennessee and across the Nation. The time has come to recognize these unique entities by passing charitable choice legislation.

Charitable choice simply means equal access by faith-based organizations when they compete with other organizations for Federal social service contracts. Nothing is guaranteed. They must compete with everyone else and demonstrate their proven effectiveness in providing basic social services before they will be awarded Federal grants. Charitable choice is not a new idea. Existing charitable choice programs and national programs across the country have benefited thousands of people.

Faith-based organizations have long been on the front lines helping our communities’ most needy and broken. They have taken on the challenges of society that others have left behind. It is time that the Federal Government
recognized the work they do and assist them in meeting these challenges. Let us improve our delivery system; let us support them and work together.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1% minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I would like my colleagues to join me in a little visualization, the Members that are gathered here and perhaps others here in the Chamber. This story, I will give credit, came from John Fund who is an editorial writer, and I would like you all to close your eyes for a minute if it makes it easier. Imagine for a minute that you go home today and open your mail and there is a letter there from an attorney. The attorney says, you have a 40-year-old ways away, and as you read that letter you realize that you have been named an heir to an enormous fortune that you did not even know existed and all, of a sudden, you are wealthy beyond your wildest dreams. Think about that for just a minute. You think, this is a windfall.

I would like to take a significant portion of this money that I did not know I was going to get and I would like to put it into something that will help the less fortunate. Think about that for a minute. What would you do with that windfall? How would you help the less fortunate?

Now, be honest. How many of you, the first thing you thought of was, I know, I will give the money to the Federal Government.

Now, you might have thought about giving the money to the Salvation Army, you might have thought about giving it to the Red Cross, to a church group, to a faith-based organization, but I will guarantee very few people gathered here in this Chamber today, very few Americans, the very first thing they would have said is, I know, I will give the money to the Federal Government.

That is what this bill is really all about. Let us give faith a chance. We all know deep down in our bones that we have wasted billions of dollars over the last 20 or 30 years in failed social programs run by the Federal bureaucracy. This bill simply says is, give faith a chance.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, my husband, my children and I have among us 100 years of Catholic education. That education has taught us our responsibilities to the poor and the mission of the Gospel of Matthew. Indeed, the gentleman from Ohio (Mr. HALL) is the living embodiment of the gospel of Matthew to minister to the needs of the hungry, the homeless, and others in need. That Catholic education has also taught us to oppose discrimination in every place in our country. That is why I have to oppose this legislation, H.R. 7, that is before to ably by all applicable antidiscrimination laws and to provide services without religious proselytizing. H.R. 7 would remove those important protections.

So as a Catholic and one driven by the Gospel of Matthew and proud of the work that our nonprofits and all denominations do, what is the problem with this bill? The problem is that today, this House will vote to legalize discrimination as we minister to the needs of the poor. I hope that course of action will not be taken, and I urge my colleagues to oppose this unfair rule and to oppose H.R. 7.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SMITH), a member of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), a member of the Committee on Rules, for yielding time to me.

Mr. Speaker, I am happy to support our Nation's faith-based organizations. I want to mention some people back home who are doing this kind of work. In downtown San Antonio at the Little Church of La Villita, for almost 40 years, people like Cleo Edmonds and David Gross have given their time and resources to feed the hungry. They feed about 100 people each day, primarily single mothers. Some people come in to get a meal; others to get groceries.

In addition to meeting the nutritional needs of those who come seeking help, the Little Church of La Villita meets the spiritual needs in our community, offering prayer and counseling to those who request it. Some want to tell us that the faith should leave their faith at the door. But, Mr. Speaker, everyone involved in serving the poor has faith; everyone has convictions. The only difference is that some believe in the power of God and some believe in the power of government.

The Constitution does not envision a government devoid of all religion; rather, it envisions a rich menagerie of faiths, a patchwork of beliefs and convictions, all under the protection of one Constitution.

Whether or not this bill becomes law, the Little Church of La Villita will continue its work. The question is not: Does the Little Church of La Villita need government money? The question is: Like the Little Church of La Villita?

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I feel like I am caught between a rock and a hard place. I say that because I support the concepts of faith-based initiatives. I support the elements of this legislation. I think it is going to go a long way towards finding solutions and helping address some of the many social ills and problems.

On the other hand, I do not believe that we can allow any hint of discrimination or the opportunity to discriminate against any segment of our population, no matter whether we are dealing with race, color, national origin, sexual orientation, it matters not. Each and every human being in this country must feel that they have equal protection under the law, must know that they are not going to be discriminated against.

As a key role that we will end up at the end of the day having passed this legislation, I hope we will end up at the end of the day sending a message to all of America that we will not allow discrimination in any shape, form, or fashion.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, let me thank the gentlewoman from Ohio for yielding me this time.

Mr. Speaker, I am pleased today to rise in support of President Bush's charitable choice initiative, the Community Solutions Act of 2001. I wish to thank the gentleman from Wisconsin (Mr. SENSENBRENNER) of the Committee on the Judiciary and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their diligent efforts in crafting this legislation, which has taken into account many different points of view.

As chairman of the Committee on Education and the Workforce, I am pleased that the legislation clearly indicates that faith-based organizations will be able to compete to provide services under several programs within our committee's jurisdiction. Every day throughout our Nation, community and faith-based organizations are playing a key role in meeting the needs of many Americans. Whether operating a soup kitchen, helping to build homes, providing child care, or providing training to welfare recipients, community and faith-based organizations are reaching out to others, and, in doing so, improving the quality of life for many Americans.

President Bush has called them "armies of compassion"; and, indeed, these organizations have demonstrated compassion on many fronts: caring for children after school, providing emergency food and shelter, offering mentoring and counseling, uplifting families of prisoners, and helping to rescue young
men and women from gangs and violence.

While many of these organizations have had success, some faith-based organizations have faced barriers in accessing Federal funds. H.R. 7, the Community Solutions Act, addresses this problem by making Federal programs friendlier to faith-based organizations. It will enable these organizations to compete for Federal funds and grants on the same basis as other organizations; and, in short, it will ensure that they have a seat at the table with other nonprofit providers.

Charitable choice is not a new idea, and over the past several years, Democrats and Republicans alike have voted for charitable choice in the Welfare Reform Act, the community services block grant law, and two substance abuse prevention programs under the Older Americans Act. For those who might be concerned about the excessive entanglement of religion in H.R. 7, it prohibits faith-based organizations from discriminating against participants on the basis of religion, a religious belief, or a refusal to hold a religious belief.

Other safeguards include a prohibition on using government funds for religious instruction or proselytizing, and a requirement for separate accounting for government funds.

Finally, if one objects to receiving services from a faith-based provider, alternative providers must be made available.

I think another important part of this legislation is the expansion of charitable deductions to those who do not itemize on their tax returns. One organization in my home State that would benefit from this change is tax law, as well as the charitable choice provisions, is Reach Out Lakota, located in West Chester, Ohio. This group began nearly 8 years ago after a one-time Christmas charity event, and now has expanded into a year-round organization which provides food, clothing, and other social services to about 45 families each month.

It is this kind of organization and this kind of involvement by community and faith-based organizations that I think is truly making a difference in the lives of many Americans. It is this kind of involvement that the Federal Government should be promoting and encouraging, the kind of involvement that H.R. 7 envisions.

I urge my colleagues to support President Bush in his efforts to transform cities and neighborhoods all across the land. I will ask all of my colleagues to vote for the rule and to vote for this most important bill.

Mr. HALL of Ohio, Mr. Speaker. I yield 2 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise in opposition to this rule because it forces Members who have genuine concerns about some very troublesome elements of the bill to raise all those concerns in a single substitute motion.

This rule permits not a single amendment to this bill to be heard on the floor. We will not be allowed to have clear votes on any of these questions, so the majority can shield from scrutiny the fiscal irresponsibility contained in this bill, the legislative green light in this bill for invidious discrimination, the nullification of State and local antidiscrimination laws contained in this bill.

Their effort to allow the administration to completely rewrite the billions of dollars of social service programs into vouchers, without any legislative investigation into what we are talking about, without congressional consideration, and allowing religious groups to subject the most vulnerable in our society to religious pressure and proselytizing using Federal dollars.

Why are they so afraid of open and unstrained debate on this bill that makes such radical changes to our laws regarding religious freedom and the provision of social services? Why are they afraid to have clean up or down votes on these various issues? Does it reflect the fear that those radical proposals considered one by one might not pass this body? Does it have anything to do with the fact that they are having trouble holding their own Members in line to vote for legalizing religious discrimination with taxpayer dollars?

This is compassion? This is what the majority thinks of our first freedom? This is what the Republican leadership and the compassionate conservative in the White House think of the merits of this proposal, that they will not permit amendments to be introduced on the floor and considered and voted on?

This House should have the chance to look carefully at each of these issues within this bill separately. We should have the chance to vote on these issues separately. We should have the chance to consider separately the several radical changes this bill would make in the very good and satisfactory way that religious organizations have been competing for and winning and using Federal funds for providing social services for the last 6 or 7 decades.

Ms. PRYCE of Ohio, Mr. Speaker, I am pleased to yield 1 ½ minutes to my distinguished colleague, the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT of Ohio, Mr. Speaker, I also yield 1 minute to the gentleman from Ohio.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Ohio (Mr. TRAFICANT) is recognized for 2½ minutes.

Mr. TRAFICANT. Mr. Speaker, let us cut to the chase here. Opponents say that the Constitution separates church and State. Let us get down to business. But all legislative history clearly reflects the fact that the Founders’ intent was only to prohibit the establishment of one state-sponsored religion.

The Founders put God in our buildings, the Fouders put God in our currency, and the Founders never intended to separate God and the American people.

Think about what is happening in America. We have guns, drugs, murder in our schools, but our States and reflects the fact that the Founders’ intent was only to prohibit the establishment of one state-sponsored religion.

We have let a few people in America decide what faith means. It is time to change that. This is the place to start. I commend those who are responsible for this great initiative.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding time to me.

Today I rise in strong opposition to this rule and this bill. As one who attended a Catholic school for 8 years, and a person of very deep faith, I believe faith-based organizations do enormous good in our communities, our country, and across the world helping millions of people. They feed the hungry, heal the sick, house the homeless. Nonprofit religious organizations should be supported with increased funding and technical assistance. That is what charitable choice should do. There is not one cent in this bill to help these organizations in their noble work.

However, providing Federal funding directly to churches, synagogues, and houses of worship, mosques, which this bill does, represents direct government intrusion into matters of faith.
Government cannot and government should not interfere with the practice of religion.

This bill subjects houses of worship to government control. Mr. Speaker, the IRS will have a field day. This bill will allow government-sponsored discrimination. It tramples State and local civil rights laws, and allows the use of Federal taxpayer dollars to fund discrimination in employment.

For example, it would allow organizations to refuse to hire Jews, Catholics, African American Baptists, depending on their religious policies and practices of their denomination. It would use taxpayer funds to fund that discrimination.

That is intolerable. Our government cannot turn its back on decades of fighting against discrimination and start funding discrimination. I urge Members to oppose this rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to my friend and distinguished colleague, the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I stand in strong support of this rule. I am a little confused. Those who are against it are saying they are against it because they cannot get their amendments in. Yet, that same group last week, when the committee on Rules said, let us have a campaign finance reform bill with lots of amendments, they were totally against that rule. So the reality is here they are against H.R. 7.

Let us review. In 1965, President Clinton, a liberal Democrat, signed into law welfare reform, welfare reform which said that faith-based organizations could participate in the delivery of some welfare services. The sky did not fall. For some reason, the sky is still up there.

All this does, H.R. 7, is say, we are going to take the 1996 bedrock signed by President Clinton and expand it to say that faith-based organizations who participate in some form of social services can be eligible to compete for Federal grants that fund such services.

Therefore, St. Paul’s A.M.E. Church in Savannah, Georgia, run by Reverend Delaney, is all of his services of food and shelter and education and health care and family structure and family counseling, what they are saying to him is, “Reverend Delaney, if you can divide the soup from the sermon, then what we are trying to do in the soup is put food in the stomach in the soup.”

And what really matters is the full stomach here. That is the Federal Government’s interest, not the conversion. You have to divide the soup in the sermon. But if you are doing a good job based on outcome, we are going to let you compete for that grant.” That is what the Federal Government interest is, the outcome.

If the Federal Government and all our Federal agencies were doing such a darned good job of delivering these services without living on poverty, because since 1964 we have spent more on the war on poverty than we did to fight World War II.

It is not working. They need a helping hand. Let those who know the right places, who live in the same ZIP Code and area code, let them compete for this money. They will do a good job.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I find it very interesting to serve in a body where the Committee on Rules I week decides that democracy is all about debating every single amendment separately, and then the very next week decide that it will not allow a separate debate on an amendment that would eliminate the ability of religious institutions to discriminate in their employment practices and remove the offensive provision that everybody is concerned about from this bill.

This is not a debate about government versus God. We made that choice when the Founding Fathers wrote into the Constitution “one Nation, under God,” and we have been living with that choice ever since.

But we made a different choice in 1965 when we outlawed discrimination in this country. It was not a unanimous decision by the Nation at that time, but I am appalled 20 or 40 years later now to be debating the issue of whether we will allow religious discrimination to be engaged in the delivery of services by church institutions, and we are doing it in the name of God.

The gentleman from Pennsylvania (Mr. TRAFICANT) said, “Beam me up.” I want to be beamed up on that false choice. We should have a rule that allows us to offer an amendment to strike this offensive provision from this bill, and then we would have almost unanimous support for the bill. But they would rather have the issue than the support.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE. Mr. Speaker, I thank the gentleman from Ohio for yielding time to me. I thank the Speaker for the opportunity to characterize this date of history that we have today as a debate on a very crucial issue dealing with our view and commitment to the first amendment: that is, the idea of this government not establishing a specific religion for the nation.

I had hoped to offer the first amendment language as an amendment to this legislation, because I do not believe that we should be charged in this House with characterizing this debate as a question regarding our faith or our commitment in this Nation to our religious beliefs. I think it is important to understand that the Bill of Rights means something, that we cannot establish a religion through government. Certainly I think that this legislation makes this legislation as a violation of the Bill of Rights.

I believe if we pass legislation that gives direct funds to religious institutions and then affirms the right of these religious institutions to discriminate as it relates to employment, we are doing the contrary to what the Founding Fathers determined in those early years. Might I say that in the story of the Good Samaritan it was a diverse individual that helped a different individual, used his religion, his commitment of faith and charity, but I do not believe he needed to have an establishment law to providing Federal funds to a certain religion to make him charitable.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, faith-based organizations currently play an important and vital role in providing needed social welfare programs; and we, as a government, wholeheartedly support this work.

In fiscal year 2000, faith-based organizations administered an estimated $1 billion in Housing and Urban Development assistance. Catholic Charities, Lutheran Services, Jewish Federation received substantial support from the Federal Government. But in order to get it, they agree not to discriminate. They simply comply with the structure established to comply with two of our Nation’s most fundamental principles, equal protection of the law and separation of church and State.

I have helped to establish many 501(c)(3)/s and wonderful organizations who do this work. A thousand religious leaders and organizations are opposed to H.R. 7, including American Baptist Churches USA, Office of Government Relations, Jewish Council on Public Affairs, Presbyterian Church USA, Episcopal Church, Unitarian Universalist Church, United Church of Christ, United Methodist Church. Join with them to oppose H.R. 7.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, many citizens, including Members of this House, first got into politics and stay involved in politics because of their moral and religious convictions. Religious congregations and organizations are working in communities daily to reach out to those in need, through Meals-on-Wheels, housing complexes for the elderly and the
displaced, after-school programs for at-risk youth; and they are often doing this with little help from public funds.

This concept of faith-based initiatives is not new. My experience has been that religious groups are eager and effective in delivering greatly needed social services. But, Mr. Speaker, there will likely have to be safeguards. As my colleague from Ohio (Ms. KAP'TUR) explained, they have understood that the use of public funds carries with it an obligation to refrain from discrimination, both among those served and among those hired to provide the service.

While the Democratic substitute preserves these safeguards, the bill's proposal threatens to break them down, and for that reason religious groups across the spectrum have raised flags about the bill before us. The dual constitutional prohibitions against establishing religion and prohibiting its free exercise protect fairness and freedom in the public realm and also the autonomy and integrity of religious practice. We must maintain these safeguards, even as we encourage citizens to put their faith into action and thus to enrich our community life.

My colleagues, support the carefully crafted Democratic substitute. Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAP'TUR).

Ms. KAP'TUR. Mr. Speaker, I thank the gentleman for yielding me this time. Mr. Speaker, regarding the so-called faith-based initiative, if I were convinced that this initiative posed no threat to separation of church and State, I could support it. And if I were convinced it held no potential for the Government telling us what to believe or how I could support it. But I am not convinced.

I just want to point to one particular provision in the bill that asks receiving funds to set up not a separate 501(c)(3) to receive the dollars and be audited, but only a separate account. It specifically states that in the legislation Religious organizations or any organization that is not for-profit receiving government money should be required to set up a separate 501(c)(3) to give them tax exempt status and to keep the distinction between the religious side of the organization and its social service activities.

In my district, the Lutheran Church already provides nursing home care, for example, through Wolf Creek Lutheran Home; but they have a separate 501(c)(3). Jewish Community Services, the same, Islamic Social Services, the same. The establishment of the 501(c)(3) principle in the base legislation is absolutely essential. I cannot support the faith-based initiative as currently constituted.

As a freedom lover who happens to be a Roman Catholic, I also know if our faith isn't deep enough, as sacrificing people, we don't need government money to subsidize us. We must give of our substance, not come to rely on a government subsidy.

But partnership between government and faith-based groups has its place. If this initiative were a faith-based initiative—had the proper safeguards, I could give it my support. On page 29 of the bill, any funds received by religious groups under this program shall be placed in a "separate account," not a separately incorporated 501(c)(3) legal entity. This means federal funds will be awarded directly to religious organizations. This simply defies our Bill of Rights and the separation of church and state so essential to the maintenance of our fundamental freedoms.

This bill should require religious organizations to establish separate 501(c)(3) organizations and give them a separate legal standing from the religious mission of the faith-based group and a tax-exempt status. Of course most involved in social services already do. In that way, they can take government money but maintain an autonomous legal structure that is necessary to protect religious freedom from government incursion.

Of course, grantees should employ strict prohibitions against discrimination in hiring and the provision of services and abide by all applicable federal, state and local laws prohibiting discrimination.

Of course, Mr. Speaker, religious organizations providing social services—augmented by taxpayer dollars—is hardly a new concept. And, we have learned an enormous amount from this rich and worthy experience. Let me give you some examples: The Sisters of Mercy, the Franciscans, the Grey Nuns, the Dominicans and members of other orders minister to the needy in hospitals and hospices and homeless shelters throughout America. But they do so through non-profit organizations that are separate and legally distinct.

In my district, the Lutheran Church provides nursing home care and other service through Wolf Creek Lutheran Home. But they have a separate 501(c)(3).

Jewish Community Services throughout the nation offer social services, including federally-subsidized independent housing for elderly and handicapped people. But they keep a separate accounting through a 501(c)(3) status.

Islamic Social Services Association provides a wide range of social services to the growing Muslim population in North America—through its non-profit arm.

Certainly we want to encourage religious organizations to provide social services to our fellow Americans. And certainly we want to do nothing that would discourage such compassionate service.

Private philanthropy has its place, and we want to encourage our fellow citizens to give of their time and money to help the less fortunate. We know private philanthropy will never be a complete substitute for substantial social services funded by the U.S. Government. Our needs in America are so great, and many of the private groups boats are so small.

I believe it is crucial—in order to protect taxpayer dollars and also to protect religious institutions from government interference—to keep not just two separate accounts, but separate and distinct organizations legally incorporated with their mission clearly defined.

That is why the establishment of 501(c)(3) organizations is so crucial—not just for the integrity of government grant money but also for the independence of the religious organizations using it. I cannot support the faith-based initiative as currently proposed. Please vote "no" on the rule and on the bill, unless amended.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF). Mr. EDWARDS. Mr. Speaker, as a person of faith, I believe in the power of faith to change lives, and I believe in the good work of faith-based groups. Yet today I join with over 1,000 religious leaders across America, and with civil rights groups such as the NAACP and education groups such as the National PTA and the National Association of School Administrators, who strongly oppose this bill.

Mr. Speaker, when Members cast their vote on this bill today, I hope they will ask themselves two fundamental questions: one, should citizens' tax dollars be used to directly fund churches and houses of worship? And, two, is it right to discriminate in job hiring when using Federal dollars?

I believe the answer to those two questions is no, and that is why I oppose this bill. Sending billions of tax dollars each year directly to churches
is unconstitutional under the first amendment. It will lead to government regulation of our churches, which is exactly what we feared. Our Founding Fathers rejected the idea of using tax dollars to fund our churches when they wrote the Bill of Rights.

It would be a huge step backwards in our Nation's march for civil rights to allow groups to fire employees from federally funded jobs solely because of their religious faith. Having a religious test for tax-supported jobs is wrong. No American citizen, not one, should have to pass someone else's religious test to qualify for a federally funded job.

Mr. Speaker, this idea was a bad idea when Mr. Madison and Mr. Jefferson and our Founding Fathers rejected it in writing the Constitution two centuries ago. It is a bad idea today. This bill will harm religion, not help it. And because of the faith-based distinction of being the most charitable of Mississippi we have the proud distinction of being the most charitable community, with Muslims, with black, with white, people of all ages to organize in support of this initiative, because we know in Mississippi, just as we know across this country, that for the addict, for the alcoholic, for the struggling family, for the hungry, for the prisoner, for the alcoholic, for the struggling family, faith gives the hope that this country needs.

Our President has called on us to remove the hindrances, to remove the hostility to the faith-based approaches so that there can be neutrality between the secular and the religious in healing our land. It is to remove the discrimination that we now have against the faith-based solutions.

I believe this approach can help heal our land, can bring our people together. It is happening in my own State of Mississippi; it is happening all across this land. I believe this is the right way at the right time to stand with organizations from the Salvation Army to Catholic Charities, to Evangelical Christians, to groups that represent the full breadth of this land and the greatest traditions of our faith.

Our founders knew that faith needed to guide us to give us the political prosperity and the peace and the reconciliation and the renewal. May we rise to the occasion today and pass this great and good legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. Horn).

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today in support of H.R. 7 and encourage my colleagues to vote for this important legislation.

There is little doubt that faith-based organizations are often the most effective providers of social services in our communities. They are highly motivated, generous in spirit, and their motivation stems from a deep conviction about how one should live daily by giving to others in need. I have had a very strong record in this Chamber of separation of church and State, but I think we should give the President a chance on this. If something goes awry, then let us change it. But I think it will not.

I have lived and worked with some of these people that we are trying to help. It is time to reach out to them. It is time to encourage them, instead of beating them down. We beat them down. We turn them away from us when we have these kinds of discussions. It is time to reach out. That is what this bill does.

Vote for the rule. Vote for the bill.

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

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I yield back the balance of my time, I would simply say that if I were to believe what has been said in the past few days, even the past couple weeks, even some of the stories I have read in the news, if I were to believe it without reading the bill, I would probably vote against this bill, too. But I have read the bill.

I have lived and worked with some of these people that we are trying to help. It is time to reach out to them. It is time to encourage them, instead of beating them down. We beat them down. We turn them away from us when we have these kinds of discussions. It is time to reach out. That is what this bill does.

Vote for the rule. Vote for the bill.

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

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask my colleagues not to lose sight of our goal here to empower those organizations that can truly help in ways that the government could only wish, those organizations that are capable of really producing results in their own communities, neighbor to neighbor, one at a time. We need them far more than they need us.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation so that we can join our President and heroes like the gentleman from Ohio (Mr. HALL) and the gentleman from Oklahoma (Mr. WATTS) and truly unleash the best of America.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. Bonilla). The question is on ordering the previous question.

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

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

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

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 6, as follows:

[Roll No. 250]

YEAS—228

Aderholt         Ferguson         King (NY)
Adkisson         Flake           Kingston
Armey            Fletcher        Kirk
Bachus           Foley           Knollenberg
Baker            Forbes          Kolbe
Ballenger        Fossella        LaHood
Barr             Frelinghuysen    Largent
Barton           Galewsky        Lamborn
Bass             Ganske          LaTourette
Berenger         Gekas           Leatherman
Biggers          Gibbons         Lewis (CA)
Bilirakis        Gilchrest        Lewis (KY)
Blunt            Gilmer          Linder
Boehlert         Gilman          Lindig
Boehner          Goode           LoBiondo
Bosco            Goodlatte       Lucas (OK)
Bono             Goodwin          Manzullo
Brady (TX)       Graham          Matheson
Brown (NC)       Granger         McCrory
Brown (SC)       Gray            McHugh
Burress          Green (WI)      McInnis
Burton           Greenwood       McIntyre
Butler           Grucela         McCurry
Calahan          Gutknecht       Mica
Calvert          Hall (OH)       Miller (FL)
Camp             Hall (TX)       Miller, Dave
Cannon           Hansen          Morris (KS)
Cantor           Hart            Morella
Capito           Hastings (WA)   Myers
Castle           Hayes           Nethercutt
Chabot           Hayworth        Ney
Chambliss        Hefley          Northup
Coble            Herger          Nussle
Collins          Hillary         Osbourne
Combest          Hobson         One
Cooksey          Hoecker         Otter
Cox              Horn            Oxley
Cranes           Hostettler      Paul
Crenshaw         Householder     Pence
Cubas            Hulse           Peterson (PA)
Culberson        Hunter          Petri
Davis, Jo Ann    Hutchinson      Pickering
Davis, Tom       Hyde            Pickens
Deak             Jackson         Platts
Delay            Jackson         Platts
Delms           Jenkins         Pryce (NY)
Dennie           John            Putnam
Dreier           Johnson (CT)    Quigley
Duncan           Johnson (IL)    Radanovich
Ehlers           Jones (NC)      Riggs
Ehricht          Keller          Reberg
Emerson          Kelly           Reynolds
Emmert           Kennedy (MN)    Riley
Evetress         Kerns           Rogers (KY)
Ms. JACKSON-LEE of Texas, Mr. LUCAS of Kentucky, Mr. CLEMENT, Ms. PELOSI, and Mr. WEXLER changed their vote from "yea" to "nay." Mr. SHADEGG changed his vote from "nay" to "yea." So the previous question was ordered. The result of the vote was announced as above recorded. The SPEAKER pro tempore (Mr. BOULLILA). The question is on the resoluti

[...]

RECORDED VOTE

The vote was taken by electronic device, and there were...
Title I—Charitable Giving Incentives Package

SEC. 101. DEFINITION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) In general.—Subsection (d) of section 63 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) In general.—Subsection (b) of section 63 of such Code is amended by adding "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction.

(2) Definition.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (i) the following new subsection:

"(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term "direct charitable deduction" means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction.

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

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In general.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

"(A) IN GENERAL.—No amount shall be includible in gross income as a charitable contribution from an individual retirement account to an organization to—

(I) to a charitable remainder annuity trust or a charitable lead annuity trust (as such terms are defined in section 664(d)),

(II) to a pooled income fund (as defined in section 642(c)(5)), or

(III) for the issuance of a charitable gift annuity (as defined in section 503(m)(5)).

The preceding sentence shall apply only if no person holds an interest in the amounts in the trust, fund, or annuity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(b) Determination of inclusion of amounts distributed.—In determining the amount includible in the gross income of any person by reason of a payment or distribution from a trust referred to in clause (i) or (ii) of subsection (a), the portion of any qualified charitable distribution attributable to such trust or for such annuity which would (but for this subparagraph) have been includible in gross income—

"(i) shall be treated as income described in section 664(b)(1), and

"(ii) shall not be treated as an investment in the contract.

"(c) No inclusion for distribution to pooled income fund.—No amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable distribution to such fund.

"(d) Qualified charitable distribution.—For purposes of this paragraph, the term "qualified charitable distribution" means any distribution from an individual retirement account—

"(i) which is made on or after the date that the individual for whom the individual retirement account is maintained has attained age 59 1/2,

"(ii) which is made directly from the account to—

(I) an organization described in section 170(c), or

(II) a trust, fund, or annuity referred to in subparagraph (B).

"(e) Effective date.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 103. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) In general.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

"(3) CONTRIBUTIONS OF FOOD INVENTORY.

"(A) IN GENERAL.—No amount shall be includible in gross income as a charitable contribution from an organization to—

(I) a charitable remainder trust, a pooled income fund, or charitable gift annuity (as so defined) by reason of a qualified charitable distribution from an individual retirement account—

(1) to a charitable remainder annuity trust or a charitable lead annuity trust (as such terms are defined in section 664(d)),

(2) to a pooled income fund (as defined in section 642(c)(5)), or

(3) for the issuance of a charitable gift annuity (as defined in section 503(m)(5)).

The preceding sentence shall apply only if no person holds an interest in the amounts described in (I) or (II) of subsection (a) after the date on which such amounts are transferred to such organization—

"(B) SPECIAL RULES RELATING TO CHARITABLE REMAINDER TRUSTS, POOLED INCOME FUNDS, AND CHARITABLE GIFT ANNUITIES.—

"(1) IN GENERAL.—No amount shall be includible in gross income as a charitable contribution from an individual retirement account—

(1)(I) to a charitable remainder annuity trust or a charitable lead annuity trust (as such terms are defined in section 664(d)),

(II) to a pooled income fund (as defined in section 642(c)(5)), or

(III) for the issuance of a charitable gift annuity (as defined in section 503(m)(5)).

The preceding sentence shall apply only if no person holds an interest in the amounts described in I or II of subsection (a) after the date on which such amounts are transferred to such organization—

"(C) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of section 170(c)(2)), the portion of any qualified charitable distribution attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(D) Special rule for contributions of food inventory.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of section 170(c)(2)), the portion of any qualified charitable distribution attributable to such distribution shall not be treated as an investment in the contract.
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“(ii) the reduction under paragraph (1)(A) for Federal government assistance, including any misconduct that—

(1) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(2) constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 5302));

(3) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court; or

(4) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law.

(2) SUPERSEDED PROVISION.—

(1) In general.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt an Act of State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State law or health or safety law.

(e) ELECTION OF STATE REGARDING NON-APPLICABILITY.—A provision of this title shall not apply to any civil action in a State unless—

(1) the State has enacted a statute—

(A) in general.—Subject to subsection (c), the State shall not be subject to civil liability relating to any injury or death occurring at a facility of the State where the same or similar food is produced by the taxpayer exclusively for Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF FACILITIES TO NONPROFIT ORGANIZATIONS.—

(A) In general.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with the use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organization.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVIDING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) In general.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of a motor vehicle or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a period that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of the motor vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether a nonprofit organization pays for the use of the aircraft or motor vehicle.

(4) LIABILITY OF BUSINESS ENTITIES PROVIDING TOURS OF FACILITIES.—

(A) In general.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death of an individual occurring at a facility of the business entity, if—

(i) such injury or death occurs during a tour of the facility in an area of the facility that is not otherwise accessible to the general public; and

(ii) the business entity authorized the tour.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Federal and State law; and

(ii) regardless of whether an individual pays for the tour.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that supervises gross negligence or intentional misconduct, including any misconduct that—

(1) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(2) constitutes a hate crime (as that term is defined in section 16 of title 18, United States Code) for which the defendant has been convicted in any court;

(3) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court; or

(4) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law.

(d) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes is amended by inserting after section 1900 (42 U.S.C. 1411) the following:

"SEC. 194A. CHARITABLE CHOICE.

"(a) SHORT TITLE.—This section may be cited as the ‘Charitable Choice Act of 2001’. "(b) PURPOSES.—The purposes of this section are—

(1) to provide assistance to individuals and families in need in the most effective and efficient manner;

(2) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

(3) to allow religious organizations to assist in the administration and distribution of such assistance without the religious character of such organizations; and

(4) to protect the religious freedom of individuals and families in need who are eligible for government assistance by expanding the possibility of choosing to receive services from a religious organization providing such assistance.

"(c) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—

(1) IN GENERAL.—

The term ‘charitable organization’ means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

"(d) STATE.—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

"(e) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined:

(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

(ii) if applicable, by taking into account the price at which the same or similar items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

"(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting therefrom) occurring on or after the date of the enactment of this Act."
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“(A) INCLUSION.—For any program described in subsection (c) of this section that is carried out under a program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization’s powers, duties, and responsibilities, and the practice, and expression of its religious beliefs.

“(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization in order to be eligible to provide assistance under a program described in subsection (c)(4).

“(A) to alter its form of internal governance;

“(B) to remove religious art, icons, scriptures, or other symbols because they are religious;

“(e) EMPLOYMENT PRACTICES.—

“(1) IN GENERAL.—In order to aid in the preservation of its religious character, a religious organization that provides assistance under a program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization’s powers, duties, and responsibilities, and the practice, and expression of its religious beliefs.

“(2) Additional safeguards.—Neither the Federal Government nor a State or local government shall require a religious organization in order to be eligible to provide assistance under a program described in subsection (c)(4).

“(A) to alter its form of internal governance;

“(B) to remove religious art, icons, scriptures, or other symbols because they are religious;

“(f) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

“(1) IN GENERAL.—In order to aid in the preservation of its religious character, a religious organization that provides assistance under a program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization’s powers, duties, and responsibilities, and the practice, and expression of its religious beliefs.

“(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—

“(1) GRANTS AND CONTRACTS.—A religious organization providing assistance under a program or contract under a program described in subsection (c)(4) shall not discriminate, in carrying out the program, against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

“(2) INDIRECT FORMS OF DISCRIMINATION.—A religious organization providing assistance under a program described in subsection (c)(4) shall not discriminate against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

“(h) ACCOUNTABILITY.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a religious organization providing assistance under a program described in subsection (c)(4) shall be subject to the same regulations governing governmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

“(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account or accounts. Only those funds shall be subject to audit by the government.

“(i) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian worship, instruction, or proselytization. A certificate shall be signed by such organizations and filed with the government agency that disbursed the funds that gives assurance the organization will comply with this subsection.

“(j) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may require the recipient State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds provided by the State or local government. The States or local governments, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

“(k) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an ‘intermediate contractor’), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate contractor, in carrying out the programs described in subsection (c)(4), shall retain all other rights of a religious organization under this section.

“(l) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action pursuant to section 1979 against the official or government agency that has allegedly committed such a violation. A party alleging that the rights of the party under this section have been violated by the Federal Government
may bring a civil action for appropriate re-
lief in any district court against the offi-
cial or governmental agency that has allegedly
commited such violation.

TITLE III—INDIVIDUAL DEVELOPMENT
ACCOUNTS
SEC. 301. PURPOSE.

The purposes of this title are to provide for
the establishment of individual development
account programs that will (1) provide individuals and families with
limited means an opportunity to accumulate
assets and to enter the financial main-
stream;

(2) promote education, homeownership, and
the development of small businesses;

(3) stabilize families and build commu-
nities; and

(4) support United States economic expan-
sion.

SEC. 302. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term "eligible indi-
vidual" means an individual who—

(i) attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the
United States;

(iii) in the case of an individual described in
paragraph (A)(iv), directly to the spouse, dependent,
capital under a qualified business plan (as
defined in section 72(t)(8) of such Code).

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The
term "individual development account program" means an
account established under section 303 under which—

(A) Individual Development Accounts and
parallel accounts are held by a qualified fi-
nancial institution; and

(B) additional activities determined by the
Secretary as necessary to responsibly de-
velop and administer accounts, including re-
cruiting, providing education and other
training to account owners, and reg-
ular program monitoring, are carried out by
the qualified financial institution, a qual-
ified nonprofit organization, or an Indian
tribe.

(3) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term "qualified ex-
pense distribution" means an amount paid,
including through electronic payments) or
distributed out of an Individual Development
Account and a parallel account established
for an eligible individual if such amount—

(i) is paid exclusively to the qualified

(ii) is paid by the qualified financial insti-
tution, qualified nonprofit organization,
or Indian tribe;

(iii) except as otherwise provided in this
clause, directly to the unrelated third party
to whom the amount is due;

(III) in the case of distributions for working

(IV) is paid after the account owner has

(III) is paid after the account owner has

prime rate of 100% on the amount of qualified higher education
costs (as defined in section 72(t)(8) of such Code).

(II) QUALIFIED EXPENDITURES.—

(i) IN GENERAL.—The term "qualified ex-
penses" means any of the following:

(1) qualified higher education expenses
(2) qualified homebuyer costs
(3) qualified small business capitalization or
expansion costs.

(v) QUALIFIED ROLLOVERS.—The term
"qualified rollover" means the complete dis-
tribution of the amounts in an Individual
Development Account and parallel account
established in another Individual Development Account and parallel account established in another
qualified financial institution, qualified nonprofit
organization, or Indian tribe for the benefit of the account owner.

(IV) QUALIFIED FINAL DISTRIBUTION.—The
term "qualified final distribution" means, in

(ii) except as otherwise provided in this
clause, directly to the unrelated third party
to whom the amount is due;

(III) in the case of distributions for working

to the account owner; or

(IV) in the case of a qualified rollover,
dependent, or other named beneficiary of the deceased
account owner; and

(C) any credit union chartered under Fed-
eral or State law.

(4) INDIAN TRIBE.—The term "Indian tribe"
means any Indian tribe as defined in section
412 of the Native American Housing Assist-
ance and Self-Determination Act of 1996 (25
U.S.C. 4103(12)), and includes any tribal sub-
primary, subdivision, or other wholly owned
tribal entity.

(5) QUALIFIED NONPROFIT ORGANIZATION.—
The term "qualified nonprofit organization" means—

(A) any organization described in section
501(c)(3) of the Internal Revenue Code of 1986 and exempted from taxation under section
501(a) of such Code;

(B) any community development financial
institution certified by the Community De-
velopment Financial Institutions Fund;

(C) any credit union chartered under Fed-
eral or State law.

(5) QUALIFIED FINANCIAL INSTITUTION.—The
term "qualified financial institution" means any person au-

(2) of the Carl D. Perkins Vocational and Applied
Technology Education Act (20 U.S.C. 2471(4)))
which is in any State (as defined in section
135 of such Act) more than 1 year prior to the
month of enactment of this Act.

(III) IN GENERAL.—The term "qualified indi-
vidual development account program''
means a program (I) established under section

(vi) QUALIFIED FINAL DISTRIBUTION.—The
term "qualified final distribution" means, in

(2) in the case of a taxpayer de-
scribed in section 1(c) or 1(d) of the Internal
Revenue Code of 1986;

(III) to another Individual Development Account
account or such owner's spouse or de-
pendents, as approved by the qualified finan-
cial institution.

(II) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term "qualified ex-
pense distribution" means an amount paid,
including through electronic payments) or
distributed out of an Individual Development
Account and a parallel account established
for an eligible individual if such amount—

(i) is paid exclusively to the qualified

(ii) is paid by the qualified financial insti-
tution, qualified nonprofit organization,
or Indian tribe;

(iii) except as otherwise provided in this
clause, directly to the unrelated third party
to whom the amount is due;

(III) in the case of distributions for working
capital, plant, equipment, working cap-
ital, inventory expenses, attorney and ac-
counting fees, and other costs normally asso-
ciated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term "qualified
business" means any business that does not contravene any law.

(IV) QUALIFIED ROLLOVERS.—The term
"qualified rollover" means the complete dis-
tribution of the amounts in an Individual
Development Account and parallel account
established in another Individual Development Account and parallel account established in another
qualified financial institution, qualified nonprofit
organization, or Indian tribe for the benefit of the account owner.

(IV) QUALIFIED FINAL DISTRIBUTION.—The
term "qualified final distribution" means, in

(2) in the case of a taxpayer de-
scribed in section 1(c) or 1(d) of the Internal
Revenue Code of 1986;

(III) to another Individual Development Account
account or such owner's spouse or de-
pendents, as approved by the qualified finan-
cial institution.

(II) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term "qualified ex-
pense distribution" means an amount paid,
including through electronic payments) or
distributed out of an Individual Development
Account and a parallel account established
for an eligible individual if such amount—

(i) is paid exclusively to the qualified

(ii) is paid by the qualified financial insti-
tution, qualified nonprofit organization,
or Indian tribe;

(iii) except as otherwise provided in this
clause, directly to the unrelated third party
to whom the amount is due;

(III) in the case of distributions for working

(IV) QUALIFIED ROLLOVERS.—The term
"qualified rollover" means the complete dis-
tribution of the amounts in an Individual
Development Account and parallel account
established in another Individual Development Account and parallel account established in another
qualified financial institution, qualified nonprofit
organization, or Indian tribe for the benefit of the account owner.

(IV) QUALIFIED FINAL DISTRIBUTION.—The
term "qualified final distribution" means, in

(2) in the case of a taxpayer de-
scribed in section 1(c) or 1(d) of the Internal
Revenue Code of 1986;

(III) to another Individual Development Account
account or such owner's spouse or de-
pendents, as approved by the qualified finan-
cial institution.

(II) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term "qualified ex-
pense distribution" means an amount paid,
including through electronic payments) or
distributed out of an Individual Development
Account and a parallel account established
for an eligible individual if such amount—

(i) is paid exclusively to the qualified

(ii) is paid by the qualified financial insti-
tution, qualified nonprofit organization,
or Indian tribe;

(iii) except as otherwise provided in this
clause, directly to the unrelated third party
to whom the amount is due;

(III) in the case of distributions for working
capital, plant, equipment, working cap-
ital, inventory expenses, attorney and ac-
counting fees, and other costs normally asso-
ciated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term "qualified
business" means any business that does not contravene any law.

(IV) QUALIFIED ROLLOVERS.—The term
"qualified rollover" means the complete dis-
tribution of the amounts in an Individual
Development Account and parallel account
established in another Individual Development Account and parallel account established in another
qualified financial institution, qualified nonprofit
organization, or Indian tribe for the benefit of the account owner.

(IV) QUALIFIED FINAL DISTRIBUTION.—The
term "qualified final distribution" means, in

in any taxable year in which contributions are made that qualify for matching funds under section 305(b)(1)(A).

(d) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of all or any portion of any overpayment of Federal tax of an individual as a contribution to the Individual Development Account of such individual.

SEC. 306. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—To withdraw money from an individual’s Individual Development Account to pay qualified expenses, a qualified individual development account owner, or such individual’s spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds under section 305(b)(1)(A) into a parallel account at the qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(b) WITHDRAWALS FROM ACCOUNTS OF NON-ELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established is not a qualified individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 305(b)(1)(A) during the period:

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility;

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(c) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual’s gross income.

(d) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this title may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this title related to withdrawals from Individual Development Accounts.

SEC. 307. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 308, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that:

(1) the accounts described in subparagraphs (A) and (B) of section 303(b)(1) are operating pursuant to all the provisions of this title; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by

the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased individual as an eligible individual) shall establish a parallel account at the qualified financial institution, a qualified nonprofit organization, or Indian tribe that may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 302(b).

(B) A parallel account to which all matching funds shall be deposited in accordance with section 305.

(2) TOWARD IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to the requirements of the Internal Revenue Code of 1986.

SEC. 304. PROCEDURES FOR OPENING AND MAIN- TAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual maintains no other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARDS AND APPLICABILITY OF COURSE.—The Secretary, in consultation with representatives of qualified individual development account owners and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) because of hardship or lack of need.

(c) STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms from the preceding taxable year (or in the absence of such forms, such documentation as specified by the Secretary or the eligible individual’s adjusted gross income and the status of the individual as an eligible individual) shall be presented to the qualified financial institution, qualified nonprofit organization, or an Indian tribe at the time of the establishment of the Individual Development Account and

SEC. 302. ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) TOWARD IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to the requirements of the Internal Revenue Code of 1986.
SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this title, including the monitoring, and evaluation required under section 308, to remain available until expended.

SEC. 310. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEAN- TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by law, or to provide assistance or benefits authorized by law, no account established under this chapter shall be disregarded for any purpose of such assistance or benefit.

(42 USC 13776)

The following is the end of this title.
Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.

Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.

TITLE II—EXPANSION OF CHARITABLE CONTRIBUTIONS

Sec. 201. Provision of assistance under government programs by religious and community organizations.

TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Program.

Sec. 302. Increase in limitation on net worth.

Sec. 303. Extension of program.

Sec. 304. Elimination of limitation on deposits.

Sec. 305. Change in limitation on deposits.

Sec. 306. Application.

TITLE IV—CHARITABLE DONATIONS LIABILITY REFORM FOR IN-KIND CORPORATE CONTRIBUTIONS

Sec. 401. Charitable donations liability reform for in-kind corporate contributions.

TITLES I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DETERMINATION OF AMOUNT OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) In General.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (n) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—

(I) In General.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 170 an amount equal to the lesser of—

(A) the amount allowable under subsection (a) for the taxable year for cash contributions, or

(B) the applicable amount.

(II) Applicable Amount.—For purposes of paragraph (I), the applicable amount shall be determined as follows:

For taxable years beginning:

- 2002 and 2003 $25
- 2004, 2005, 2006 $50
- 2007, 2008, 2009 $75
- 2010 and thereafter $100.

In the case of a joint return, the applicable amount is twice the applicable amount determined under the preceding table.

(b) Direct Charitable Deduction.

(1) In General.—Subsection (b) of section 63 of such Code is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ". . . and", and by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction.;"

(2) Definition.—Section 63 of such Code is amended by striking subsection (e) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Direct Charitable Deduction.—For purposes of this paragraph, term "direct charitable deduction" means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).

(3) Conforming Amendment.—Subsection (d) of section 63 of such Code is amended by inserting before the second period at the end of the paragraph, the term "charitable remainder trust" means any charitable remainder trust created under section 664(d).

(4) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS TO CHARITABLE PURPOSES

(a) In General.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(B) the applicable amount.

(II)Qualified charitable distributions.—For purposes of this paragraph, the term "qualified charitable distribution" means any amount distributed from an individual retirement account—

(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70 1/2, and

(ii) which is made directly by the trustee of the account to a charitable organization or charitable remainder trust.

(III) Conformity to required minimum distributions.—For purposes of this subparagraph, any amount distributed from an individual retirement account that is required to be distributed under section 408(p) shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the account described in section 408(p) would be allowable under section 170(m) as so amended.

(b) Conformity to Required Minimum Distributions.—For purposes of this paragraph, the term "qualified charitable distribution" means any amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

"(E) Special Rules for Split-Interest Entities.

(I) Charitable Remainder Trusts.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(A) shall be treated as income described in section 642(b)(1) except to the extent that the beneficiary of the individual retirement account notifies the trustee of the trust of the amount which is not allocable to income under subparagraph (D).

(II) PooleD Income Funds.—No amount shall be includable in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)(B)) for the taxable year under section 72.

(III) Charitable Gift Annuities.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

(F) Denial of Deduction.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

(G) Split-Interest Entity Defined.—For purposes of this paragraph, the term "split-interest entity" means—

(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

(ii) a pooled income fund (as defined in section 612(c)(5)), and

(iii) a charitable gift annuity (as defined in section 501(m)(5)).

(b) Modifications Relating to Information Returns by Certain Trusts.

(1) Returns.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

(a) Trusts Described in Section 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information as may be prescribed by the Secretary by forms or regulations prescribe, including:

(A) the amount of the charitable, etc., deduction under section 642(c) for the taxable year as the Secretary may by forms or regulations prescribe, including:

"(D) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years but which has not been paid out at the beginning of such year.

(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes.

Elected charitable income of the trust within such year and the expenses attributable thereto, and
“(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

“(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 549A(a)(1).”

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6039(b) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

“(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6039(a), subparagraphs (A) and (B) of paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

“(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

“(ii) the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting ‘$100’ for ‘$20’, and the second sentence thereof shall be applied by substituting ‘$50,000’ for ‘$10,000’, and

“(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: “In the case of a trust which is required to file a return under section 6039(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).”

(o) EFFECTIVE DATE.—(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) In General.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking “10 percent” and inserting “1 percent”.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170(b)(2) of such Code is amended by adding at the end the following new paragraph:

“(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>For taxable years beginning</th>
<th>The applicable percentage is</th>
</tr>
</thead>
<tbody>
<tr>
<td>in calendar year</td>
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</tr>
<tr>
<td>2000</td>
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<td>2008</td>
<td>10</td>
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<tr>
<td>2009</td>
<td>10</td>
</tr>
<tr>
<td>2010 and thereafter</td>
<td>15</td>
</tr>
</tbody>
</table>

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 501(b)(2)(A) of such Code are each amended by striking “10 percent” and inserting “1 percent”.

(2) Sections 170(b)(2) and 556(b)(2) of such Code are each amended by striking “10 percent” and inserting “1 percent”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) In General.—(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

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<thead>
<tr>
<th>For taxable years beginning</th>
<th>The applicable percentage is</th>
</tr>
</thead>
<tbody>
<tr>
<td>in calendar year</td>
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<td>2008</td>
<td>15</td>
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<td>2009</td>
<td>15</td>
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<tr>
<td>2010 and thereafter</td>
<td>20</td>
</tr>
</tbody>
</table>

(c) CONFORMING AMENDMENTS.—

(1) Section 521(b)(10) of such Code are each amended by striking “10 percent” and inserting “1 percent”.

(2) Section 521(b)(2) of such Code is amended by striking “10 percent” and inserting “1 percent”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) In General.—Subsection (c) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment in-}

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE SHARING INCOME AND CHARITABLE CONTRIBUTIONS.

(a) In General.—(3) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6039(b) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

“(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6039(a), subparagraphs (A) and (B) of paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

“(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

“(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting ‘$100’ for ‘$20’, and the second sentence thereof shall be applied by substituting ‘$50,000’ for ‘$10,000’, and

“(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: “In the case of a trust which is required to file a return under section 6039(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).”

(o) EFFECTIVE DATE.—(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR SCIENTIFIC PROPERTY AND COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) Scientific Property Used for Research.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting “or assembled” after “constructed”.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of such Code is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting “or assembled” after “constructed” and, paragraph (B), by striking the period at the end of subparagraph (C) and inserting “,”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) In General.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking “and” at the end of subparagraph (B), by striking “or” at the end of subparagraph (C) and inserting “,” and, and by adding at the end the following new subparagraph:

“the excess of the amount of the shareholder’s deduction for any charitable contribution made by the S corporation over the shareholder’s proportionate share of the adjustments basis of the property.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

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1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking “and” at the end of subparagraph (B), by striking “or” at the end of subparagraph (C) and inserting “,” and, and by adding at the end the following new subparagraph:

“the excess of the amount of the shareholder’s deduction for any charitable contribution made by the S corporation over the shareholder’s proportionate share of the adjustments basis of the property.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.
SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 1900 (42 U.S.C. 1994) the following:

"SEC. 1991. CHARITABLE CHOICE.

"(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Act of 2001'.

"(b) PURPOSES.—The purposes of this section are—

"(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

"(2) to supplement the Nation’s social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under such programs;

"(3) to prohibit discrimination against religious organizations in the administration and distribution of government assistance under such programs;

"(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

"(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

"(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

"(1) IN GENERAL.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under such program, and the government shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

"(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

"(2) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religion or the organization’s religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

"(3) PROHIBITS ENDORSEMENT OF RELIGION.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not consistent with the government of religion or of the organization’s religious beliefs or practices.

"(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

"(A) if it involves activities carried out using Federal funds—

"(i) to allow religious organizations to participate in the administration and distribution of government assistance under such programs without impairing the religious character and autonomy of such organizations, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5001 et seq.);

"(ii) related to the prevention of crime and assistance to crime victims and offenders, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 2011 et seq.);

"(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

"(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2901 et seq.);

"(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); or

"(vi) related to the intervention in and prevention of child abuse and domestic violence or sexual abuse or exploitation under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

"(ii) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

"(B) has a value that is not less than the value of the assistance that the individual would receive, or would have received, if the assistance had been provided in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

"(ii) except as provided in subparagraph (A) and clause (1), does not include activities carried out under Federal programs provided to religious organizations to attend elementary schools or secondary schools, as defined in section 1400L of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2801).

"(d) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

"(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organizations’ control over the definition, development, practice, and expression of its religious beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in this section, to—

"(A) alter its form of internal governance or provisions in its charter documents; or

"(B) remove religious art, icons, scripture, or other religious symbols from its name, because such symbols or names are of a religious character.

"(e) EMPLOYMENT PRACTICES.—A religious organization may comply with section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment prac-

"(f) EFFECT ON OTHER LAWS.—Nothing in this section shall alter the duty of a religious organization receiving assistance or providing services under any program described in subsection (c)(4) to comply with the nondiscrimination provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681-1688) (prohibiting discrimination in education programs and activities on the basis of sex), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (prohibiting discrimination on the basis of age).

"(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

"(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance under any program described in subsection (c)(4), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

"(A) is an alternative that is accessible to the individual and unobjectionable to the individual on religious grounds; and

"(B) has a value that is not less than the value of the assistance that the individual would receive, or would have received, if the assistance had been provided in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

"(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individual described in subsection (c)(4) of the rights of such individuals under this section.

"(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

"(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

"(1) GRANTS AND COOPERATIVE AGREEMENTS.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

"(2) INDIRECT FORMS OF ASSISTANCE.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

"(i) ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program that—

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).
and will comply with this subsection.

(A) Grants and Cooperative Agreements.—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall segregate government funds provided under such program into a separate account or accounts. Only the separate accounts consisting of funds from the government shall be subject to audit by the government.

(B) Indirect Forms of Assistance.—A religious organization providing assistance through a voucher, certificate, or other form of indirect assistance under a program described in subsection (c)(4) may segregate government funds provided under such program into a separate account or accounts. If such funds are segregated, then only the separate accounts consisting of funds from the government shall be subject to audit by the government.

(C) Self Audit.—A religious organization providing assistance under any program described in subsection (c)(4) shall conduct annually a self audit for compliance with its duties under this section and submit a copy of the self audit to the appropriate Federal, State, or local government agency, along with a plan to timely correct variances, if any, identified in the self audit.

(D) Indirect Actions on Use of Funds; Voluntariness.—No funds provided through a grant or cooperative agreement to a religious organization to provide assistance under a program described in subsection (c)(4) shall be expended for sectarian instruct, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection.

(E) Limitations on Use of Funds; Voluntary Accounts.—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

(F) Indirect Assistance.—When consistent with the purpose of a program described in subsection (c)(4), the Secretary of the department administering the program may direct the disbursement of some or all of the funds, if determined by the Secretary to be feasible and efficient, in the form of indirect assistance. For purposes of this section, ‘indirect assistance’ constitutes assistance in which an organization receiving funds through a grant or cooperative agreement, and any other form of disbursement under this section receives such funding only as a result of the private choices of individual beneficiaries, or, in giving out the assistance, to any particular religion, or of religion generally, occurs.

(m) Treatment of Intermediate Grants.—If any local or State governmental organization (referred to in this subsection as an ‘intermediate grantor’), acting under a grant or other agreement with the Federal Government, or a State or local government with Federal funds, is given the authority under this section to select nongovernmental organizations to provide assistance under the programs described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government when selecting or otherwise dealing with the religious organization, but the intermediate grantor shall, if it is a religious organization, shall retain all other rights of a religious organization under this section.

(F) Compliance.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1983 of title 42 and subsection (c)(4) of this section. Such an action may include technical assistance, directly or through another party under this section have been violated by the Federal Government may bring a civil action for injunctive relief in Federal district court against the official or governmental organization that has allegedly committed such violation.

(2) Training and Technical Assistance for Small Nongovernmental Organizations.—

(1) In general.—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component thereof, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through another party under this section, as the Attorney General determines, among religious organizations, in an amount not to exceed $50 million annually.

(2) Types of Assistance.—Such assistance may include—

(A) assistance and information relating to creating an organization described in section 601(c)(3) of the Internal Revenue Code of 1986 to operate an identified program;

(B) granting writing assistance which may include workshops and reasonable guidance;

(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas and


(3) Reservations of Funds.—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may use these funds to train and technical assistance, directly or through another party under this section, as the Attorney General determines, among religious organizations, in an amount not to exceed $50 million annually.

(b) Limitation on Deposits for an Individual.---Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.
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Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that he

The SPEAKER pro tempore. The

Mr. SENSENBRENNER. Before I do that, I ask unanimous

The SPEAKER pro tempore. Without objection, the gentleman from New York (Mr. RANGEL) is recognized.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the first 15 minutes of my time be controlled by the
gentleman from Michigan (Mr. CONyers), the ranking member of the
Committee on the Judiciary, and the remainder of my time be controlled by the
gentleman from Georgia (Mr. LEWIS), a member of the Committee on
Ways and Means.

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

There was no objection.

The SPEAKER pro tempore. The

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that I may be
allowed to yield parts of my time to others.

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

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 7. Quite simply, the aim of this legislation is to encourage more community-based solutions to social problems in America. When implemented, it will provide some truly life-changing opportunities to many individuals struggling in our communities across the country.

It says that faith-based organizations should no longer be discriminated against when competing for Federal social service funds because of a mis-construed interpretation of current law by some, and that we welcome even the smallest faith-based organizations into the war against desperation and hopelessness.
As a result, new doors will be opened to the neediest in our communities to receive help and assistance that they seek. This is a wonderful and compassionate goal that most, if not all, should be able to embrace. In fact, H.R. 7 could very well improve our culture in ways that we have not seen in decades.

The concept of Charitable Choice is not new. Federal welfare reform in 1996 authorized collaboration between government and faith-based organizations to provide services to the poor. Charitable Choice has allowed religious organizations, rather than just secular or secularized groups, to compete for public funding. Many faith-based organizations have been providing services to their community, but with government funding they are able to create new programs and expand their services into a much larger and more meaningful one for their community. They have done this under existing Charitable Choice law in the 1996 Welfare Reform Act, which allows them to help those in need without having to hire lawyers to create a separate secularized organization and without having to rent expensive office space outside their neighborhood church.

There are literally hundreds of other programs like that of the Cookman United Methodist Church in Philadelphia which has created a program of “education, life-skills, job placement, job development and computer literacy, and children and youth services” with their Federal funding. By testing new solutions to the problem of poverty, the Cookman Church has used Charitable Choice funds to expand their program of needed services into a much larger and more meaningful one for their community. They have done this under existing Charitable Choice law in the 1996 Welfare Reform Act, which allows them to help those in need without having to hire lawyers to create a separate secularized organization and without having to rent expensive office space outside their neighborhood church.

It is a tragedy that those who move to help others by the strength of faith face added barriers to Federal social service funds based upon misguided understandings of the Constitution’s religious clauses. Often it is those whose earthly compassion has the deep root of faith who stand strongest against the whims of despair. Different rules should not apply to them when they seek to cooperate with the Federal Government in helping meet basic human needs.

Some of our colleagues have raised constitutional objections to this legislation. I believe that those objections, while sincere, are misguided. Charitable Choice neither inhibits free exercise of religion, nor does it separate the government establishment of religion. It simply allows all organizations, religious or non-religious, to be considered equally by the Government for what they can do to help alleviate our Nation’s social ills.

Unfortunately, it has become all too common for faith-based organizations to be subject to blanket exclusionary rules applied by the government grant and contract distributors based upon the notion that no Federal funds can go to pervasively sectarian institutions. However, the Congressional Research Service concluded in its December 27, 2000, report to Congress on Charitable Choice: “In its most recent decisions, the Supreme Court appears to have abandoned the presumption that some religious institutions are so pervasively sectarian that they are constitutionally ineligible to participate in direct public aid programs. The question of whether a recipient institution is pervasively sectarian is no longer a constitutionally determinative factor.”

The pervasively sectarian test under which the patronizing assumption was made that religious people could be too religious to be trusted to follow rules and use Federal funds for proselytizing activity is, thankfully, dead. However, its ghost continues to linger in many of the implementing regulations of the programs covered by H.R. 7, and, unfortunately, in the rhetoric of many of H.R. 7’s opponents. For those with constitutional concerns, I also ask them to consider the changes to H.R. 7 that were adopted by the Committee on the Judiciary and just amended in this bill with the self-executing rule. These changes firm up the constitutionality of the bill and expand the options of individuals to receive government services from the type of organization they are most comfortable with.

To begin with, the bill now makes clear that when a beneficiary has objection to the religious nature of a provider, an alternative provider is required that is objectionable to the beneficiary on religious grounds, but that the alternative provider need not be non-religious. This same requirement appears in the Charitable Choice provisions of the 1996 Welfare Reform Act. If, of course, a beneficiary objects to being served by any faith-based organization, such a beneficiary is granted a secular alternative.

Existing Charitable Choice law contains an explicit protection of a beneficiary’s right to refuse to actively participate in a religious practice, thereby ensuring a beneficiary’s right to avoid any unwanted sectarian practices. Such a provision makes clear that participation, if any, in a sectarian practice, is voluntary and non-compulsory.

Further, Justices O’Connor and Breyer require that no government funds be used to religious indoctrination. Therefore, religious organizations receiving direct funding will have to separate their social service program from their sectarian practices. If any part of the faith-based organization’s activities involve religious indoctrination, such activities must be separate from the government-funded program, and, hence, privately funded.

The bill as reported out of the Committee on the Judiciary now contains a clear statement that if any sectarian worship instruction or proselytization occurs, that shall be voluntary for individuals receiving services and offered separate from the program funded. Also the bill now includes a requirement that a certificate shall be separately signed by the religious organization and filed with the government agency that disperses the funds certifying that the organization is aware of and will take care to comply with this provision.

One of the most important guarantees of institutional autonomy is a faith-based organization’s ability to select its own staff in the manner that takes into account its faith. It was for that reason that Congress wrote an exemption from the religious discrimination provision of Title VII of the Civil Rights Act of 1964 for religious employers. All other current charitable choice laws specifically provide that faith-based organizations in this limited exemption from Federal employment nondiscrimination laws.

An amendment adopted by the Committee on the Judiciary replaced existing language in H.R. 7 with the same language used in the 1996 Welfare Reform Act, which was signed into law by President Clinton, with an additional clause making clear that contrary provisions in the Federal programs covered by H.R. 7 have no force and effect. This additional clause was not necessary in the 1996 Welfare Reform Act because it codified charitable choice rules for a new program, whereas H.R. 7 covers already existing programs that may have conflicting provisions.

This amendment is offered to avoid any confusion. The language of the 1996 Welfare Reform Act did nothing to “roll back” existing civil rights laws, and that same language is used in this amendment.

It is important for all to understand that this bill does not change the anti-discrimination laws one bit, either with respect to employees or beneficiaries. Faith-based organizations...
must comply with civil rights laws prohibiting discrimination on the basis of race, color, national origin, gender, age and disability.

Since 1964, faith-based organizations have been entitled to the Title VII exemption to hire staff that share religious beliefs; and courts, including the Supreme Court, have upheld this exemption. Do the critics of those laws really want to revoke current public funding from the thousands of child care centers, colleges and universities that receive Federal funds in the form of Pell grants, veterans benefits, vocational training, et cetera, because these institutions hire faculty and staff that share religious beliefs?

Remember, one of the primary goals of this legislation is to try to open opportunities for small entities that take part "by virtue of their expression of religious purposes." It is particularly important to maintain this exemption for small faith-based entities, because they are the types of community organizations we hope will be encouraged by this bill to seek involvement in delivering social services. These small entities are not going to go out and create new organizations and staff that provide these services. So we do not want to force them to advertise, hire new people and possibly be sued in Federal court for a job they would like to fill by people already on staff, namely, people who share their religious beliefs.

One of the most revered liberal justices in the history of the Supreme Court, William Brennan, recognized that preserving the Title VII exemption where religious organizations engage in social services is a necessary element of religious freedom.

In his opinion in the Amos case upholding the current Title VII exemption, Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where such activity does not contain any sectarian instruction, worship or proselytizing, he recognized that the religious organization's performance of such functions was likely to be "inclined with a religious purpose." He also recognized that churches and other entities "often regard the provision of social services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster."

Charitable choice principles recognize that people in need should have the benefit of the best social services available, whether the providers of those services are faith-based or otherwise. The goal: helping tens of thousands of Americans in need.

We are considering today whether the legions of faith-based organizations in the inner cities, small towns and other communities of America can compete for Federal funds to help pay the heating bills in shelters for victims of domestic violence, to hire them pay for training materials teaching basic work skills, to help them feed the hungry, and to provide other social services to help the most desperate among us.

Mr. Speaker, I urge my colleagues, even those initially opposed to H.R. 7, to join me today in voting for this bill and the expansion of charitable choice. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I commend the gentleman from Wisconsin (Mr. SENENSEN-BRENNER), the chairman of the committee, for his sterling statement. Except for the conclusion, of course, it was very well presented.

Now, to the heart of the matter. The Conservative Family Research Council announced yesterday that they would abandon support for H.R. 7 if it were not to change one iota to defer to existing State or local civil rights laws. Therein lies the rub. Namely, to put it another way, more colloquially, can a brother make as good a pot of soup as a Southern Baptist? Can too much diversity spoil the soup? That is the problem here, and it is why we are having so much trouble with faith-based which, incidentally, already exists, I say to my colleagues. Is there anyone not aware that we already have faith-based organizations dispensing charity by the billions of dollars? So what is the problem here?

Well, during our discussion in the Committee on the Judiciary, no one caught this sense of the issue more sensibly than my distinguished colleague from Florida (Mr. SCARBOROUGH), and I quote him at this point from page 191: "For instance," he says, "delivering soup. Let's say, for instance, in an area that is heavily served, let's say a synagogue, in an urban part of the area, listen, they want to get their soup. They do not want to hear somebody with views that are completely different from their own views. And I understand. I understand what the bill says, that they are not allowed to do that. But again, if you compel these organizations, whose culture many Americans believe allow faith-based organizations to deliver services more effectively," and so on and so forth.

So I thank our departing colleague for that very important contribution to what we are about here.

Now, why do so many people feel uncomfortable about using this legislation as a vehicle to override our civil rights laws, our Federal civil rights laws, our State civil rights laws, our local civil rights laws? Why?

Many of us are still recovering from the revelation that the Salvation Army negotiated a secret deal with the White House to override parts of civil rights laws, including those protecting domestic partner benefits. Most do not think it is right to trade off our civil rights laws to get legislative support from a private organization.

Had the administration really wanted to do something to help religion, they might have tried to include the proposed charitable tax deductions in the $2 trillion tax deal. If they wanted to do something to improve social services, they would increase funding for drug treatment, housing and for seniors, instead of cutting these programs by billions of dollars. If they wanted to help our kids in our inner cities, of which I have heard so much today it is staggering, they would help us try to rebuild the crumbling schools all across the land.

Mr. Speaker, I yield 2 1/2 minutes to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee from which this bill came.

Mr. NADLER. Mr. Speaker, this bill is a threat to religious liberty, a threat to the very effective way the Federal, State and local governments have long worked with religious charities, and a threat to this Nation's long commitment to equal rights, nondiscrimination and human dignity.

I would like to dispense with a few myths that have been propagated during this debate.

First, contrary to what we may have heard, religious charities are not the victims of discrimination; far from it. Religious charities now administer billions of dollars in public funds every year. Catholic Charities, the Federation of Protestant Welfare Agencies, Jewish Social Service Agencies and many other church groups have been providing social services partially funded with taxpayer dollars for many, many decades.

Myth two: Religious charities must be allowed to discriminate in employment and services using public money in order to do their jobs properly. Why? Why does a Jewish lunch program need to hire only Jews to serve the soup? Why does a Baptist homeless shelter need to hire only Baptists to provide the blankets? I thought that this was a settled issue in our society, but apparently it is not.

Let me ask my colleagues, on the road to Jericho, did the good Samaritan ask the wounded traveler whether he was of a certain faith or whether he was gay or whether he was of the proper race? If the answer is no, then why would we think it necessary for churches to do this now, with public funds?

People are told that current law already allows such discrimination. Yes, it does, but only with church funds. But this bill is different. This bill allows that discrimination not just with
Mr. SCOTT. Mr. Speaker, I rise in opposition to H.R. 7. While it has been described as a plan to help religious organizations receive and administer government funds, charitable choice in reality is a fundamental assault on our civil rights laws. In this debate, let us be clear. The major impact of H.R. 7 will be to allow religious sponsors of federally funded programs to discriminate in hiring based on religious beliefs. Any program that can get funded under H.R. 7 can get funding today, except those run by organizations that insist on the right to discriminate in hiring.

So when we hear about all the programs that can get funded, let us tell the truth, all of them can be funded today if the sponsors are willing to follow civil rights laws, just like all other Federal contractors. Just do not discriminate in hiring.

So this bill is not about new programs which can get funded. There is no new money in the program. Any program funded under H.R. 7 can be funded now. This bill provides no new funding, just new discrimination.

Whatever excuse there is to discriminate based on religion in these programs should apply to all Federal programs. In fact, it would apply to all private contractors or all private employers.

Why should a manufacturer be required to hire people of different faiths? The answer is both the law. Because of our sorry history of discrimination and bigotry in the past, we have had to pass laws to establish protected classes.

So someone can choose their employees any way they want, except they cannot discriminate in hiring based on race, color, creed, national origin, or sex. This principle was established in Federal defense contracts when President Roosevelt signed Executive Order 8802 on June 25, 1941. Now, 60 years later, here we are allowing sponsors of federally funded programs to discriminate in hiring.

There are a lot of other problems with this bill, but we ought to defeat this bill strictly because of the fact that it allows new discrimination in hiring.

Mr. CONYERS. Mr. Speaker, in consultation with the chairman of the committee, I ask unanimous consent that each side be given 10 additional minutes.

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

Mr. SENSENBIFFNER. Mr. Speaker, reserving the right to object, I would like to point out to the gentleman from Michigan that while I personally have no objection, the general debate time is controlled by the Committee on Ways and Means. I would suggest that he request that of the chairman of the Committee on Ways and Means when he comes back to the Chamber, I am afraid that I would be trodding on their turf, so I would ask him to withdraw his unanimous consent request.

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

Mr. SENSENBIFFNER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes and 5 seconds to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, if we take time to review the details of this bill, we will see it is bad for America. The premise that religious people cannot help solve America’s social problems is simply wrong. I spent 14 years in local government. We worked with Catholic Charities and many others. We do not need this radical departure from the Bill of Rights to work with Catholics, Protestants, Buddhists, Hindus, Sikhs, or Jains to solve America’s problems.

Consider the plain language of the first amendment: “Congress shall make no law respecting an establishment of religion.” I think that is clear. But this bill would take tax money and give it directly to churches. How can that not run afoul of the constitutional prohibition against the establishment of religion?

Our country was started by people seeking religious freedom to worship, and this fundamental American value was put in the very first amendment to our Constitution. When government becomes involved in establishing or preferring religions, trouble follows. Will the Sikhs or Hindus where the day can cast down? Will the Muslims or Jews run the nursing home where your mother will live? Pity the local government who must decide.

With government money comes interference and perhaps improper conduct. Do these funds go to friends of the President? Does the Salvation Army get a financial benefit for political work? Thomas Jefferson is famous for the observation that “. . . intermingling of church and State corrupts both.” Finally and incredibly, there are special interest provisions in this bill that do not even relate to religion. Look at section 104.

Astonishingly, the bill creates a special class of victims without rights, nonprofit and religious groups who rent vehicles from businesses. An example: Corporation A leases a van with bald tires to the Baptist Youth Choir. The van overturns. With section 104, Corporation A cannot be held liable to help with the funeral and medical expenses. But if the same van is rented for the same price to a for-profit satanic rock group, corporation A can be held liable. Why should religious and nonprofit groups be victimized with immunity?

This bill will result in outcomes not desired by the American people. It will end up undercutting religion as well as religious freedom. It will enrage Americans by using their tax dollars to subsidize religious beliefs they disagree with. It undercut our Constitution, provides not one additional cent of tax money to help the poor, and will end up stimulating religious conflict and racial and religious discrimination. Please have the good sense to vote no.

Mr. CONYERS. Mr. Speaker, I ask unanimous consent for each side to have 10 additional minutes, having consulted with my leader on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL).

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

Mr. THOMAS. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL) in terms of the statement of the gentleman from Michigan.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me. Mr. Speaker, it seems as though, on this very controversial but important subject matter, there are so many Members who would like to share their views before we have time to vote on this, and in view of the fact that the Committee on the Judiciary has had just over an hour on this and the time was split and they need additional time, if there is any technicality because the Committee on Ways and Means would follow them that
interferes with them getting unanimous consent, I would like to yield to them at this point. Mr. Speaker.

Mr. THOMAS. Continuing to reserve my right to object, Mr. Speaker, I would tell the gentleman that actually we have 2 hours of debate on this question. As the Speaker indicated in announcing the rule, there is an hour of general debate and an hour on the substitute.

That means the Committee on the Judiciary, if the time is divided on the substitute, the same as was divided on general debate, would have 1 hour. That is the normal debate hour. The Committee on Ways and Means would have 1 hour. The Committee on the Judiciary would have an hour.

The debate is not necessarily narrowly directed to the subject at hand; i.e., if the Speaker indicated that he believed (Chairman CONYERS) has some of his members of the Committee on the Judiciary who wish to make general statements about the underlying legislation, they certainly are able to, and indeed, I believe that during the debate on the substitute.

It seems to me that an extra 1 hour on this subject matter for a full 2 hours of discussion is more than ample. Therefore, Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), a distinguished member of the Committee.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from Michigan for yielding time to me, and I thank the leaders for this very important debate.

Mr. Speaker, I rise today to reinforce the important debate and the importance of characterizing this debate for what it is: the desire for those of us who believe in the first amendment and the Bill of Rights to emphasize that this should not be a referendum on our faith, for this country was founded on the ability to be able to practice one's faith without intrusion.

But rather, I would hope that this particular debate will focus around the intent and the understanding of James Madison, the father of the first amendment, that the commingling of church and State was something that should not exist, and that he apprehended the meaning of the establishment clause to be that "Congress shall not establish a religion and enforce the legal observation of it by law, nor compel men or women to worship God in any manner contrary to their conscience."

It means that if I am of a different belief and I want to fight against child abuse, and a particular religious institution is running a child abuse prevention charitable organization in my community, I should be able to be hired. Under this bill, although it has good intentions, it forces direct monies into religious institutions, not requiring them to comply with any means of preventing discrimination.

Martin Luther King said "injustice anywhere is injustice everywhere." Discrimination on the basis of religion somewhere is discrimination everywhere.

What we want here is an understanding that we embrace faith, but we do not embrace discrimination. Change this legislation, eliminate the discriminatory aspects, eliminate the voucher program, eliminate the direct funding of religion, and James Madison's voice and spirit will live and the Bill of Rights will live, and we can all support this legislation.

Mr. CONYERS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Wisconsin (Ms. BALDWIN), a distinguished member of the Committee.

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, this debate is about the fundamental relationship between a democratic government and religious institutions.

The first amendment has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Second, it is designed to protect religious institutions from unwarranted intrusions of government.

I believe H.R. 7 endangers both of these purposes. This bill expands the religious exemption under Title VII to clearly nonreligious activities, and it preempts State and all other local nondiscrimination laws. For the first time, Federal dollars, public funds, will be used to discriminate; or put another way, Americans can be barred from taxpayer-funded employment on the basis of their religion or other factors. Civil rights and religious freedom go hand-in-hand. Undermine one and we undermine the other.

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to separation of church and State by defeating H.R. 7.

Mr. Speaker, I rise today in opposition to H.R. 7.

Let me begin by saying that I very much value the traditional role of religions institutions in providing social services. Our country has never before seen in our country. It extends the reach of government into the private religious sphere. And I believe it is unconstitutional.

It is not in the best interest of our religious institutions to have government agencies pick and choose which church or synagogue or mosque should get taxpayer dollars. As my colleague Mr. Schiff of California said in the Judiciary Committee, "would it be appropriate for Members of Congress to write letters in support of one church's grant application or against another?" Would it? Is that a good idea? What future rules will we apply to these funds? Will the Bishop or the Rabbi come by to lobby for funding? If a church violates the rules or is suspected of fraud, do we really want the government digging into their books?

Our Founding Fathers created the Establishment Clause as an anti-chaos device. Their answer was no. In a letter written in 1832, James Madison wrote, "it may not be easy, in every possible case, to trace the line of separation between the rights of religion and the civil authority with such distinctness as to avoid collisions and doubts on unessential points. The tendency of a usurpation on one side or the other, or a corrupting coalition or alliance between them, will be best guarded by an entire abstinence of the government from interference in any way whatsoever."

We have recently seen the impact of entangling government and religion in the case of the White House and the Salvation Army. The Salvation Army, a religious charity, has lobbied and been lobbied by the White House to promote this legislation. According to newspaper accounts, the Salvation Army was prepared to spend hundreds of thousands of dollars to advance this bill in exchange for the right to discriminate in hiring. The White House now says they've backed off. But the very right to discriminate in hiring that the Salvation Army wanted is contained in this bill! This bill expands the religious exemption under Title VII to clearly non-religious activities and preempts all other state and local
non-discrimination laws. For the first time, public funds will be used to discriminate in employment. Or put another way, Americans can be denied supported employment on the basis of their religion.

Under this bill, a Protestant church could refuse to hire a person who is Jewish to work in their day care or a Muslim soup kitchen could refuse to hire a Catholic to serve meals to the hungry. But not only that, a church could refuse to hire a person who is divorced if divorce is against that church's tenets and teachings, even though the position is involved only in a secular activity.

Expanding a religious institution's ability to discriminate in employment to include secular enterprises is just the start of the discrimination in this bill. The bill also preempts all state and local laws against discrimination. Thus, if a state protects its citizens from discrimination on the basis of sexual orientation, real or perceived, gender, marital status, student status, or other bases the moment federal funds are commingled, religious institutions are allowed to discriminate. We hear a great deal about local control, but this bill eviscerates these state and local non-discrimination laws.

That is why the Gentleman from Massachusetts, Mr. FRANK, and I proposed an amend- ment in the Rules Committee. It is very sim- ple, just one line. "Notwithstanding anything to the contrary in this section, nothing in this sec- tion shall preempt or supersede State or local civil rights laws." Unfortunately, the Rules Committee refused to make our amendment in order, denying the House the opportunity to have an up or down vote on this critical issue.

The House still has an opportunity to correct this major problem with the bill. The Demo- cratic Substitute maintains non-discrimination protections in current Federal, State and local law. I urge all of my colleagues to support the substitute.

It is very distressing that the proponents of this bill desire to chip away at our civil rights and non-discrimination laws. And it is even more distressing when they are using religious freedom as a cover. Civil rights and religious freedom go hand in hand. Undermine one and you under- mine the other. In the Federalist Papers Number 51, James Madison noted this inter- relationship: "In a free government, the secu- rity for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects."

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm the separation of church and state by defeating this misguided legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield the balance of my time to the gentleman from California (Ms. WATERS).

The SPEAKER pro tempore. The Gentle- woman from California (Ms. WATERS) is recognized for 2 minutes and 10 seconds.

Ms. WATERS. Mr. Speaker, I think it is important for some of us to say that we were raised in church, and that we are religious people. We went to Sunday school every Sunday when I was a little girl coming up. We went back to the 11 a.m. service with our parents, and then we went back at 6 o'clock in the evening to BYUU for the young people.

I do not want anybody to think that because we are against this bill, somehow we are not religious, or we do not believe in religion. We certainly do. What we do not believe in is discrimi- nation. We cannot, as public policy makers who understand the Constitu- tion and appreciate it, and understand the struggle of those people who came to this country fleeing religious op- pression, sit here and allow something called a faith-based program to re- institute discrimination. It is wrong, and we cannot stand for that.

Religious organizations in this coun- try participate in this government in many ways. For those people who say we have to have this bill in order to have participation, they are wrong.

Let me just tell the Members, last year Lutheran Services, the largest faith-based organization to receive government aid, received about $2.7 bil- lion. Jewish organizations received about $2 billion in government aid. Catholic Charities received $1.4 billion, and the Salvation Army received $400 million.

So what are we talking about? They have separate 501(c)3s that they apply under because they separate from the collection plate the money that comes from the government in order to carry out these programs, and that is the way it should be. We should never allow commingling of the government and taxpayers' dollars in the collection plate. It is wrong, it violates separa- tion of church and State, and we should stop it on this floor right now, and not support the so-called faith- based organization initiative.

I would like to say to my friends and col- leagues here today, we have the oppor- tunity to uphold civil rights, to say we are against discrimination, to say we are not going to allow taxpayer dollars to turn people away who are applying for jobs, and most importantly, we are going to uphold the Constitution of the United States of America. I ask for a no vote on the faith-based organization initiative.

Mr. SENSENBRENNER. Mr. Speak- er, I yield the balance of my time to the gentleman from Ohio (Mr. CHABOT), the chairman of the Subcommittee on the Constitution.

Mr. CHABOT. Mr. Speaker, as we de- bate this bill today, I would ask my colleagues not to let partisanship cloud their judgment on this proposal. The purpose of this bill is to help people. This is not some great scheme to fun- nel tax dollars to religious organiza- tions or to force people to seek social services from religious providers. This bill will provide new hope and new op- portunities to thousands of Americans.

It will help the homeless, the hungry, and the downtrodden, and it will help those in need.

In the past several months, the House Subcommittee on the Constitution held several hearings that looked at charitable choice programs and the role that faith-based organizations can play in the delivery of social services. We heard compelling testimony about the work of faith-based organizations that have received Federal funding under current law. It is the current law now.

As we discussed and debated the constitutional issues surrounding this legislative proposal. And at the conclu- sion of these hearings, two points were very clear. First, the charitable choice provisions of H.R. 7 are completely consistent with the Constitution. And second, faith-based organizations play a vital role in providing social services to the most desperate among us.

I would like to quote from a speech that was made a while back to the Sal- vation Army: "The men and women in faith-based organizations are driven by their spiritual commit- ment. They have sustained the drug ad- dicted, the mentally ill, the homeless, they have trained them, they have edu- cated them, they have cared for them. Most of all, they have done what gov- ernment can never do: they have loved them."

Do my colleagues know who said that? Al Gore. Now I do not always agree with Al Gore, but I certainly agree with him in that particular in- stance.

This is legislation which is very im- portant to the President. I want to thank the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), for getting us to this point today. We want to make sure that this withstands any constitutional challenge that might be made against it. This is excel- lent legislation which will literally help thousands and thousands of the most desperately needy people in this country.

I want to thank the chairman for his leadership again on this. Let us pass this legislation today. It is important to an awful lot of people.
that in those states with such laws, they could choose to opt out of a state statutory requirement, so long as they can also use federal funds in accordance with the charitable choice provisions of the 1996 Welfare Reform Act. Hence, those states that prohibit discrimination based on sexual orientation, for example, in 16 states, employers with a single employee are covered by their state's civil rights law. Others set the minimum number of employees between 4 and 10. Ohio's employment discrimination law covers employers with 4 or more employees; Oh.St. § 4112.12(a)(2); Wisconsin's covers employers with 1 or more employees; Wi.St. § 111.32(6)(a); Massachusetts' covers employers with 6 or more employees; Ma.Civil § 51(a); New York's covers employers with 4 or more employees; N.Y.Exec. § 292(5); Michigan's covers employers with 1 or more employees; Mi. Stat. § 371.221; employers with 5 or more employees; Ca.Civil § 51.5(a). Also, the provisions of H.R. 7 will not apply whenever a State or local government chooses to separate its federal funds from its non-federal funds. Experience from existing charitable choice laws that contain the very same provisions as H.R. 7—and which have been on the books for five years—has shown that this narrow statutory right will not need to be invoked very often, if ever.

Claim that the House has never previously considered the details of charitable choice provisions

Contrary to the assertion in the Dissenting Views, the House has voted several times on amendments offered by Mr. Scott to strip away charitable choice provisions that would allow religious organizations to continue to be able to hire based on religion while taking federal funds under the designated programs to make employment decisions on religious grounds. This motion was defeated 176-246, by a 70 vote margin including 34 Democrats.

The Child Support Distribution Act of 2000 also contained the charitable choice provision. The Welfare Reform Act also contained a similar legislative provision that would allow religious organizations to continue to be able to hire based on religion while taking federal funds under the designated programs to make employment decisions on religious grounds. This motion was defeated 176-246, by a 70 vote margin including 34 Democrats.

The bill was then adopted by the House by a vote of 328-93, by a 235 vote margin. Constitution Subcommittee Ranking Member Nadler voted to vote against this other Democratic Members of the House Judiciary Committee, Those other Members were Sheila Jackson-Lee, Boucher, Delahunt, and Meehan.

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Claim that current charitable choice laws have been barely implemented

The Dissenting Views states that current charitable choice laws have barely been implemented. This is not true. Existing charitable choice programs have had a significant impact on social welfare. Dr. Sherman of the Hudson Institute has conducted the most extensive study of charitable choice programs. Dr. Sherman concluded that, currently, “All together, thousands of welfare recipients are benefiting from services provided by faith-based programs.” In fact, the government funds for the provision of child care, on the average, have been spent eight times more per child by faith-based programs than by non-faith-based programs.

The Dissenting Views points to two cases which they claim support their position. However, the cases do not support their position. The Court in San Antonio Independent School District v. Rodriguez, 411 U.S. 1 (1973) held that the segregation of public schools is unconstitutional. This case does not support the argument that charitable choice programs violate the Establishment Clause. The cases they refer to are not relevant to the issue of charitable choice.

Claim that beneficiaries don’t have a right under H.R. 7 to enforce discrimination claims in court

The Dissenting Views state that beneficiaries facing discrimination do not have a right to enforce their rights in court. This is patently untrue. Any beneficiary who is discriminated against may sue, in federal court, a State or local government agency for violation of federal law.

The Dissenting Views incorrectly states that H.R. 7 makes clear that any sectarian aspect of a faith-based program can be accepted as long as it is a religious aspect. This is not true. H.R. 7 makes clear that any sectarian aspect of a faith-based program can be accepted as long as it is a religious aspect. This is not true. H.R. 7 makes clear that any sectarian aspect of a faith-based program can be accepted as long as it is a religious aspect.

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middle of the night.’’ Well, subsection (i) was typed on the page in the same font and font size as any other provision in the amend-
tment, and the amendment was distributed the afternoon before the markup, at about 3 o’clock. Subsection (i) was not buried in a footnote, nor did any other provi-
sions of the amendment. The markup consisted of a mere 13 pages, double spaced, in standard legislative counsel format. Of course, we had been working on changes, but we didn’t have the final draft until that afternoon and therefore couldn’t distribute it to our Repub-
lican colleagues until the day before the markup too.

Claims on indirect funding that are internally inconsistent

The Dissenting Views are internally inconsis-
tent on the significance of indirect fund-
ing. The Senate defeated a provision that would have allowed religious organiza-
tions to engage in extensive social welfare and charitable activities, and Congresswoman Venus Jones argued that the measure would make it clear that indirect funding of religious organizations is objectionable because when a reli-
gious organization engages in sectarian in-
structions, worship, or proselytizing with in-
stitutions is objectionable because when a reli-
gious organization engages in the performance of such functions is likely to be 

Amos, 483 U.S. at 346 (Brennan, J., concurring). He also recognized that an organization and other religious entities ‘‘often regard the provision of such services as a means of fulfilling religious
duty and providing an example of the way of life a church seeks to foster.’’ Id. at 347. Per-
fusing the effect of most of the most liberal Justices, then, recognized that preserving the Title VII exemption when religious organizations engage in social services is a necessary ele-
ment of religious liberty. But for and properly funding religious organizations.

Mostly importantly, faith-based organiza-
tions engage in extensive social welfare and charitable
activities and employees and volunteers can do their 
good works out of religious motive. While the task of helping the poor and needy is 
‘‘secular’’ from the perspective of the Gov-
ernment, from the viewpoint of the faith-
 based organization and its workers it is a 
ministry of mercy driven by faith and guided
by faith.

Claim that H.R. 7 allows a faith-based organiza-
tion to discriminate based on interracial 
dating or marriage

The Dissenting Views claim that H.R. 7 will 
permit employment discrimination on the basis of interracial marriage. The cited 
source, an NAACP memo, plays off Bob 

In Justice O’Connor’s view, monetary pay-
table contribution aspect of the Tax
Code. The committee considered these issues through subcommittee hearings, analyzed other Members’ pieces of leg-
islation and of course listened to groups who are involved in charitable
activities, and then suggested a num-
ber of proposed tax changes that could create a more positive environment for giving.

The cost of the bill, over 10 years, as determined by the Joint Committee on Taxation, is a little over $13 billion over a ten year period. Half of that is directed toward creating a greater opportunity for those income
taxpayers who do not itemize their in-
come taxes. These individuals are then recognized for additional tax contribu-
tions to charitable organizations be-
yond that amount already incorporated into the determination of the standard 

It also addresses the fact that more
and more seniors, through very pru-
dent decisions, have individual retire-
ment accounts that they put away for their senior years, and that some indi-
viduals, while in their senior years, have decided that they would be able to 
make additional charitable contribu-
tions. There now is a taxable con-
sequence for directing those charitable contributions, and we eliminate that for seniors if they choose to use a por-
tion of their individual retirement ac-
count for charitable giving.

In addition to that, there are a num-
ber of industries who are involved in the food services business who con-
tribute excess food to charity but who certainlly would be induced to do so 
even more if there was a modest recog-
nition in the Tax Code for the con-
tribution of those foodstuffs. And we will hear more about that provision as we discuss the rest of the provisions.

In addition to that, there are two 
arcane sections of the bill in which, based upon the structure of a 
corporation, that corporation either may be able to claim the full value of appreciable property or it cannot. The committee decided, listening to testi-
mony, that it did not make any sense to 
differentiate between a so-called Subchapter S corporation or a C cor-
poration; that a C corporation could 
donate property and get a deduction for the full appreciated asset and Sub-
chapter S corporations could not.

These are the kinds of changes that 
constitute title I. As I said, over 10 years, there are about $13 billion. Some 
may say that these are very modest. 

But if we examine especially the cor-
porate provisions on foodstuffs and the manner in which appreciable property could be 
donated, I believe that we will have a significant impact, far more than the $13 billion over the 10 years; and in amount to as much as sev-
eral billion dollars.

So it may be called modest, but it is a step in the right direction; and I do hope Members, as they assess their
vote on this bill, would look at the con-
sequences of voting no, especially in
regard to titles II and to title III. These
are sections of the bill that should be
passed into law. And from my reading of
the Constitution, section II should be
as well.

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

Mr. LEWIS of Georgia. Mr. Speaker,
yield myself such time as I may con-
sume, and I want to thank the gen-
tleman from New York (Mr. RANGEL),
the ranking member, my friend and
colleague, for allowing me to control
this part of the debate on this bill.

Mr. Speaker, H.R. 7 is wrong for
America. Allowing religious organiza-
tions to provide much-needed social
services to disadvantaged people or
people in need sounds like an innocent
way to solve many of our problems.
But the truth is that it allows these or-
ganizations to use Federal dollars, the
taxpayers’ dollars, to discriminate in
certain ways that goes against our
faith. It is not right.

I have spent more than 40 years of
my life fighting against discrimina-
tion. We have worked too long and too
hard, and we cannot sit back and watch
the work of so many people who sac-
rificed so much be undone by this bill.
We have come too far in this country
to go back now. The House should not
support a bill that allows the Govern-
ment to promote discrimination, or re-
turn the days when religious intoler-
ance was permitted. It is not the right
thing to do. It is not the right way to
go. It is not the way to use the Tax
Code.

Furthermore, this bill is an assault
on the separation of church and State.
This concept underlies our democracy.
Yet H.R. 7 compels a citizen, through
his tax dollars, to fund religious orga-
nizations. Tax dollars will go directly
to churches, synagogues, and mosques.
The wall between church and State
must be solid. It must be strong. It has
guided us for more than 200 years. It
must not be breached for any reason.

There is no doubt, Mr. Speaker, that
there are many religious organizations
and institutions providing much-need-
ed services to our citizens. But as a
government and as a Nation, we should
not sanction religious discrimination
or violate the separation of church and
State. I urge my colleagues to vote
against H.R. 7.

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

Mr. THOMAS of Oklahoma. Mr. Speaker,
yield 2 minutes to the gentleman from
Illinois (Mr. CRANE), a member of the
Committee on Ways and Means.

Prior to that, however, I ask unani-
mous consent that the gentleman from
Michigan (Mr. CAMP) be allowed to
manage the remainder of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the re-
quest of the gentleman from Cali-
ifornia?

There was no objection.

Mr. CRANE. Mr. Speaker, I thank
the gentleman for yielding me this
time.

We now have an excellent oppor-
tunity to advance sound tax policy and
sound fiscal policy and sound social
policy by returning to our Nation’s his-
torical emphasis on private activities
and personal involvement in the well-
being of our communities. Because the
legislation we are considering contains
a number of worthwhile provisions that
I believe will help encourage people to
give to charity. I rise today to express
my support.

Mr. Speaker, I have long been an ad-
vocate in making changes in the Tax
Code to encourage charitable giving.
For many years, I have championed
and sponsored some of the proposals
contained in the legislation we have
crafted for the nonitemizer. I have intro-
duced the nonitemizer deduction legis-
lation in every Congress since the 99th,
and it is gratifying to finally see its in-
clusion in this legislation.

I would like to thank the gentleman
from Oklahoma (Mr. WATTS) for includ-
ing my provisions in H.R. 7, and the
chairman, the gentleman from Cali-
ifornia (Mr. THOMAS), for including it
in the mark. While I am pleased that the
nonitemizer deduction was included in
H.R. 7, I am disappointed that the limi-
tations on the amount of the deduction
were set so low. I hope to be able to
work with the chairman in the future
to raise the limit up to the standard
traditional deduction.

Mr. LEWIS of Georgia. Mr. Speaker,
yield 2 minutes to the gentleman
from New York (Mr. RANGEL), the Com-
mittee on Ways and Means ranking
member.

Mr. RANGEL. And now, my col-
 leagues, we get to act two of this bill.
And as was indicated by the chairman
of the committee, while the tax provi-
sions may not be unconstitutional, in
my view they are unrealistic.

The President has seen fit to provide
some $84 billion to taxpayers in order
to encourage them to do the right
thing, to make charitable contribu-
tions. But there was no money to do
it at, that is, including the Com-
mittee on Ways and Means reduced the
$84 billion down to $13 billion. Well,
we cannot do much with that if we want
to give incentives to those people who
do not itemize. But in order to make cer-
tain that this size 12 foot fits into the
size 8 shoe, I would put a cap on the
amount that a person could deduct.

Now, listen to this, because if you are
a charity, you are in trouble. The cap
on the amount of money that a tax-
payer who does not itemize can give is
$25. Of course, if it is a married couple,
it increases dramatically to $50. If an
individual is in the 15 percent bracket,
they will be able to get a return up to
$3,75. So much for a realistic incentive.

What we are trying to do with the $13
billion is at least to pay for it, and we
believe that the highest income people
in this country can afford to pay for at
least the $13 billion that hopefully will
be given to those people in our great
society that are least able to take care
of themselves. It should not be that we
should have to give incentives. But if
we have to do it, let us give those that
can really work.

Mr. CAMP. Mr. Speaker, I yield 2
minutes to the gentleman from Ohio
(Mr. PORTMAN), a distinguished mem-
ber of the Committee on Ways and
Means.

Mr. PORTMAN. I thank my colleague
and rise in strong support of this bill
because it will help Americans who are
most in need.

Over the past decade, Mr. Speaker,
our Nation has enjoyed great pros-
perity, but it has not reached every-
body. And the idea of this legislation is
to try to reach people who have been
left behind and to try to get at our
very toughest social problems.

Some, including some I have heard
earlier today, think the Government is
the answer; that the Government is
going to solve these problems. The
Government can solve some of these
problems; but we know from experience
that when it comes to helping those
most in need, there is no questioning the
great success of community groups,
of faith-based groups, of our churches,
our synagogues, our temples reaching
out to people. And not just helping
them in their immediate need, but help-
ing people help themselves by
transforming lives. That is what this is
all about.

Currently, government regulations
often prohibit Federal assistance to
support these institutions.

That is a fact. That is what we are
trying to break down. We have heard
a lot of discussion today about how this
raises concerns.

Opponents today have said it violates
the separation of church and State. Not
true. This bill strictly follows the
boundaries that have been established
over time by the Constitution and by
numerous court decisions. These funds
will not be used for religious purposes.
These funds will be used to fund the
good work that these groups are doing
in our communities.

We have heard opponents say this bill
threatens the independence of religious
organizations. That is not true. First of
all, it is entirely voluntary. No reli-
gious organization must partner with
government to get these funds. Second,
the legislation contains specific protections to prohibit the Federal government from interfering with the internal governance of the religious organizations.

We have heard opponents say this bill discriminates in employment. Not true. This legislation strictly protects the exception for religious organizations that were first established in the Civil Rights Act of 1964. This exemption allows religious organizations to maintain their character and mission by hiring staff that share their beliefs. That is all. That exemption continues. Organizations still must comply with all Federal laws regarding discrimination.

I would say Congress has passed four bills during my tenure here that President Clinton signed that have similar charitable choice provisions.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 5 seconds to the gentleman from Virginia (Mr. SCOTT) on intervention.

Mr. SCOTT. Mr. Speaker, I wanted to point out that any program that can get funded under H.R. 7 can be funded today. There is no discrimination against religious organizations. Many religious organizations get money today.

Mr. LEWIS of Georgia, Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, President Bush has said we should fund the good work of the faithful but not the faith itself. I agree. Unfortunately, somewhere along the line the administration's proposal as reflected in the bill before us lost track of the goal of providing additional funds for faith and community groups to help needy families. Instead, the bill promotes government-funded religious discrimination, turning the President's campaign proposal on its head.

President Bush and the authors of H.R. 7 have continually failed to acknowledge that religious charities can and already do receive government funding to address poverty and other social problems. For example, Catholic Charities receives two-thirds of its budget from Federal, State and local government. The armies of compassion are already marching with the Federal government's thanks, blessing and money.

The bill before us does not provide a single dime in new money for these programs, no new resources for child care, social services, substance abuse treatment, housing or any other pressing need that the community and faith-based organizations are working to meet.

I asked the Committee on Rules to make an amendment in order that we would have backed up our bold talk with badly-needed funds. My amendment would have increased resources for the child care and the social services block grant, two programs that are underfunded and have a long and successful record of supporting faith-based organizations. Unfortunately, the Committee on Rules rejected my amendment along with a number of other amendments that would strengthen this bill.

Rather than providing real assistance to religious charities to serve needy families, the President's initiative focuses on allowing groups receiving government money to discriminate in their hiring practices. In fact, the proposal goes so far as to preempt State and local laws on prohibiting employment discrimination.

Proponents of the H.R. 7 have said they are simply continuing a current exemption to the Civil Rights Act, as the gentleman from Cincinnati (Mr. PORTMAN) just said, for the hiring practices of religious organizations.

This exemption is a common sense provision that ensures a synagogue is not required to hire a Catholic as a rabbi and a Christian church is not required to hire a Jew as a priest. However, the bill before us today is talking about something very different, allowing discrimination in secular jobs which are directly supported with government dollars. Such discrimination is not only wrong, it is unconstitutional.

In its decision on this specific issue, Dodge v. Salvation Army, a U.S. District Court ruled, and I quote, "The effect of government substantially, if not exclusively, funding a position and then allowing an organization to choose the person to fill or maintain that position based on religious preference clearly has the effect of advancing religion and is unconstitutional."

Mr. Speaker, there is no disagreement that the bill in question about the important role that religious charities play in addressing our Nation's problems. However, many of us are concerned about the proposal that it attempts to bypass constitutional protections while simultaneously failing to provide the necessary resources to achieve its stated purpose.

Mr. Speaker, I urge my colleagues to support the substitute that provides the protections and to reject the underlying bill.

Mr. CAMP. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, Americans in communities across the country give their time, their talents and their money to help worthy causes. We have always been a generous people. DeTocqueville noted this in the mid-1800s when he spoke of the unique American tradition of volunteerism. No matter the social or economic burdens, Americans demand extraordinary actions to make a difference and to help those in need, not because they must but because they care.

H.R. 7 is a reflection of President Bush's vision to tap into the generosity of average Americans by expanding tax credits, allowing by law the government to participate in caring for those in need.

Currently, taxpayers who itemize their returns get to take a charitable deduction. Unfortunately, the Tax Code leaves out the nearly 70 percent of taxpayers who do not itemize. H.R. 7 eliminates that restriction. It puts a toe in the door. It rewards the taxpayer's charitable choice and will lead to a corresponding boost in donations. The bill also allows wealthy retired individuals to donate more money from their IRA without a tax penalty. Older people with means who want to help the community by donating to charity should be encouraged and not punished for doing so.

Lastly, we should continue developing public-private partnerships between the government and charitable organizations.

Some critics claim that this is a dangerous move that blurs the line between the government and religious organizations.

With great respect, I disagree. I believe that by supporting this bill we honor our common commitment and belief in helping our fellow human beings.

Mr. LEWIS of Georgia, Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I rise in favor of the Democratic substitute.

Mr. Speaker, I rise in support of the Community Solutions Act, Democratic Substitute, as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is a panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing, I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, "Do unto others as you would have them do unto you."

I have listened intently to the issues raised by my colleagues who have expressed serious concerns about this legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three federal social programs: (1) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, (2) The Community Services Block Grant Act of 1998, and is part
of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration. Each of these programs possesses the potential of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purpose by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that after serious scrutiny and debate we have language which protects our citizens and repudiates employment discrimination on the basis of race, color, religion, national origin or sexual preference.

The overall purpose and impact of this legislation can be good. It reinforces for us the fact that many people in poverty, suffer from some form of drug abuse. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter drugs. Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties. It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, homelessness, are still rampant in our country. Let’s look, if you will, at an ex offender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society. These situations create the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that new occasions call for new truths, new situations make ancient remedies unavailing. Well, I can tell you Mr. Speaker, the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin sick souls.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions. H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

But it cannot be allowed to help expand discrimination; therefore, I urge that we vote for the democratic substitute and the motion to recommit.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, whenever we pass this legislation, we have to ask ourselves, who is broke? What are we trying to fix?

The gentleman from Virginia (Mr. SCOTT) has very clearly said any religious organization can accept money. In the present situation, this bill is not needed. Catholic Charities gets 62 percent. That equates to $1.4 billion a year from the Federal Government. The Salvation Army gets $400 million a year. United Jewish Communities, their nursing homes get 76 percent of their money from the Federal Government. Lutheran Services gets 30 percent of their $6.9 billion from the Federal Government. That is $2.6 billion.

Mr. Speaker, my colleagues tell me that faith-based organizations need the Saints, that is because of the money. I want to clearly not what we are doing here. We are skirting around the court case we heard about. We want to give the ability of religious organizations to break laws that are here today and mix church and State.

The other thing that we are doing, and everybody forgets the past, the other side of the aisle took money from the Community Development Block Grant for social services 2 years ago and put it into the transportation budget. Now these agencies are coming and saying, we do not have enough money. So the other side of the aisle’s answer is, well, we will just ask people to contribute more. We will put this really good incentive out there. Mr. Speaker, who has filed the short form in this country now has the opportunity to give $25. If they keep records, and they have to keep records where they gave that $25, they will then get $3.75 back. Now, I do not know how stupid the other side of the aisle thinks 75 percent of the American people are. If they care, they are already giving $25. They will give $25 or $50, or whatever they have, but they are not going to do it for $3.75 that they have to work a year to get. This is simply a nonsense bill.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, the real issue today is, will blind ideology and partisan politics stand in the way of our investing in successful faith-based programs, in communities and families, and in individuals truly in need? The naysayers today are the same people who told us that welfare reform would not work; and look at the results.

For years, faith-based charities have reached out, making it their mission to serve our communities. They work to support those who are struggling and have broken lives. These groups provide not only physical needs after school care, drug treatment, welfare-to-work assistance, and many other services. They do it with little support from the Federal Government, but they get the job done.

Because all of that, what these groups do for our communities, I urge my colleagues to step back from partisan politics, step back from blind ideology and support the Community Solutions Act.

Mr. Speaker, this bill will stimulate an outpouring of private giving to nonprofits, faith-based programs and community groups by expanding tax deductions and other initiatives.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this is an outrage. I got religion in a Lean-to many years ago, so there is very little my colleagues can tell me about faith-based. But they can say to me that they want to discriminate, and I can hear that in whatever language they speak it in.

Mr. Speaker, the other side of the aisle is giving a set-aside. That is what my colleagues are doing. It is a set-aside with Federal funds for religious organizations, and it is a subterfuge. It is a set-aside on civil rights.

It is well-intended. There are some good people behind this bill, and there were some good people behind slavery. We do not want that to happen again. We have to watch this.

There is no one in this Congress that is more faith based than I am, so I should have every reason to support H.R. 7. But, Mr. Speaker, I am afraid of this bill. Some of the little churches in my community are going to be misgoverned and misrepresented; and, before we know it, they will be in Federal court because of some of my colleagues’ foolishness trying to spread out and do something.

Mr. Speaker, why are my colleagues doing this bill? There is only one reason. It is a subterfuge.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, this act will actually increase charitable giving. I want to focus on the value of individuals doing. It is a set-aside with Federal grants from their IRAs to charities once they reach the age of 70 1/2. Permitting older Americans to roll over funds from a retirement account without the government getting a piece of the action is a major step forward. When this bill becomes law, a $100 YMCA contribution will be a $100 contribution, not $85 because the IRS is not going to take their chunk out.
Mr. Speaker, charities do remarkable things for our country. They change the lives and hearts of so many for the better. They feed the hungry, clothe the homeless, and assist the needy. Now is the time to help charities help those most in need. Let us help the charities keep more of their well-deserved dollars. It is the right thing to do.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the question before this House is not whether faith is a powerful force; it is. The question is not whether faith-based groups do good works; they do. The question is not even whether government can assist faith-based groups in their social work; the government does, and has for years without this bill.

Mr. Speaker, rather, the vote on this bill boils down to two fundamental questions: First, do we want citizens' tax dollars funding directly our churches and houses of worship? Second, is it right to discriminate in job hiring when using tax dollars?

By directly funding churches and houses of worship with tax dollars, this bill obliterates the Bill of Rights' wall of separation between church and State. As all of human history has proven, entanglement between government and religion will lead to less religious freedom and more religious strife. Government funding of our churches will absolutely lead to government regulation of our churches, and it will cause religious strife as thousands of churches compete for billions of dollars annually.

Mr. Speaker, to my conservative colleagues I would say this: No one should be more concerned than true political conservatives about the idea of the long arm of the Federal Government and its regulations extending into our sacred houses of worship. I would challenge any Member of this House to show me one nation anywhere in the world that funds its churches and has more religious liberty, more religious vitality or tolerance than right here in the United States.

Regarding the religious discrimination subsidized by this bill, I would say this: No American citizen, not one, should ever have to pass someone else's religious test in order to qualify for a federally funded job. Sadly, under this bill, a church or group associated with Bob Jones University could put out a sign that says ‘No Catholics Need Apply Here’ for a federally funded job. That is wrong. This bill is wrong for religion, it is wrong for our churches, and it is wrong for our Nation.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HOUGHTON), a distinguished member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, there are many parts of this bill. The part I would like to concentrate on is something which the gentleman from Ohio (Mr. HALL) and I have been working on for a long time. The basis is this: there are 31 million Americans, according to a Department of Agriculture report, who go to bed hungry every night; and 12 million of those are children. One of the things this bill does is to encourage and gives a tax incentive to restaurants and hotels and people like that who have excess food, throw it away, to give it to these organizations, to help these people that are hungry.

That is all it is. It is a very simple part of this bill. I think it is needed, and I think it is the right area.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I would take second place to no one in this Chamber in my faith and my belief in God. I would take second place to no one in this Chamber in terms of my personal commitment to supporting faith-based organizations. But I cannot support the bill as presently drafted and specifically focusing on the discrimination aspect of the bill.

No one in this Chamber would ask that a Jew serve as a Catholic priest or a Muslim serve as a Christian minister. But what this bill specifically does, and we should face it and we should talk about it and think about the implication, is that the person serving the soup literally with the ladle would be allowed to be only of a certain faith, whatever that faith may be, with Federal funds. That is a very scary concept, I think, for many Americans. I ask my colleagues to think about themselves about that. We could talk around that issue. We could talk any way that we want. If that money is coming from my donation as a free will offering, and that institution chooses to do that, they have the ability, not with Federal funds, not with taxpayer dollars.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a distinguished member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I think it is important as we listen to this debate to hear what the opponents are saying. They are not attacking this bill head-on. They are chowing around the edges. They are trying to set up roadblocks. They are trying to put new provisions in law with respect to the civil rights acts. What they are trying to do is make this program unworkable.

We hear this comment repeated over and over: Catholic social services, Lutheran social services is getting all this government money. That is true. The large, high-financed, well-established churches do get Federal funding. They can afford the attorneys, they can afford the accountants, they can afford the lobbies. Are we going to afford these complicated tax structures to get this money?

That is not what this bill is about. This bill is about the little guy. This bill is about the people who have those small, faith-based organizations in our inner cities, in our rural areas, who know the names, who know the faces, of those who are in need.

The problem that we have had with this Federal Government, with the welfare state, with our approach to poverty, is that we have treated the superficial wounds that have plagued our population but we have not treated the soul. We have not treated the heart of America. We have treated the symptoms, the poverty, but we have not treated the soul.

The other side are well-intended, but I think it is the right time that we pass this bill. I urge its passage. I urge passage of this bill. I think this bill has the potential of changing our culture more so than any other measure we may be considering here in this Congress. I think those who are on the other side are well-intended, but I think it is the right time that we pass this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, if what the previous gentleman said was in the bill, it would be much less controversial. It does change civil rights laws. It preempts, as the chairman of the committee acknowledged in the debate, all State and local laws that many of these organizations do now have to abide by in their purely secular activity, and it allows discrimination with Federal funds for purely secular activities. It says, ‘No, you can’t discriminate based on race, but you can based on religion.’

But, sadly, all too often in America, religion becomes a proxy for race. When Orthodox Jews get this money in Brooklyn, no blacks will be hired. When the Nation of Islam gets this money in Baltimore to deal with public housing, no whites will be hired. In fact, religion is all too often correlated with race. And when you say to religious groups, provide a purely secular activity with Federal tax dollars but in
employing people to serve the soup or build the homes or clean up or give drug treatment, hire only your own co-religionists, or empower people de facto to engage in racial segregation. That is not worthy of the purposes of this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I would just point out that no one is going to make a $25 donation because they can get $3.75 back from their taxes a year from now. If we want to help these organizations, we ought to increase the appropriations that have been cut over the past few years.

And we are not going around the edges. The basic core part of the bill does not help little churches. They still have to hire and fire on their own private funds. They still have to run a program pursuant to Federal regulations. They still have to withstand an audit. But they cannot discriminate now, and this bill will allow them to discriminate in hiring. That is wrong. That is why the bill ought to be defeated.

Mr. CAMP. Mr. Speaker, I yield myself the balance of my time.

Just briefly on the tax provisions in this bill, this bill is about fairness. It allows those 70 percent of taxpayers who do not itemize ability to give charitable contributions regardless of their itemizing on their tax returns. IRS data shows that if they do, they will increase their charitable giving significantly.

It also allows for tax-free withdrawals from IRAs and Roth IRAs. It also gives incentives for increased charitable contributions by businesses and employers in terms of food from restaurants or computer equipment from other businesses.

This will be a real benefit to our communities. I urge support and passage of this bill.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in very strong opposition to H.R. 7, the Charitable Choice Act of 2001.

This legislation sanctions government-funded discrimination. Passage of this bill would allow religious organizations who receive government funds to hire only those individuals who prescribe to the organization’s religious tenets. The bill would also override state and local civil rights laws that prohibit discrimination based on race, sex, national origin and sexual orientation.

This bill proposes a major change to the basic American principle of separating church and state. Federal agencies would be given the opportunity to take all of the funding for a program and convert it into vouchers to religious organizations. Religious groups receiving this money would be able to use it for any number of purposes, including proselytizing.

Supporters of this bill claim that more individuals will be helped because more organizations will have access to federal funds. This is simply not the case. H.R. 7 does not provide one additional dollar in federal funding for so-

CONGRESSIONAL RECORD—HOUSE

July 19, 2001

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to H.R. 7. As an active member of my local church, I strongly support the good work performed by faith-based charities across this country. But there is a right way and a wrong way to provide government support for those efforts. Unfortunately, this bill represents the wrong way.

H.R. 7 will allow religious organizations to discriminate in hiring on the basis of race, color, sex, national origin and sexual orientation while using federal tax dollars collected from taxpayers of different faiths and run a step backwards for civil rights. This legislation also subverts First Amendment safeguards by allowing individuals to use vouchers in faith-based programs. Finally, sending federal tax dollars directly to our houses of worship is unconstitutional, and will inevitably lead to government regulation of religion.

Mr. Speaker, I am proud to support the Democratic Alternative to H.R. 7. The Democratic Substitute will prevent the charitable choice provisions in H.R. 7 from preempting or superseding state or local civil rights laws. The Substitute will also prohibit the use of vouchers and other indirect aid by religious organizations. Mr. Speaker, the Democratic Alternative represents the right way to establish partnerships between faith-based organizations and government. We must never use the American people’s money to condone discrimination.

Faith- and community-based organizations have always taken the lead in combating the hardships facing families and communities, and I strongly support the work they have done and will continue to do. But H.R. 7 is the wrong way to show our support for these important organizations. I urge my colleagues to oppose H.R. 7 and to support the Rangel Substitute.

In addition, Mr. Speaker, I want to submit for the RECORD a list of some of the distinguished organizations that have contacted me to express opposition to H.R. 7. This list is large and broad-based and demonstrates the divisive nature of this bill in its present form. I am hopeful Congress will come together across party lines to pass a common sense compromise to support faith-based charities.

Here is a partial list of organizations that oppose H.R. 7:

- The Baptist Joint Committee
- The United Church of Christ, General Board of Church and Society
- The Presbyterian Church, USA
- American Baptist Churches, USA
- The Episcopal Church, USA
- The American Jewish Committee
- The Anti-Defamation League
- The American Association of University Professors
- The American Federation of Teachers
- The American Federation of State, County and Municipal Employees (AFSCME)
- The American Federation of Teachers
- The National Council of Churches
- The National Council of Jewish Women
- The National Association for the Advancement of Colored People
- The National Congress of American Indians
- The National Education Association
- The National Farm Workers Association
- The National Association of Social Workers
- The National Religious Campaign for Public Education
- The National Association of Social Workers
- The National Council of Jewish Women
- The National Education Association
- The National Parent Teacher Association
- The ACLU
- The American Civil Liberties Union
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Mr. Speaker, I rise in opposition to H.R. 7, the Community Solutions Act, well-intentioned legislation that would undermine two of our nation's most fundamental constitutional principles—equal protection and the separation of church and state. Mr. Speaker, I agree that the federal government should encourage non-profits including religious organizations to help in meeting our nation's social welfare needs, but not at the expense of the constitutional principles that have served this nation so well.

H.R. 7 would broaden the use of federal funds made available to religious groups than is currently permitted and allow such groups to make use of their religious content. Such previously-provisioned services. Specifically, the bill prohibits the federal government, or state and local governments using federal funds, from denying religious organizations in the awarding of grants on the basis of the organization's religious character. The bill expands previously enacted “charitable choice” laws to allow eight new programs that relate to: juvenile justice, crime, housing, job training, domestic violence, hunger relief, senior services and education.

The bill also contains $13 billion in tax reductions over the next decade designed to encourage charitable giving. Given the new budgetary constraints after the passage of the President's $1.35 trillion tax cut package, the Ways and Means Committee approved just 15% of charitable giving tax incentives provided under the President's plan. H.R. 7 would permit taxpayers who do not itemize their taxes to deduct up to $25 in charitable contributions a year, rising to $100 in 2010. Under this bill, non-itemizers in the 15 percent tax bracket would get an anemic tax benefit of $3.75 a year. The maximum rise is $15 a year. I would also note that the bill does not provide one additional dollar in federal funding for charitable-choice programs. In fact, the President's budget, in fact, slashes funding for some of the very programs promoted in the bill.

Mr. Speaker, I support the “charitable choice” provisions of the 1996 Welfare Reform Act which allowed religious organizations to qualify for federal funds for service programs, without being forced to eliminate or soften their religious content. Such previously-enacted charitable choice laws strictly prohibited these faith-based service-provider programs from proselytizing in their federally-funded programs. Today, we have before us legislation to give effect to the President's “faith-based initiative” by allowing religious organizations to proselytize or undertake other religious activity with federal funds when such activities are funded indirectly through vouchers.

This approach, while well-meaning, runs afoul of the First Amendment requirement of separation of church and state. Mr. Speaker, I strongly believe that religious organizations play an important role in providing needed social-welfare programs, I cannot sanction this bill which would put the federal government in the position of funding discrimination picking and choosing among the right religious organizations and breaking down the separation of church and state.

Mr. STARK. Mr. Speaker, I rise today in opposition of H.R. 7, the Community Solutions Act. With 12 million children living in poverty, it is clear that Congress needs to do more to lift them out of their desperate situation. However, H.R. 7 does nothing to achieve this goal. It provides only a minimal tax deduction to encourage people to contribute to charitable organizations that provide social services to the poor. The bill does not provide any new government funding for faith-based organizations to carry out their missions to provide social services and reduce poverty.

If the Republicans truly cared about lifting children and families out of poverty, their legislation in this area would reflect significant increases in funding for social service programs. Instead, the Bush budget increases spending for the Administration for Children and Families by only 2.9%—far less than even inflation.

This bill is purported to be necessary to allow religious organizations to receive federal funds to provide services for those in need. In fact, many religious organizations qualify for such funds today. The only requirement is that they separate their duties as religious entities from their social service programs. For example, Catholic Charities received $1.4 billion in 1998 in government funding—totaling two-thirds of their annual budget. Let's be real. This bill has nothing to do with increasing social services funding.

The most significant achievement of H.R. 7 is to allow federally funded faith-based organizations to circumvent state and local anti-discrimination laws.

Last week, the Bush administration announced that they would not pursue an administrative rule that would allow faith-based organizations to pre-empt state and local laws prohibiting discrimination based on sexual orientation. Although some may believe that action resolved the issue, it did not. H.R. 7 explicitly allows faith-based organizations to pre-empt state law and state law and discriminate in their hiring practices.

This provision is worse than the Administration's proposed regulation because it allows faith-based organizations to not only discriminate against someone based on their sexual orientation, but for many other reasons such as being unmarried or pregnant to name a couple. However, this is only the tip of the iceberg.

Religious organizations have an exemption under the Civil Rights Act that allows them to discriminate in the hiring of individuals that perform their religious work. However, that exemption does not currently allow them to discriminate in the hiring of individuals that carry out their federally funded social service programs. H.R. 7 extends the Civil Rights exemption to allow faith-based organizations to discriminate in the hiring of individuals that carry out their federally funded social service programs.

Again, the only real change in this bill from current law is to allow faith-based organizations to discriminate and to proselytize while...
Mr. BLUMENAUER. Mr. Speaker, I rise to oppose H.R. 7, the Charitable Choice Act of 2001. I support the work that many religious charities do on behalf of those in need in my community and across the nation. Curiously, while Congress endorses government-sponsored discrimination, I believe that this message desecrates the memory of the men, women and children who lost and risked their lives to bring equal rights to all who live in this country. Instead of undermining the memory of these courageous civil rights advocates, Congress should be using their effort as a source of inspiration to continue and move forward the battle to ensure that all who live in this nation obtain true equal rights.

It is time that our nation’s leaders stood together to protect the advancements made in civil rights and create a nation that cherishes tolerance for all groups. To truly help the poor, Congress should ensure that they have access to their ability to provide quality services. None of these measures require undermining this nation’s civil rights laws.

Finally, I hope this bill is no indication that Bush Administration wants to dismantle our existing social safety net and turn it over to religious organizations and other private charities. A recent Ewing Marion Kauffman Foundation study indicates that charities—even with the benefits of the tax cuts in this bill—would not be able to replace the federal government’s commitment to providing social services. According to their study, adding up the current assets of all the foundations in America would only replace federal government funding for social services for 74 days. The Bush Administration may want to shift responsibility to religious organizations and private charities, but they can’t do the job alone.

Moreover, if Congress decides to allocate more government funds to increase faith-based organizations role in providing social services, we should make sure that we are getting our taxpayers’ money worth. At a recent Brookings Institute conference recently on child care, a child care expert cited several studies that reported that child care provided by churches was among the lowest quality in the country. These child care centers had higher staff-to-child ratios, lower levels of trained and educated teachers and less educated administrators than other non-profit child care centers.

For one do not want to be telling my constituents several years down the road that Congress spent money on social services based on whether they are religious rather than on their ability to provide quality services. Please join me in opposing H.R. 7 and let us work together to seriously tackle the problem of poverty without legalizing government-sponsored discrimination.

Mr. BLUMENTHAL. Mr. Speaker, I rise to oppose H.R. 7, the Charitable Choice Act of 2001. I support the work that many religious charities do on behalf of those in need in my community and across the nation. Currently, any church or religious organization can establish a charity and apply for federal funds. This legislation provides no additional money for those organizations. It simply would allow religious organizations that wish to discriminate to apply or federal funds. It would allow the rollback of many of the basic civil rights protections for all Americans currently enjoy. Allowing religious organization to discriminate in hiring on the basis of religion, sexual preference, and race is wrong.

Short-circuiting the current system also opens the door to federal interference in religious activities, which has prompted the opposition of many religious organizations and leaders. The litany of groups opposing this bill is long and contains the names of some of the most distinguished charitable and religious groups in the country.

Another unfortunate aspect is the failure to meaningfully assist the charitable contributions of low income Americans unable to itemize on income tax returns. As a result of other tax relief for people who need help the least, we are unable to assist those who are undeniably penalized.

Given the flaws in this legislation, I oppose it, and urge my colleagues to do likewise. Many Americans express concern in hiring on the basis of religion, sexual preference, and race is wrong.

In a 1780 letter, Benjamin Franklin wrote, “When religion is good, I conceive that it will support itself: and, when it cannot support itself G-d does not take care to support it, so that its professors are obliged to call for the help of the civil power, it is a sign, I apprehend of its being a bad one.”

Forty-three years later, James Madison wrote in a letter, “Religion is essentially distinct from civil government and exempt from its cognizance . . . a connection between them is injurious to both.”

Franklin and Madison’s observations are still poignant, and relevant to today’s debate on President Bush’s social services plan. I join with many Americans who have great concerns about the provisions of his plan which punch holes in the firewall between places of worship and the government.

A number of religious organizations already run very valuable social service programs, and Americans appreciate the significant contributions that these religious groups make to the well being of our communities. However, this proposed faith-based legislation unnecessarily entwines church and state in a financial relationship under the mantra of improving social services.

The Founding Fathers understood that both church and state play important roles in the lives of Americans, but neither may function appropriately under our Constitution if they are heavily interwined. The separation of church and state actually protects each from the influence of religious doctrine upon the making of public policy. However, places of worship should also be concerned about interference from government. It would be a travesty if a financial relationship between the two becomes so significant that religious decisions are affected by concerns over public funding.

Let us be straight-forward about the crux of this debate: The question is not whether churches, synagogues or mosques should provide social services. Of course they should. The question is whether religious organizations should abide by federal civil rights laws if they take federal money. The answer again is of course they should.

Proponents of the President’s plan call for the removal of “barriers” which religious charities face when attempting to secure public funding for their social service programs. These so-called “barriers” are America’s civil rights laws, and we must not compromise them. If a privately-funded place of worship directs its employees to follow its religious dictates it is within its rights to do so. However, if it uses public funds, then it should not be allowed to discriminate against anyone.

While we should always look for better ways to provide social services, I do not believe that the separation between church and state need to be dismantled to do so. I ask that you vote against the bill.

Ms. MCCOLLUM. Mr. Speaker, today I will vote against H.R. 7, the Community Solutions Act, because I strongly support the constitutional separation of church and state, and I believe this bill infringes that separation. The bill would threaten religious autonomy, as religious organizations would be subject to government regulations in exchange for federal funds. The truth is that the federal government can already fund faith-based charities if they meet the following three conditions: they establish a 501(c)(3) tax-exempt charitable organization, they agree not to proselytize using tax dollars, and they cannot discriminate in job hiring. H.R. 7 would remove these important protections. I also believe this bill allows federal intrusion on state and local jurisdiction, as faith-based groups would not have to adhere to Minnesota’s comprehensive state and local nondiscrimination laws.

I recognize the very important contributions of faith-based organizations to our communities and families. Some successful faith-based organizations in Minnesota such as Church Charities, Lutheran Social Services, and Jewish Family and Children’s Services have developed a reputation for providing quality services without discrimination. These organizations certainly complement many governmental social services and I would not want to see their roles diminished in the lives of so many Minnesotans. This bill has the potential to interfere in the historic working relationship between faith-based organizations, the government, and the people they so generously serve.

Mrs. CHRISTENSEN. Mr. Speaker, I must join my colleagues who have spoken in opposition to H.R. 7.

Never can I or will I ever support a piece of legislation which would allow and therefore support discrimination in any way shape or form.

I am proud to be a member of the Congressional Black Caucus which does not oppose, but strongly supports, making funding available to support our religious organization’s work in the world, but voted unanimously to oppose the egregious parts of the bill which allow the provisions of the hard fought for civil rights laws to be sidestepped.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because H.R. 7 falsely advertises the initial proposal, as new, and gives the impression that it and most aggressively, allows discrimination.

Mr. Speaker, I am and have always been a strong supporter of the work that religious
groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing.

In addition to these concerns, I am also very troubled by the fact that H.R. 7 contains a provision that allows any federal agency to convene these programs into voucher programs in order to circumvent protection against discrimination that are provided for under federal law.

This most uncharitable bill goes beyond the question of violating the principle of separation of Church and State, first by allowing discrimination and then by purporting to provide funds for religious and other organizations when it doesn't actually provide any new dollars in the bill at all. Neither should they now, that the lack of funding is uncovered, be allowed to raid the Medicaid Trust Fund.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because of the aforementioned aspects of H.R. 7 to which I have objected.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups in my and other communities do. Federal support of faith-based organizations is not new. In my district, groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing a tremendous job serving the needy in Virgin Islanders for many years now and will continue to do so with or without this bill.

Where there efforts are hampered is through the recent tax cut which will drastically cut funding from the programs that help those in our communities who need an extra hand up—in education, in health care services, in housing, in economic opportunity, and in programs that would promote an improved quality of life.

And it just astounds me that while the Administration is pushing this initiative “as” one of its highest priorities, in the case of the CBC Minority AIDS Initiative, the Department has decided that Faith Based Organizations can no longer be targeted for funding.

I support the Democratic Substitute and urge my colleagues to do the same. This better bill would prohibit employment discrimination and the setting aside of state and local civil rights laws and delete the sweeping new language in the bill which would permit federal agencies to convert more than $47 billion in current government programs into private vouchers.

Mr. GILMAN. Mr. Speaker, faith-based organizations play a vital role in our communities and work tirelessly towards effectively meeting the needs of all our citizens. These organizations cover all religions and range from family counseling, to community development, to homeless and battered woman's shelters, to drug-treatment and rehabilitation programs and to saving our “at-risk” children. In many cases, they are the only organizations that have taken the initiative to provide a much needed community service.

In principle, I support what H.R. 7, the Community Solutions Act seeks to accomplish. However, during exhaustive conversations with my constituents, and a variety of organizations, we must address the following issues before the bill is amended.

H.R. 7 gives the executive branch broad discretion to fundamentally change the structure of a plethora of federal social service programs totaling some 47 billion dollars through the use of vouchers. This voucher program allows the Cabinet Secretary to convert any of the covered programs currently funded through grants or direct funding to a voucher program, without Congressional approval. The risk of these voucher programs is that once a program becomes a voucher program, the funds become indirect funds, which could require participants in voucher funded programs to engage in worship or to conform to the religious beliefs of the religious organizations providing the service.

H.R. 7 would permit a variety of organizations, including for-profit entities, to receive program vouchers. Our concern is that this would jeopardize the financial stability of nonprofit agencies by replacing the more reliable grant and contracts funding they currently receive with unpredictable voucher funding.

Mr. Speaker, I cannot fail to protect the beneficiaries of funded programs from proselytization, in that H.R. 7 fails to include meaningful safeguards for the beneficiaries while they are participants in publicly funded programs. H.R. 7, places the burden of objecting to the religious nature of the program upon the client, after he or she has sought assistance. Only after the injury suffered through unwanted proselytizing, that the government is required to provide an alternative program. We should fund secular alternatives in advance, not when a lawsuit is brought challenging the religious nature of the program.

Mr. Speaker, H.R. 7 mandates that those faith-based entities utilizing federal funds are to be held to the federal civil rights standard that allows religious organizations to discriminate against those on the basis of religion. In many cases state law provides additional civil rights protections regarding sexual orientation, physical and mental disabilities, genetics, and a host of other protections. To allow federal law to supersede state law on this important issue, not only creates the potential for constitutional state rights challenges, but does nothing to advance civil rights protections in our nation.

While no one can dispute the great work and the important services that faith-based organizations provide to our communities, the issues that I have forth and those raised by my colleagues must be addressed before this bill is fair, balanced and provides the necessary safeguards for all.

Accordingly, I look forward to working with our Conference in the conference on this bill in order to more clearly address these issues.

Mr. PAUL. Mr. Speaker, no one familiar with the history of the past century can doubt that private charities, particularly those maintained by persons motivated by their faith to perform charitable acts, are more effective in addressing the needs of our federal programs. Therefore, the sponsors of H.R. 7, the Community Solutions Act, are correct to believe that expanding the role of voluntary, religious-based organizations will benefit society. However, this noble goal will not be accomplished by providing federal taxpayer funds to these organizations. Instead, federal funding will transform these organizations into adjuncts of the federal government and reduce voluntary giving on the part of the people. In so doing, H.R. 7 will transform the majority of private charities into carbon copies of failed federal programs.

Providing federal funding to religious organizations gives the organizations an incentive to make obedience to federal bureaucrats their number-one priority. Religious entities may even change the religious character of their programs in order to please their new federal paymaster. Faith-based organizations may find federal funding diminishes their private support as people who currently voluntarily support religious organizations assume “gave at the (tax) office” and will thus reduce their levels of private giving. Thus, religious organizations will become increasingly dependent on federal funds for support. Since “he who pays the piper calls the tune” federal bureaucrats and Congress will then control the content of “faith-based” programs.

Those who dismiss these concerns should consider that H.R. 7 explicitly forbids proselytizing in “faith-based” programs receiving funds directly from the federal government. Religious organizations will not have to remove religious income from their premises in order to receive federal funds. However, I fail to see the point in allowing a Catholic soup kitchen to hang a crucifix on its wall or a Jewish day care center to hang a Star of David on its door if federal law forbids believers from explaining the meaning of those symbols to persons receiving assistance. Furthermore, proselytizing is what is at the very heart of the effectiveness of many of these programs!

H.R. 7 also imposes new and onerous audit requirements on religious organizations, thus diverting resources away from fulfilling the charitable mission. Supporters of H.R. 7 point out that any organization that finds the conditions imposed by the federal government too onerous does not have to accept federal funds. It is true no charity has accepted federal grants. It is true no charity has to accept federal funds, but a significant number will accept federal funds in exchange for federal restrictions on programs, especially since the restrictions will appear “reasonable” during the program’s first few years. Of course, history shows that Congress and the federal bureaucracy cannot resist imposing new mandates on recipients of federal money. For example, since the passage of the Higher Education Act the federal government has gradually assumed control over almost every aspect of campus life.

Just as bad money drives out good, government-funded charities will overshadow government charities that remain independent of federal influence. After all, a charity that has the government’s stamp of approval and also does not have to devote resources to appealing to the consciences of parishioners for donations. Instead, government-funded charities can rely on forced contributions from the taxpayers. Those who dismiss this as unlikely to occur should remember that there are only three institutions of higher education today that do not accept federal funds and thus do not have to obey federal regulations.
We have seen how federal funding corrupts charity in our time. Since the Great Society, many organizations which once were devoted to helping the poor have instead become lobbyists for ever-expanding government, since a bigger welfare state means more power for their organizations. Furthermore, many charitable organizations have devoted resources to partisan politics as part of coalitions dedicated to expanding federal control over the American people.

Federally-funded social welfare organizations are inevitably less effective than their counterparts because federal funding changes the incentives of participants in these organizations. Voluntary charities promote self-reliance, while government welfare programs foster dependency. In fact, it is in the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

Accepting federal funds will corrupt religious institutions in a fundamental manner. Religious institutions provide charity services because they are commanded to by their faith. However, when religious organizations accept federal funding promoting the faith may take a back seat to fulfilling the secular goals of politicians and bureaucrats.

Some supporters of this measure have attempted to invoke the legacy of the founding fathers in support of this legislation. Of course, the founders recognized the importance of religion in a free society, but not as an adjunct of the state. Instead, the founders hoped that religious people would resist any attempts by the state to encroach on the proper social authority of the church. The Founding Fathers would have been horrified by any proposal to put churches on the federal dole, as this threatens liberty by coordinating churches to the state.

Obviously, making religious institutions dependent on federal funds (and subject to federal regulations) violates the spirit, if not the letter, of the first amendment. Critics of this legislation are also correct to point out that this bill violates the first amendment by forcing taxpayers to subsidize religious organizations whose principles they do not believe. However, many of these critics are inconsistent in that they support using the taxing power to force religious citizens to subsidize secular organizations.

The primary issue both sides of this debate are avoiding is the constitutionality of the welfare state. Nowhere in the Constitution is the federal government given the power to levy excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people’s money stolen through confiscatory taxation. After all, the words of the famous essay by former Congressmen Newt Gingrich, that money is “Not Yours to Give.”

Instead of expanding the unconstitutional welfare state, Congress should focus on returning control over welfare to the American people. As Marvin Olasky, the “godfather of compassionate conservatism,” and others have amply documented, before they were “marketable” skills or otherwise engaged them in productive activity, and helped them move up the economic ladder.

Therefore, it is clear that instead of expanding the unconstitutional welfare state, Congress should return control over charitable giving to the American people by reducing the tax burden. This is why I strongly support the tax cut provisions of H.R. 7, and would enthusiastically support them if they were brought before the House as a stand alone bill. I also proposed a substitute amendment which would have given every taxpayer in America a $5,000 tax credit for contributions to social services organizations which serve lower-income people. Allowing people to use more of their own money promotes effective charity by ensuring that charities remain true to their core mission. After all, individual donors will likely limit their support to those groups with a proven track record of helping the poor, whereas government agencies may support organizations more effective at complying with federal regulations or acquiring political influence than actually serving the needy.

Many prominent defenders of the free society and advocates of increasing the role of faith-based institutions in providing services to the needy have also expressed skepticism regarding giving federal money to religious organizations, including the Reverend Pat Robertson, the Reverend Jerry Falwell, Star Parker, Founder and President of the Coalition for Urban Renewal (CURE), Father Robert Sirico, President of the Action Institute for Religious Liberty, Michael Tanner, Director of Health and Welfare studies at the CATO Institute, and Lew Rockwell, founder and president of the Ludwig Von Mises Institute. Even Marvin Olasky, the above-referenced “godfather of compassionate conservatism,” has expressed skepticism regarding this proposal.

In conclusion, Mr. Speaker, because H.R. 7 extends the reach of the immoral, unconstitutional welfare state and thus threatens the autonomy and the effectiveness of the very faith-based charities it claims to help, I urge my colleagues to reject it. Instead, I hope my colleagues will join me in supporting a constitutional and compassionate agenda of returning control over charity to the American people through large tax cuts and tax credits.

Ms. KILPATRICK. Mr. Speaker, today I rise in opposition to the underlying bill and in support of the Conyers Substitute. First, and foremost, I must make known my profound belief in the healing ability of faith. The Church has always played an important role in my life and in many ways was a catalyst to my choice to pursue a political career. However, this is not a debate about government versus religion. Religious organizations play an important role in our society and no matter what we do on the floor today they will continue to do so. I assure you I will continue to support them.

There are many who have taken the floor and argue that Faith Based organizations are discriminated against when competing for federal funds. I question this statement. I have come to believe that under current law, Faith Based organizations can in fact compete if they take certain steps under the law. They must create a separate 501(c)(3) organization to prevent the mixing of church and secular activities. In my mind this insulates Faith Based organizations from the sometimes intrusive hand of the government.

Again I state my support for the healing role of faith based organizations. However, as an avid student of this country’s history and, for that matter, the world’s history, I cannot ignore some of the heinous things that have been done in the name of religion. In fact, current history is full of the horrors attendant to state sponsored religion. For decades, this country has struggled to bring peace to the hot box that is the Middle East, where religion is the sub-text used for the oppression of women, the oppression of other faiths and state sponsored terrorism. While I realize that this country has many protections against many of these horrors, and I do not mean to suggest that the enactment of this bill will rise to the level of these horrors, I do mean to suggest that more subtle forms of these problems such as discrimination will result from this measure. This bill would allow Faith Based organizations to discriminate as to who they will hire. This is wrong. The faith of a helping hand is of no consequence to the person in need. All of humanity has the potential to accomplish charitable deeds and should not be told that there is no role for their charity because of the faith they hold dear. I will not stand idly by as the Civil Rights laws in place to prevent workplace discrimination are flouted in the name of religion.

NO ADDITIONAL FUNDING FOR THE PROGRAM

Finally, this measure is indicative of the Re- pubic’s efforts to discriminate. I say this because they have not provided a red cent for the implementation of this initiative or the programs that it involves. This bill will expand the pool of competitors already competing for diminished funds due to a bloated tax-cut. For example the Bush budget cuts local crime prevention funds by $1 billion. The Bush budget also cuts the needs of public housing by $1 billion by cutting $309 million from Public Housing Drug Elimination Grants, and cutting the Public Housing Capital Fund by $700 million. Even Job Training is cut by $500 million under the Administration’s budget.

Mr. CRANE. Mr. Speaker, I have long advocated making changes to the tax code designed to encourage charitable giving. Indeed, I have promoted some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for non-itemizers, for many years. Because the legislation we are considering, the Community Solutions Act, contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

However, while I believe this legislation is a step in the right direction, H.R. 7 is but a first
step. Frankly, we need to do more, and in my remarks today I would like to highlight a number of items that I believe need to receive further consideration by the Ways and Means Committee and the Congress in the near future.

My first comments relate to the largest provision in this legislation in terms of revenue impact—the non-itemizer deduction for non-itemizers. I do not believe there is a member in Congress who has fought longer or harder for restoring the charitable deduction for non-itemizers than I. The non-itemizer charitable deduction actually existed in the tax code from 1981—1986. It was created in the 1981 Reagan tax bill, but the language in the 1981 bill sunset the provision after 1986. In January 1985, at the start of the 99th Congress, I introduced legislation, H.R. 94, to make the non-itemizer deduction permanent. The year after the provision expired in 1986, I introduced legislation, H.R. 1310; and in the 107th Congress—1/3/91—H.R. 459; 102nd Congress—1/3/91—H.R. 459; 103rd Congress—1/3/91—H.R. 310; 103rd Congress—1/3/91—H.R. 310; 103rd Congress—1/3/91—H.R. 310; 107th Congress—3/2/99—H.R. 7, I still believe that this provision represents a positive first step—a step on which the Ways and Means Committee can build. Frankly, the deduction allowance ought to be set substantially higher. However, with the unemployment of the first Bush Administration, I hope that the other body takes up similar legislation this year and that it considered the concerns I am raising today.

With regard to those individuals who do itemize their deductions, I want to mention two proposals that I introduced in H.R. 7 but hopefully will be considered at a later date. The first of these proposals relates to Section 170 of the tax code. Under current law, individuals who contribute appreciated property (such as stocks and real estate) to charity are subject to complex deduction limits. While donors can generally deduct charitable contributions up to 50 percent of their income, deductions for gifts of appreciated property are limited to 20 percent of income. For gifts of appreciated property to charities that are private foundations, deductions are limited to 20 percent of income. In my view, these limits present law discourage charitable giving from the very people who are in the best position to make large gifts. Someone who has done well in the stock market should be encouraged to share the benefits. In order to fix this problem, we should consider allowing contributions of appreciated property to be deductible within the same percentage limits as for other charitable gifts.

The proposal I have in mind would increase the percentage limitation applicable to charitable contributions of capital gain property to public charities by individuals from 30 percent to 50 percent of income. Thus, both cash and non-cash contributions to such entities would be subject to a 50 percent deductibility limit. In addition, I would propose increasing the percentage limitation for contributions of capital gain property to private foundations from 20 percent to 30 percent of income. While these proposals were not included in H.R. 7, I want to thank Ways and Means Chairman Thomas for publicly acknowledging that these issues are worthy of consideration. As a follow-up to this, I am pleased to report that in a letter to Ways and Means Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe needs to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the "Pease" limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. Speaker, I rise in strong support of the Community Solutions Act, which will provide more opportunities for the strong wills and good hearts of Americans everywhere to rally to the aid of their neighbors. All across America, there are people in need of a helping hand. Some of them are just a little down on their luck and need temporary shelter or a hot meal or the comfort of a confidant. Others are in more dire straits. The government can provide some assistance to these individuals and families, but it cannot do it all. And frankly, it should not. In Congress, Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe needs to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the "Pease" limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. Speaker, the bill will increase charitable giving by allowing non-itemizers to deduct their charitable contributions. It will also expand individual development accounts to encourage low-income families to save money for home ownership, college education, or other needs. And, the Community Solutions Act will expand charitable choice provisions allowing taxpayers to give away a greater opportunity to provide assistance to those in need through programs that Congress has created.

This bill embodies many good ideas, and it is long past the time when we should be returning these principles to our civil society. I thank the President for making this a priority for his Administration, and thank Congressmen WATTS and HALL introducing it in the House.

It is time for Congress to step aside and let the armies of compassion do what they do best—help neighbors in need. I urge my colleagues to support this bill and to oppose the substitute and the motion to recommit.
Mr. HALL of Texas. Mr. Speaker, as a long-time supporter of local solutions for local problems, I want to thank my colleagues, Representative J.C. WATTS and Representative TONY HALL, for their work to bring H.R. 7, the Community Solutions Act, to the Floor. I am pleased to be a cosponsor of this initiative, which recognizes the important role that faith-based groups are performing in every community in America. I commend President Bush for making this a priority of his Administration.

Government has long provided public funding for social service programs through its "charitable choice" provisions. This Act builds on this success by expanding the services that may be provided by faith-based groups. Most of us would agree that local citizens have a far better understanding of local problems and have better solutions for those problems than some "one-size-fits-all" Federal program. We've spent billions of dollars fighting the war against drugs, for example—and are still losing it because we are fighting it from the top.

The bill's sponsors have worked to address the constitutional concerns that have been raised, and they have provided some important safeguards. As this bill moves forward, we need to continue our efforts to fully examine the implications of this Act as it affects State laws.

The Community Solutions Act holds great promise in our efforts to combat drugs, juvenile delinquency, teenage pregnancy, hunger, school violence, illiteracy and other ills. It recognizes that faith-based organizations often are succeeding where government-run programs are failing. It makes sense to include these worthy programs in our efforts to serve those in need in our communities.

I urge my colleagues to recognize the contributions and potential of faith-based organizations to improve the quality of life for our citizens by voting for H.R. 7 and giving this initiative and its sponsors credit for their work to bring H.R. 7, the Community Solutions Act, to the Floor.

Mr. BROWN of South Carolina. Mr. Speaker, I rise today in strong support of President Bush's faith-based initiative, as reflected in H.R. 7. Both the Judiciary Committee and the Ways and Means Committee have recommended that legislation we should all be able to support.

I would like to take a minute, though, to concentrate on the charitable choice provision of this bill, because the tax provisions should not keep anyone from voting for H.R. 7. According to Chairman NUSSLE of the House Budget Committee, the $13.3 billion in estimated revenue reduction does not threaten the Medicare trust fund. No, if this bill fails, the failure will be due to the charitable choice provision.

Many have expressed concerns about "separation of church and state" and about "government funded discrimination" in conjunction with President Bush's faith-based initiative. However, when the Welfare Reform Act was passed in 1996, the charitable choice provision allowed faith-based groups to apply for federal money the same way that secular groups do. The charitable choice provision is also included in the 1998 Community Services Block Grant Act and in the 2000 Public Health Services Act. The charitable choice provision has a history of success.

Rather than promoting a radical restructuring of current law, H.R. 7 will simply ensure that faith-based organizations can compete on more equal footing than in the past. The government will not be encouraging any kind of discrimination but, instead, be able to partner with faith-based organizations in a wider variety of social services, including juvenile justice, crime prevention, housing assistance, job training, elder care, hunger relief, domestic violence prevention, and others.

In summary, we should all support H.R. 7 because it provides a proven method for the federal government to participate in the provision of social services to Americans who still need help. This bill allows the federal government to partner with faith-based and other community service organizations that already have a history of success in providing these social services. H.R. 7 puts faith-based organizations on a level playing field in the competition for federal funds, without jeopardizing their autonomy, and without undermining religious freedom for either the service providers or the service beneficiaries. I urge all of my colleagues to vote for H.R. 7.

Mr. HYDE. Mr. Speaker, I have been listening to this debate with great attention all afternoon, and—at the risk of oversimplifying, I should like to put the Chase. What we are talking about is an army of people out there motivated by spiritual impulses who want to do good, who want to help solve poverty, disaster, violence in the community, homelessness, hunger, and some of them are clergy, some of them are not. They are religiously motivated, and we have spent all afternoon finding ways to keep them out. We have enough help. We don't need them—there is too much God out there. We suffer from an excess of God, for some crazy reason.

Discrimination—if the First Baptist Church wants to do something as the First Baptist Church, take care of some homeless people, the fact that they want to retain their identity and not become another local United Fund operation, there is nothing wrong with that. There is nothing wrong with saying if you want to join us, you have to follow our tenets.

There is discrimination, and there is invidious discrimination. I do not think it is discrimination for Baptists to want to hire Baptists to do something as the Baptist Church. I think that is fine. That is not invidious discrimination. So far as I am concerned, we ought to examine the ways to facilitate the exploitation, the benign exploitation of these wonderful people who want to help us with our very human problems, instead of finding ways to say on because, for fear, God might sneak in under the door.

Mr. KIND. Mr. Speaker, as with many of the colleagues from both sides of the aisle, I strongly support the community services provided by religious organizations throughout the Nation. We are all proud of the faith we hold and believe in the principles of selfless service encouraged by religious organizations. As I have personally witnessed in western Wisconsin, the effective and invaluable efforts put forth by religious organizations to combat such traumas as drug-addiction, and child and domestic abuse, are worthy of our continual appreciation and praise.

I am, however, concerned that this legislation would undermine the successes and integrity of such programs through the introduction of more government. I am therefore unable to support this flawed legislation which, while it may be well intentioned, seeks to provide funds to religious organizations by violating our constitution and without regard to State's rights.

The establishment of religion clause in the first amendment to the constitution was drafted in the recognition that state activity must be separate from church activity if people are to be free from Government interference. The Founders did not intend this provision as anti-religious, but instead realized this is the way to protect religion while simultaneously protecting the people's rights to worship freely.

America was founded by people seeking freedom from religious persecution by fleeing lands that contained religious strife and even warfare. To infringe on the separation of church and state is to infringe on the miracle of the American Republic. It is this principle that not only allows our government to operate by the will of the people, but also allows religious entities to conduct themselves without Government regulation and intrusion. When the line between State and Religion is proffered, the highest scrutiny must be applied to ensure that principle prevails. I do not believe this legislation would pass such constitutional scrutiny.

The Founders also recognized the dangers of State sponsored favoritism toward any religion. This bill will not only pit secular agencies against religious organizations, it will pit religion against religion for the competition of limited public funds.

Under current law, there are Federal tax incentives for individuals to donate to charitable organizations, including the religious organizations of their choice. In addition, religious groups have always had the ability to apply and receive federal funding for the purpose of providing welfare related programs and services after they form 501(c)(3) organizations. Entities including Catholic Charities and Lutheran Social Service have a long history of participation in publicly funded social service programs.

The conditions associated with the provision of these services, however, require the religious organizations to be secular in nature—in accordance with the establishment of religion clause in the first amendment to the Constitution, as well as adhering to federal, state or local civil rights laws. H.R. 7 would remove these preconditions, allowing for public funding to go toward discriminatory and exclusionary practices that violate the intentions of hard fought civil rights.

In addition to the constitutionality of the legislation, we must also question how the provisions contained in the bill would be implemented and enforced. Supporters of H.R. 7 claim the bill contains safeguards that would provide public funding going to proselytization and other strictly religious activities. Even if these safeguards existed, which they do not, how do we police these organizations to ensure compliance? If we find violations do we then fine the churches or prosecute Catholic priests, Methodist ministers or Lutheran pastors?

The road we are taking with this legislation leads to these serious questions about regulations imposed on organizations that receive
Federal funds. The strings attached to entities receiving federal funds are there to ensure applicable laws are obeyed and accountability exists. This is a legitimate concern. These types of provisions that will inhibit religious organizations from maintaining their character, and it would be negligent of us as public servants to waive these provisions. This situation serves to illustrate why this bill should be opposed.

The substitute to this bill, offered by Mr. RANGEL, guards against the possibility of publicly funded discrimination by not overriding State and local civil rights laws, as well as offsets costs associated with this legislation. In addition to being unconditional, H.R. 7 is indeed expensive. While it is not as expensive as the President had originally envisioned, it will cost over $13 billion with no offsets. With passage of the President's tax cut, there is simply no money to pay for this bill without taking from the Medicare and Social Security Trust funds. A problem that will not go away as we mark up the rest of next year's budget.

With all the problems associated with this bill, I ask my colleagues to vote against H.R. 7, and support the Rangel substitute.

Mr. GREEN of Texas. Mr. Speaker, I rise today in opposition to H.R. 7, the Community Solutions Act. While the goals of this bill are noble, there are fundamental concerns with this legislation.

One of the central tenets of most faith-based organizations, whether they are Catholic, Protestant, Jewish or Muslim, is to reach out to those in need. I know that in churches in which I've been a member and churches in my district have several programs to serve the needy, such as food drives, senior nutrition programs, housing assistance, substance abuse counseling, after school programs and many other needed community services.

These are services that most churches perform because they are consistent with that church's mission.

A component of H.R. 7, the Community Solutions Act would expand Charitable Choice to allow faith-based organizations to compete for federal funding for many of these services. The religious groups today compete and receive federal funding.

But they cannot only serve their particular faith or beliefs.

In fact, there are organizations such as the Baptist Joint Committee, the United Methodist Church, the Presbyterian Church, and the United Jewish Communities Federation all fear that this legislation would interfere with their missions, rather than help them.

We know that the first amendment prevents Congress from establishing a religion or prohibiting the free exercise thereof. This wall of separation has been a fundamental principle since the founding of our great nation.

As a Christian I believe it is my duty to serve and my service is a reflection of my faith. Many Christians, Jewish and Muslims, do this everyday if we are practicing our beliefs.

We do not need Federal tax dollars to practice and live our faith.

Mr. CUMMINGS. Mr. Speaker, I stand with you today to raise my grave concerns regarding H.R. 7.

Faith-based and community-based organizations have always been at the forefront of combating the hardships facing families and communities. The faith community, do not have a problem with government finding ways to harness the power of faith-based organizations and their vital services.

Although I support faith-based entities, I cannot endorse H.R. 7 because I believe that: (1) taxpayer money should not be used to proselytize; (2) taxpayer money should not be used to discriminate on the basis of race, gender, religion, or sexual orientation; and (3) the independence and autonomy of our religious institutions should not be threatened.

Unfortunately, H.R. 7 in its current form does not prevent the problems I have outlined. Most significantly, while it may state that government funds should not be used for worship or proselytization, meaningful safeguards to prevent such action are not included in the provisions. Religious institutions are currently exempted from the ban on religious discrimination in employment provided under Title VII of the Civil Rights Act of 1964. As such, because the bill does not include a repeal of this exemption, these institutions can engage in government-funded employment discrimination.

I am committed to our U.S. Constitution and civil rights statutes. Unfortunately, H.R. 7 threatens these very principles and I believe it is unnecessary and unconstitutional. It is important to note that under current law, religious entities can seek government funding by establishing 501(c)(3) affiliate organizations.

I look forward to working with faith-based entities in their good works, but will also remain a strong advocate of civil rights, religious tolerance and the independence of our religious institutions. Join me in opposing H.R. 7 and supporting the Democratic substitute that will address these serious issues.

Mr. DE MINT. Mr. Speaker, I rise today in strong support of H.R. 7, the Community Solutions Act, which is also known as the Faith-Based Initiative.

America has long been a country made up of generous people who want to help a neighbor in need. Long before government programs came along to act as an extra safety net, individuals worked together with their churches and other community groups to ensure those in need were housed, clothed, and fed.

While government programs were created to provide specific services to needy populations, these programs have less incentive to go above and beyond the call of duty, as are currently incurred by some common sense requirements such as keeping the government funds in a separate trust which are inspirational to me. The Downtown Rescue Mission in Spartanburg has a myriad of exciting initiatives to provide housing, meals, health services, job training, and other help to give a helping hand up and empower folks in the downtown area.

And in Greenville since 1937—during the Great Depression—Miracle Hill Ministries has provided leadership in our community by providing food, clothing, shelter, and compassion to hurting and needy people, as well as serving as a model for other homeless outreach programs in South Carolina.

I am proud of these folks and the good work that they do and hope that the Faith-Based Initiative would be helpful to them. There are countless other good people and good organizations—big and small—which could benefit from this attempt to provide a level playing field for the faith community.

This bill also contains some great provisions to encourage charitable giving by individuals and corporations, as well as incentives for low-income individuals to save money that can be used to buy a home, a college education, or start a small business.

We want everyone in America to be able to live the American Dream.

The armies of compassion in our nation would be able to serve the needy and provide their help, so that they too—through hard work and perseverance—can make the American Dream a reality.

Mr. GARY G. MILLER of California. Mr. Speaker, I rise in support of H.R. 7 the "Community Solutions Act."

Although a lot of speakers have focused their remarks on the charitable choice provisions of this bill, I feel that Title III, the Individual Development Account or IDAs offers a
TITLE II—EXPANSION OF CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 201. Provision of assistance under government programs by religious and community organizations.


Sec. 203. Charitable deduction for contributions to individual retirement accounts.

Sec. 204. Charitable deduction for contributions to public education.

Sec. 205. Charitable deduction for contributions to private universities.

Sec. 206. Charitable deduction for contributions to private colleges.

Sec. 207. Charitable deduction for contributions to private hospitals.

Sec. 208. Charitable deduction for contributions to private museums.

Sec. 209. Charitable deduction for contributions to private libraries.

Sec. 210. Charitable deduction for contributions to private zoos.

Sec. 211. Charitable deduction for contributions to private botanical gardens.

Sec. 212. Charitable deduction for contributions to private art centers.

Sec. 213. Charitable deduction for contributions to private historical societies.

Sec. 214. Charitable deduction for contributions to private scientific societies.

Sec. 215. Charitable deduction for contributions to private cultural institutes.

Sec. 216. Charitable deduction for contributions to private cultural centers.

Sec. 217. Charitable deduction for contributions to private museums.

Sec. 218. Charitable deduction for contributions to private galleries.

Sec. 219. Charitable deduction for contributions to private libraries.

Sec. 220. Charitable deduction for contributions to private archives.

Sec. 221. Charitable deduction for contributions to private historical sites.

Sec. 222. Charitable deduction for contributions to private educational institutions.

Sec. 223. Charitable deduction for contributions to private research institutions.

Sec. 224. Charitable deduction for contributions to private scientific research centers.

Sec. 225. Charitable deduction for contributions to private cultural centers.

Sec. 226. Charitable deduction for contributions to private art centers.

Sec. 227. Charitable deduction for contributions to private botanical gardens.

Sec. 228. Charitable deduction for contributions to private zoos.

Sec. 229. Charitable deduction for contributions to private historical societies.

Sec. 230. Charitable deduction for contributions to private cultural institutes.

Sec. 231. Charitable deduction for contributions to private libraries.

Sec. 232. Charitable deduction for contributions to private archives.

Sec. 233. Charitable deduction for contributions to private historical sites.

Sec. 234. Charitable deduction for contributions to private educational institutions.

Sec. 235. Charitable deduction for contributions to private research institutions.

Sec. 236. Charitable deduction for contributions to private scientific research centers.

Sec. 237. Charitable deduction for contributions to private museums.

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Sec. 239. Charitable deduction for contributions to private libraries.

Sec. 240. Charitable deduction for contributions to private archives.

Sec. 241. Charitable deduction for contributions to private historical sites.

Sec. 242. Charitable deduction for contributions to private educational institutions.

Sec. 243. Charitable deduction for contributions to private research institutions.

Sec. 244. Charitable deduction for contributions to private scientific research centers.

Sec. 245. Charitable deduction for contributions to private museums.

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Sec. 247. Charitable deduction for contributions to private libraries.

Sec. 248. Charitable deduction for contributions to private archives.

Sec. 249. Charitable deduction for contributions to private historical sites.

Sec. 250. Charitable deduction for contributions to private educational institutions.

Sec. 251. Charitable deduction for contributions to private research institutions.

Sec. 252. Charitable deduction for contributions to private scientific research centers.

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Sec. 255. Charitable deduction for contributions to private libraries.

Sec. 256. Charitable deduction for contributions to private archives.

Sec. 257. Charitable deduction for contributions to private historical sites.

Sec. 258. Charitable deduction for contributions to private educational institutions.

Sec. 259. Charitable deduction for contributions to private research institutions.

Sec. 260. Charitable deduction for contributions to private scientific research centers.

Sec. 261. Charitable deduction for contributions to private museums.

Sec. 262. Charitable deduction for contributions to private galleries.

Sec. 263. Charitable deduction for contributions to private libraries.

Sec. 264. Charitable deduction for contributions to private archives.

Sec. 265. Charitable deduction for contributions to private historical sites.

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Sec. 296. Charitable deduction for contributions to private archives.

Sec. 297. Charitable deduction for contributions to private historical sites.

Sec. 298. Charitable deduction for contributions to private educational institutions.

Sec. 299. Charitable deduction for contributions to private research institutions.

Sec. 300. Charitable deduction for contributions to private scientific research centers.

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence Act.

Sec. 302. Increase in limitation on net worth.

Sec. 303. Change in limitation on deposits for an individual.

Sec. 304. Eligibility of individual on deposits for a household.

Sec. 305. Extension of program.

Sec. 306. Conforming amendments.

Sec. 307. Applicability.

Sec. 308. Expansion of charitable contributions.

Sec. 309. Reform of excise tax on net investment income.

Sec. 310. Increase in cap on corporate charitable contributions.

Sec. 311. Deduction for portion of charitable contributions.

Sec. 312. Adjustments to basis of S corporations.

Sec. 313. Revenue offset.
the extent that the beneficiary of the individual charitable gift annuity is the trustor of the trust of which the amount which is not allocable to income under subparagraph (D).

"(ii) POOL FUND INCOME.—No amount shall be included in the gross income of a pooled fund income (as defined in subparagraph (G)(ii)(II)) by reason of a qualified charitable distribution to such fund.

"(iii) Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

"(iv) Split-interest trusts.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

"(2) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term "split-interest entity" means—

"(a) a charitable remainder unitrust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

"(b) a pooled income fund (as defined in section 664(b)(5)), and

"(iii) a charitable gift annuity (as defined in section 501(m)(5))."

(b) MODIFICATIONS RELATING TO INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—

"(1) RETURNS.—Section 6034 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by regulation require.

(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

"(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) is required to furnish the information described in subparagraph (f) of section 664 of the Internal Revenue Code of 1986 (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end of such section the following new paragraph:

"(II) only for food that is apparently wholesome food.

"(b) In the case of a trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting "$100" for "$20", and the second sentence thereof shall be applied by substituting "$50,000" for "$10,000", and

"(iii) the third sentence of paragraph (1)(A) shall be disregarded."

"(iii) APPARENTLY WHOLESALE FOOD.—For purposes of this subparagraph, the term "apparently wholesome food" means food that is wholesome at the time of the distribution and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such food shall be determined by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

"(1) GENERAL.—In the case of a charitable remainder trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning given to such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 179(b)(2)), as in effect on the date of the enactment of this subparagraph.

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

"(2) Subsection (b) shall apply to taxable years beginning after December 31, 2001.

"(3) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the term "applicable percentage" means—

"(A) IN GENERAL.—The percentage is—

"(B) CERTAIN RULES TO APPLY .—The tax imposed pursuant to this subparagraph is—

"(C) APPROPRIATE PERCENTAGE DEFINED.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year

2002 through 2007

2008

2009

2010 and thereafter

The applicable percentage is

11

12

13

15

(c) CONFORMING AMENDMENTS.—

"(1) Sections 512(b)(10) and 805(b)(2)(A) of such Code are each amended by striking "10 percent" each place it occurs and inserting "the applicable percentage (determined under section 170(b)(3))".

"(2) Sections 542(b)(2) and 556(b)(2) of such Code are each amended by striking "10 percent limitation" and inserting "applicable percentage limitation".

"(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

"(e) IN GENERAL.—In the case of a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter E of chapter 42 for purposes of this title other than subchapter E of chapter 42) in any taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

"(2) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.
(ii) determining the value of trust assets under subsection (d)(2), and
(iii) determining income under subsection (d)(3).
(D) TAX COURT PROCEEDINGS.—For purposes of section 6212(c)(1) to the extent that references in section 4940 shall be deemed to include references to this paragraph.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRACTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting "or assembled after "constructed"");
(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(4)(B) of such Code is amended by inserting "or assembled after "constructed""); and
(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting "or assembled after "constructed""); and
(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLY CONTRIBUTED GRAPEFRUITS.

(a) IN GENERAL.—Paragraph (1) of section 1367(a) of such Code (relating to adjustments to basis of stock of shareholders, etc.) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following new subparagraph:

"(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the amount of the basis adjustment under paragraphs (1) and (2) of subsection (c) of section 1367A of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting "or assembled after "constructed""); and

SEC. 109. REVENUE OFFSET.

SEC. 109. REVENUE OFFSET.

(a) IN GENERAL.—Paragraph (2) of section 1101 of the Internal Revenue Code of 1986 (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking "38.6" and inserting "38.8";

(2) by striking "38.6" and inserting "38.8";

(3) by striking "38.6" and inserting "38.8";

and

(h) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLe II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER FEDERAL PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XX of the Revised Statutes of the United States is amended by inserting after section 1902 (42 U.S.C. 2000e) the following:

"SEC. 191. CHARITABLE CHOICE.

(a) IN GENERAL.—This section may be cited as the "Charitable Choice Act of 2001." (b) PURPOSES.—The purposes of this section are—

(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner; (2) to supplement the Nation's social services for families and falling apart of new and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in section 170(e)(6)(B); (3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs; (4) to allow religious organizations to participate in the administration and distribution of government assistance under such programs; and (5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

(1) IN GENERAL.—For any program described in subsection (1) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

(2) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (1), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

(3) FUNDS NOT AID TO RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals, State, or local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph if

(A) it involves activities carried out using Federal funds—

(i) related to the prevention and treatment of juvenile crime and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5610 et seq.);

(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under the Violence Against Women Act of 1994 (42 U.S.C. 13961 et seq.);

(iii) related to the provision of assistance under the Housing and Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); (v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

(vi) related to the prevention of domestic violence, including programs under the Comprehensive Community Corrections, and Treatment Act (42 U.S.C. 5101 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.); and

(vii) related to hunger relief activities; or

(viii) under the Job Access and Reverse Commute grant program established under section 4 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

(B) it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and associate degrees relating to nonschool hours programs, including programs under—

(i) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105-220); or

(ii) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

(C) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301).

(5) ORGANIZATIONAL CHARACTER AND AUTONOMY.

(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4), to—

(A) alter its form of internal governance or provisions in its charter documents; or

(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

(3) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation—

in, or receipt of funds from, programs described in subsection (c)(4); and

any program in such programs that is inconsistent with, or would diminish the exercise of, an organization's autonomy recognized in section 702 or in this section shall have no effect, except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated to it, limit the use of such funds in activities relating to employment on the basis of an employee's religion, religious belief, or a refusal to hold a religious belief. Nothing in this section alters the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of

(2) **LIMITED AUDIT.**—

(a) **GENERAL.**—Any religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall conduct an audit of such program, and shall submit a copy of the audit to the appropriate Federal, State, or local governmental agency that has allegedly committed such violation.

(b) **INDIRECT FORMS OF ASSISTANCE.**—Any religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall conduct an audit of such program, and shall submit a copy of the audit to the appropriate Federal, State, or local governmental agency that has allegedly committed such violation.

(c) **RIGTHS OF BENEFICIARIES OF ASSISTANCE.**—

(1) IN GENERAL.—If an individual described in paragraph (3) of the section in which the individual receives or applies for assistance under any program described in subsection (c)(4) to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.) (prohibiting discrimination in education programs or activities on the basis of sex and visual impairment), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibiting discrimination against otherwise qualified disabled individuals), and the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (prohibiting discrimination on the basis of age), is an alternative that is accessible to the individual on religious grounds; and (B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

(2) **NOTICE.**—The appropriate Federal, State, or local governmental entity shall guarantee that notice is provided to the individuals described in paragraph (3) of the rights of such individuals under this section.

(3) **INDIVIDUAL DESCRIBED.**—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c)(4).

(4) **NONDISCRIMINATION AGAINST BENEFICIARIES OF ASSISTANCE.**—

(1) **GRANTS AND COOPERATIVE AGREEMENTS.**—Any religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

(2) **INDIRECT FORMS OF ASSISTANCE.**—A religious organization providing assistance through a grant or cooperative agreement under a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

(3) **LIMITATIONS ON USE OF FUNDS; VULNERABILITY.**—No funds provided through a grant or cooperative agreement under a program described in subsection (c)(4) shall be used for sectarian instruction, worship, or proselytization. If the religious organization offers such an activity, it shall be voluntary for the individuals receiving services and offered separate from the program funded under subsection (c)(4). A certificate shall be separately signed by religious organizations, and filed with the government agency that disburses the funds, certifying that the organization is aware of and will comply with this subsection. No direct funds shall be provided under subsection (c)(4) to a religious organization that engages in sectarian instruction, worship, or proselytization at the same time and place as the government funded program.

(4) **EXCEPTIONS FOR LOCAL FUNDS.**—If a State or local government contributes State or local funds to carry out a program described in subsection (c)(4), the State or local government may segregate the State or local funds from the Federal funds provided under such program to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

(5) **TREATMENT OF INTERMEDIATE GRANTORS.**—If a nongovernmental organization (referred to in this subsection as an ‘intermediate grantor’), acting under a grant or cooperative agreement from the Federal government, or a State or local government with Federal funds, is given the authority under the agreement to select nongovernmental organizations to provide assistance under any program described in subsection (c)(4), the intermediate grantor shall have the same duties under this section as the government grantor or grantee under such program; the intermediate grantor shall comply with generally accepted accounting principles for the use of such funds and its performance of such programs.

(6) **COMPLIANCE.**—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action for injunctive relief pursuant to section 1979 against the State or local government agency that has allegedly committed such violation.

(7) **TRAINING AND TECHNICAL ASSISTANCE FOR SMALL NONGOVERNMENTAL ORGANIZATIONS.**—

(1) **IN GENERAL.**—From amounts made available to carry out the purposes of the Office of Justice Programs (including any component or other arrangement, including the Office of Community Oriented Policing Services), funds are authorized to provide training and technical assistance, directly or through grants or other arrangements, in procedures relating to potential application and participation in programs identified in subsection (c)(4) to small nongovernmental organizations determined by the Attorney General, including religious organizations, in an amount not to exceed $50 million annually.

(2) **TYPES OF ASSISTANCE.**—Such assistance may include—

(A) assistance and information relative to creating an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 to operate identified programs;

(B) granting writing assistance which may include workshops and reasonable guidance;

(C) information and referrals to other nongovernmental organizations that provide expertise in accounting, legal issues, tax issues, program development, and a variety of other organizational areas; and


(3) **RESERVATION OF FUNDS.**—An amount of no less than $5,000,000 shall be reserved under this section. Small nongovernmental organizations may apply for these funds to be used for assistance in providing full and equal integrated access to individuals with disabilities in programs under this title.

(4) **PRIORITY.**—In giving out the assistance described in this subsection, priority shall be given to small nongovernmental organizations serving urban and rural communities.

**TITLE III—INDIVIDUAL DEVELOPMENT ACCOUNTS**

**SEC. 301. ADDITIONAL QUALIFIED ENTITIES ELIGIBLE TO CONDUCT PROJECTS UNDER THE ASSETS FOR INDEPENDENCE ACT.**

Section 404(7)(A)(III)(I)(a) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

**(a) a federally insured credit union; or.**

**SEC. 302. INCREASE IN LIMITATION ON NEW WORTH.**

Section 404(a)(2)(A) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "$10,000" and inserting "$20,000".
SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.
Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

"(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the fiscal year.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.
Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration" each place it appears:

(a) Amendments to Text.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration" each place it appears:

(1) Section 404(2).
(2) Section 405(a).
(3) Section 405(a).
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(f).
(9) Section 405(g).
(10) Section 406(b).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(2).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 407(e).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 412(c).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d).
(31) Section 414(d).
(32) Section 414(d).
(33) Section 414(d).".

(b) Amendments to Subsection Headings.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration":

(1) Section 405(a).
(2) Section 408(b).
(3) Section 410(e).
(4) Section 411.
(5) Section 412(a).
(6) Section 412(b).".

(c) Amendments to Section Headings.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking "demonstration":

SEC. 305. EXTENSION OF PROGRAM.

SEC. 306. CONFORMING AMENDMENTS.
(a) Amendments to Text.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration":

(1) Section 406(a).
(2) Section 406(b).
(3) Section 406(c).
(4) Section 406(d).
(5) Section 406(e).
(6) Section 406(f).
(7) Section 406(g).
(8) Section 406(h).
(9) Section 406(i).
(10) Section 406(j).
(11) Section 407(b)(1)(A).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(2).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 407(e).
(18) Section 408(b).
(19) Section 409.
(20) Section 410(e).
(21) Section 411.
(22) Section 412(a).
(23) Section 412(b)(2).
(24) Section 412(c).
(25) Section 412(c).
(26) Section 413(b).
(27) Section 414(a).
(28) Section 414(b).
(29) Section 414(c).
(30) Section 414(d).
(31) Section 414(d).
(32) Section 414(d)."

(b) Amendments to Subsection Headings.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration":

(1) Section 405(a).
(2) Section 408(b).
(3) Section 410(e).
(4) Section 411.
(5) Section 412(a).
(6) Section 412(b).".

(c) Amendments to Section Headings.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking "demonstration":

SEC. 307. APPLICABILITY.
(a) In General.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of such Act.

(b) Prior Amendments.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106-554) shall apply to funds provided before, on or after the date of the enactment of such Act.

The SPEAKER pro tempore. Pursuant to House Resolution 196, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. THOMAS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

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

Mr. Speaker, we have an opportunity here to review a very important piece of legislation. As relates to the tax portion of this bill, I do not think anybody would believe that allowing a taxpayer to deduct $25 cap or $50 for a couple is enough incentive, or that incentive is necessary. But this is politics as usual, and so we are prepared not to fight that. But the least we should do is to pay for those things. $13 billion, in the majority’s point of view, is not a lot of money. After all, they have just passed a $1.3 trillion tax cut. But it would seem to me, Mr. Speaker, that if we are going to have a budget and we are going to try to stay within the four corners of that budget, the least we could do is to try to pay for those things.

Mr. Speaker, I yield 15 minutes to the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Washington (Mr. MCDERMOTT), and I ask unanimous consent that he be allowed to further allocate the time.

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

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Wisconsin (Mr. SENSENBRENNER), and I ask unanimous consent that he be permitted to control that time.

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

There was no objection.

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

Mr. Speaker, I find it rather interesting that during the debate on H.R. 7, that there were statements made about the tax portion of the bill, especially in terms of title I, almost rising to the level of derision on the amount of money that was provided to individuals who did not itemize their tax deductions. One gentleman called it nonsense in terms of what, on a bipartisan basis, we are doing in changing the Tax Code.

I do not know about you, but I have had some enjoyment watching, over these recent evenings, the programs on dinosaurs, "When Dinosaurs Roamed America," on the Discovery Channel. Frankly, some of the facts that have been mentioned on the program are staggering. For example, in referring to the sauropods which were the largest dinosaurs to roam America and they were herbivores, to give some understanding, I guess, of the size of these beasts, it was indicated that, on a daily average, they left about 2,000 pounds of fecal material.

I just pondered that fact, because in listening to my Democratic colleagues stand up and deride the tax portion of H.R. 7, I am fascinated to find that in their offering of their substitute, when they had a clean sheet of paper and, of course, if they deride the amount of money provided to nonitemizers, they certainly could have picked any number they thought was appropriate. If they thought those provisions to corporations were inadequate, they certainly could have picked any structure they wanted, and they are saying they are going to pay for their proposal, and, therefore, they had any amount of money that they chose to pay for any program they thought was appropriate for charitable giving.

Do you know what that clean, white sheet of paper turned into? It turned into word for word, sentence for sentence, paragraph for paragraph the charitable giving portion of H.R. 7. Yes, my friends. The substitute’s tax portion is absolutely identical, notwithstanding all of their criticism of the majority’s bill.

And so when I think back at that 2,000 pounds, I just wonder what Diplodocus can produce. We have seen the first major installment. For them to stand up and ridicule the charitable tax provisions in the bill and then turn right around and word for word incorporate them in the substitute certainly is a really big pile.

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

Mr. MCDERMOTT. Mr. Speaker, I yield myself a couple of minutes here.

The distinguished chairman of the Committee on Ways and Means certainly is an erudite speaker and I appreciate his great erudition on these matters.

But we wanted to pay for it. If we could have added an amendment and simply paid for it, we would have done it, because we would have proven the hypocrisy of what has gone on the other side.

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Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as a person that strongly believes that our religious and faith-based organizations do a vital role in potentially helping us solve problems, particularly for the poor, I rise in opposition to the underlying bill.

Thomas Jefferson wrote: "Politics, like religion, hold up the torches of martyrdom to the reformers of error."

The reformers of error in this instance are the authors of this bill, and they are so for two reasons: we have a very important separation, a wall, a separation of church and State in this country; and, instead of breaking it down, they are tunneling under it.

On page 45 of their bill, instead of having money go directly to these institutions, we can use vouchers or certificates or other forms of reimbursement. We have rejected vouchers to our public schools; we should reject vouchers to our houses of private worship.

Finally, Mr. Speaker, on the tax cut: I voted for a tax cut, a $13.3 trillion tax cut. This one is $13.3 billion. We just voted for a tax cut. This one is $1.3 trillion tax cut. This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, America is the greatest country on the face of the Earth, and in part it is because of the inspiration that our Founding Fathers had in the drafting of the Constitution and the promulgation of the first 10 amendments: "We hold these truths to be self-evident."

The gentlewoman says this is not a jobs bill, and she is correct. This is a bill about doing what our faiths tell us to do: lifting people up, reaching out to them, helping them. My party believes in that. I think the other party does as well.

I was a Jaycee. The Jaycee creed starts with these lines, that faith in God gives meaning and purpose to life. I am a Baptist. There are many faiths represented in this body. I am also from Maryland. In April of 1649, Maryland passed an act on religion, now known as the Act on Toleration. It was one of the first statutes in these colonies that said we were going to make sure that the State did not infringe upon religion. Why? Because the Calvert family was Catholic, and the majority of the colony was Protestant, and they wanted to make sure that the Government did not infringe upon the right to practice their religion, which is, of course, why they came to these colonies.

This is a fundamental issue. That is why this substitute is so good, because among those principles that we hold dear in America and the reason we are so great is because we do not believe in discrimination, knowing full well that some practice it, but that discrimination is not one of those truths that we hold as absolute.

In the fifties and sixties and throughout our history, men and women have died for that principle. Let us have the courage to vote for that principle. Vote for this substitute and vote against the underlying bill.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, first I want to praise the chairman of the Committee on Ways and Means for his work in his day to day negotiations within the budget context. We would have all preferred to go to $500, but he has taken a stair-step method that enables people who do not take large tax deductions to take the small increments that many small churches were asking us to do.

It is appalling that Members have stood on this floor and mocked those who do not have large resources, but who would like to contribute to their local resources. I praise the gentleman for making that effort.

But I think it is also important to make clear today that in fact we are not looking just to protect religious liberty in this bill; but the way it has been debated on this floor, it would repeal religious liberty that has stood for many years.

For example, if we make religious liberty subject to State and local laws, contractual provisions that prohibit a religious organization from maintaining its internal autonomy, which is not true currently, could be used to require religious health services to distribute condoms. If we repeal the religious liberty amendment and make it subversive to State and local laws, it is a slippery slope for other issues such as Medicaid, where it could require Catholic hospitals to perform abortions. This has huge ramifications in our society, if you make religious liberty subject to State and local laws.

Religious Liberty. We are in a very difficult area. It is a very uncomfortable area to debate, whether people of faith who have had centuries of positions on difficult issues like homosexuality, or other churches that may or may not, for example, have male nuns or female priests, whether they have to, in order to participate in any government program, lose their religious liberty.

It will have a chilling effect not only on what could be done, but we are looking at reach-back provisions here if we start to apply this standard on what we are already doing in the AIDS area, where many churches have reached out over the years and have never been told before that suddenly they have to change their internal structure of their church to be eligible for government money. We are heading down a very slippery slope if we repeal religious liberty in America.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Speaker, I rise in opposition to the substitute and in support of the bill as it stands. The Community Solutions Act is just that. The Community Solutions Act is designed to aid organizations that aid communities.

This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, it is my privilege to yield 1 1/4 minutes to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Speaker, I rise in opposition to the substitute and in support of the bill as it stands. The Community Solutions Act is just that. The Community Solutions Act is designed to aid organizations that aid communities.

This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I am a Baptist. There are many faiths represented in this body. I am also from Maryland. In April of 1649, Maryland passed an act on religion, now known as the Act on Toleration. It was one of the first statutes in these colonies that said we were going to make sure that the State did not infringe upon religion. Why? Because the Calvert family was Catholic, and the majority of the colony was Protestant, and they wanted to make sure that the Government did not infringe upon the right to practice their religion, which is, of course, why they came to these colonies.

This is a fundamental issue. That is why this substitute is so good, because among those principles that we hold dear in America and the reason we are so great is because we do not believe in discrimination, knowing full well that some practice it, but that discrimination is not one of those truths that we hold as absolute.

In the fifties and sixties and throughout our history, men and women have died for that principle. Let us have the courage to vote for that principle. Vote for this substitute and vote against the underlying bill.
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Mr. Speaker, on page 40 of H.R. 7 is the very crux of why we believe that this is a particularly pernicious, pernicious amendment. As the lady comes walking along, and suppose her purse falls and something pops out of the purse. Lo and behold, it is birth control pills. Under this piece of legislation, if that particular religion does not accept forms of prevention, that woman could be fired on the spot because they do not accept it. You tell me where it is she is protected in this legislation?

In the early days of the Bush administration, the Office of Faith-Based Initiatives was created with the great idea that religious community-based organizations are the best source of social services.

I support the Rangel-Conyers-Frank-Naderler Institute. I was the mayor of Paterson before I came to the Congress, a city whose residents rely on exactly the social programs this legislation is designated to help. Believe me, my city counted on these social services maintained by many of them religiously affiliated, to supplement the city, State and Federal programs that already exist.

But as a former mayor, as a former State legislator, I have grave reservations about the number of provisions in the Community Solutions Act which would supersede State and local civil rights laws and, in essence, allow religious institutions to discriminate, despite receiving Federal dollars.

The Rangel substitute corrects every inequity and every discriminatory possibility. It recognizes the unique contributions of religious organizations to the community. Unlike the base bill, this amendment not only creates a new program, but it also pays for the program.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House of Representatives.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I come to this debate today in a very solemn mood, but a very excited mood at the same time, it is kind of a conflicting emotion, because this is the beginning of a debate that we have been looking for for a long, long time; in fact, my entire adult life. This is the beginning of a very real debate in this country over two very distinctly different worldviews.

For 40 to 50 years, we have had the world view, as exemplified by the opposition all day long today, a world view that has been going on for 40 or 50 years, and that world view basically is man without God, man without Utopia, and what can undermine that building of Utopia is bringing God into the mix. So they have spent 40 to 50 years getting God out of our institutions, and they have fought very long and been very successful at it.

Yet now we have a President that comes along and says, no, faith is important; what you believe is important. What you believe is what you are, and we need to bring it back in, because the world view that says we are going to build Utopia by building huge government run programs, you know, faith does not have to enter into it.

Do you know what the result of that is? Look at what has happened over the last 40 or 50 years to the culture, the fabric of the culture of this country. I do not have time to list it here, but we all know what I am talking about. The culture, very fabric has been ripped apart, the culture of this country.

Now we want to bring it back in, and part of rebuilding that culture is faith, faith in the heart, faith in yourself, and that, to many of us, is God; and we want to bring God back into it. But they want to continue to discriminate against those that want to bring in faith-based institutions, that have proven to be successful.

Right in my own district, Chuck Colson’s Prison Fellowship took over an entire prison on faith. Do we know what the recidivism rate of that prison is? Mr. Speaker, it is 3 percent. Because we know that changing the heart and mind and soul of men through faith is how they are changed.

That is what we are talking about here. It is more fundamental than the petty arguments that we have heard here today. This is vitally important, the future of our country and the rebuilding of our culture. We must pass this bill without amendment. Vote for the bill and approve the amendment.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, 40 or 50 years ago, I would tell the gentleman from Texas (Mr. DELAY), indeed, 200 years and plus, because some of us think that just maybe our Founding Fathers, Mr. Jefferson and Mr. Madison and all those that played a role in our Bill of Rights, may have known just slightly more than the greats of today such as the gentleman from Texas (Mr. DELAY), Mr. Gingrich, the gentleman from Texas (Mr. ARMSTRONG), and the gentleman from Illinois (Mr. HASTERT).

Perhaps they understood the role, the important and vital role that religion would play in our society, and they would also recognize that we do not need government interfering with it. We do not need government funding it.

Indeed, that is why hundreds of religious leaders, who are doing innovative work—enriching and changing lives across this country, have opposed this bill. Because they are doing their good deeds, they are living their faith and their religion, and they do not even need the gentleman from Texas (Mr. DELAY) and the gentleman from Illinois (Mr. HASTERT) to come in and pass a bill to let them do it.

Today is a referendum on discrimination. We will have a vote today on which the Members of this House will have an opportunity to say whether they want to spend Federal tax dollars to encourage discrimination in employment or not. And the second matter, the ultimate faith-based initiative today is on the issue of fiscal responsibility.

Mr. Speaker, these Republicans are draining the Medicare Trust Fund as quickly as they can turn the spigot. And when they get through emptying it, they are moving next to the Social Security Trust Fund. That is why rather than remaining true to recent very effective, President Bush’s Medicare, the Director of the Office of Management and Budget calls the Medicare Trust Fund “a fiction.” Indeed, the real fiction is the claim that Republicans can provide tax breaks like this and maintain any sense of fiscal responsibility.

If we think that the gentleman from California (Mr. THOMAS) can keep coming in here, week after week, with one special interest tax break after another, today for those that helped in getting out the Republican vote last year in certain parts of the religious community, and next week with the breaks for the oil, gas industry nuclear and coal industries, if we think that he can provide all of those tax breaks and not pay for or provide offsets for a single one of them without invading the Medicare Trust Fund and the Social Security Trust Fund, Mr. Speaker, if we think he can accomplish that, we are really investing the ultimate faith-based initiative.

Mr. THOMAS. And the Democrats’ sorrow pile grows and grows.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, not every human need and social problem requires a government program. There are many charitable, nongovernmental, nonprofit, humanitarian and faith-based programs that work, that are doing a good job. The gentleman from Pennsylvania (Mr. HASTERT) to come in and pass a bill to let them do it.

We have not won those wars. Today is on the issue of fiscal responsibility.
they are problems of the spirit. Government cannot create a work ethic or make people moral or make people love one another. But they can do so because they believe in the first amendment, but we all do. The Constitution provides, “Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof.”

But this charge is twofold. The first amendment provides that the government cannot establish one religion or a religion over a nonreligion. But it also, I say to my colleagues, provides that the government shall not prohibit the free exercise of religion.

This is a very important point and the purpose of our bill. With some constitutional concerns in mind, we must make certain to allow members of organizations that are part in government programs designed to meet basic human needs and ensure that capable and qualified organizations not be discriminated against on the basis of their religious views.

So charitable choice makes clear that existing Federal law providing for the Federal provision of social services should not be read to exclude. One cannot exclude faith-based organizations solely on the basis of their beliefs.

So I would conclude, Mr. Speaker, to point out that what we are trying to do is exercise freedom of religion, and that is what charitable choice does.

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

This amendment was put out here for a very simple purpose. The Republicans have been acting like they had a $500 bank account and they were going to write ten $100 checks; and that is what the Committee on Ways and Means Republicans has done, over and over again.

We received a letter from the gentleman from Iowa (Mr. NUSSELE) on July 11 that said that the surplus remaining was $12 billion. Now, the President has yet to submit a defense request to us. The lowest estimate anybody has heard is that he wants $10 billion. So if we just imagine taking 12 and subtracting 10, we now have $2 billion left in surplus and so all that goes into Social Security and Medicare. Okay?

Now, we have also stuff coming out of the CBO and the Committee on Joint Taxation telling us that the economy has slowed down and the revenue estimates are going down. A very conservative estimate of how far down they have gone is $20 billion. Now, remember, we have that $2 billion left, we subtract another 20, we are $33 billion into the surplus in Medicare.

Mr. Speaker, I do not know how many times I have heard people come out and say, we are going to put a lockbox on these funds. By God, we are going to put a lockbox on this, on Social Security, and lock up all that Medicare.

Right here, before we pass this foolish bill, we are already $18 billion into the Medicare money. Now we have another $13 billion here. So now we are up to $31 billion, and next week we are all going to get a chance to come out here and pass a bill about energy cuts. I have forgotten what that one is, but I think it is $33 billion. And we know that $500 checking account that we wrote, $1,000 worth of checks on, we are going to write about $5,000 worth of checks by the time we are done. We are bankrupt, unless we go into Social Security and Medicare.

Now, we can do all the dancing we want out here and talk all about the issue of the first amendment. I mean, people are acting like somehow we cannot allow, or give the federal dollars to faith-based groups. As I said earlier, that is nonsense. Catholic charities, Jewish Charities, Lutheran World Service, on the list goes, the Salvation Army, the whole works, they all have tremendous amounts of Federal money, and they follow rules. And that section of this bill that wants to take away the rules or start bending the rules is going to wind up with people facing indictments. We are going to have ministers who think they can come down here to the government, get a bag full of money and go home and do whatever they want with it, and they are going to wind up being indicted.

Now, we had one of our colleagues, some of my colleagues may remember, runs a great, large church, and he spent a lot of money defending himself against the charge that he was spending Federal money in a religious way. He ultimately won, but we are going to see that this is not a free bag of money that the Congressional Republicans go and take and dodging whatever they want to do, the Supreme Court, the district courts, the courts of appeal have been clear on this issue.

The gentleman from Texas acts like the country started when the Democrats were picking up the pieces after the Republican debacle of the 1920s. This country spent 200 years with a separation of church and State. It does not need this bill, and it is fiscally absurd that we fund services done by faith-based groups. As I said earlier, that is nonsense.
Mr. KINGSTON. Mr. Speaker, I rise in strong opposition to the substitute. It not only removes key provisions of the bill, but it denies religious organizations civil rights protections they currently enjoy.

Make no mistake about it, the substitute is a radical retrenchment of current law which flies in the face of a unanimous Supreme Court which upheld religious organizations' exemption from title VII, even when they perform social services that contain no religious worship, instruction, or proselytization.

One of the most important charitable choice principles is the guarantee of institutional autonomy that allows faith-based organizations to select staff on a religious basis. H.R. 7 preserves this guarantee and is supported by no less a civil rights leader than Rosa Parks. She has said that H.R. 7 is
an important response to urban America in its reduction of discriminatory barriers currently suffered by many grass root churches who are unable to access funding for educational and social welfare programs.

Now, if churches are allowed to compete for Federal social service funds, they must be able to remain as churches while doing so, and being able to hire those of the same faith is absolutely essential to being a church.

Even former Vice President Al Gore during his campaign, and in a speech to the Salvation Army, said that, "Faith-based organizations can provide jobs and job-training, counseling and mentoring, food and basic medical care. They can do so with public funds, and without having to alter the religious character that is so often the key to their effectiveness."

Again, the only way a church can retain its religious character is if it can hire staff with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered by H.R. 7 with the same staff they currently have. That staff likely shares the same religious faith.

The substitute would make it impossible, impossible for these small churches to contribute to Federal efforts against desperation and hopelessness, and it is precisely these small churches that H.R. 7 intends to welcome into that effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted private non-profit religious organizations engaged in both religious and secular non-profit activities from title VII's prohibition on discrimination in employment on the ground of religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case. "Section 702(a) is not waived or forfeited when a religious organization receives Federal funding. No provision of section 702 states that its exemption of non-profit religious organizations from title VII's prohibition on discrimination in employment is forfeited when a faith-based organizations receives a Federal grant," but the substitute would do just that, and change current law.

The portion of the substitute that says that no Federal funds can go to an organization that engages in sectarian instruction, worship, or proselytization at the same time and place as a government program is fatally unclear. Does it mean that no sectarian activities can occur anywhere in a church when only the church basement is being used to run a life-skills class under a covered Federal program? If two rooms in the church are being used to shelter a battered spouse, does the rest of the church have to cease all religious functions?

The substitute contains language that may say yes to those questions. Inner-city churches in low-income neighborhoods may not be able to set up duplicate facilities to run these social service programs. The substitute punishes small churches, particularly those in poor neighborhoods that cannot and should not have to set up two different buildings to take part in Federal social service programs.

Regarding the indirect funding language of the bill, the Supreme Court approved indirect funding as a way to much reduce church-state separation as far back as 1983 in Mueller v. Allen and in Witters v. The Washington Department of Social Services to the Blind in 1986.

Subsection 1 in H.R. 7 is about more than vouchers, which is just one type of indirect funding. It is not necessary that a beneficiary actually be handed a piece of paper called a voucher and carry it to the point of service.

According to the Supreme Court, indirect funding is where a beneficiary has genuine choice of social service providers; where the exercise of that choice determines which provider ultimately receives the funding, because the beneficiary decides where the funding goes and not the government.

The Supreme Court has said that the government's responsibility stops with the beneficiary. Therefore, whether the funds end up in a secular or religious group is a matter of private choice, and the establishment clause does not regulate private choices.

The minority party complains of hazards of church-state separation with H.R. 7. When the majority proposes subsection 1, which would allocate all the funds for the government, entanglement, and threats to the autonomy of the faith-based organizations, they object to the perfect solution to their complaints.

The minority also acts like indirect funding is a new and untested idea. We have been living with the child care development block grant act since late 1990. With this act, the Federal Government has been funding services provided by churches via indirect aid, which provide over 40 percent of the indirect development block grant.

It has resulted in no problems. Indeed, none of the radical separationist organizations have dared to even file a lawsuit to challenge this act.

It is not just day care that can be funded by indirect aid. Alcohol and drug rehabilitation centers can also work in this manner. The State and local government determines who meets the qualifications for these services, and counselors work with qualified personnel who look over the centers available in his or her community. The individual makes a choice, and a call is made affecting a referral. The beneficiary goes to the rehab center and is enrolled. Then the center notifies the State, and checks are sent each month that the services are rendered to maintain the beneficiary.

Subsection 1 is also narrowly drafted. A cabinet level Secretary does not have carte blanche. No program can be shifted to indirect aid without three requirements being met. One, it must be consistent with the purpose of the program; two, it must be feasible; and three, it must be efficient. This discretion can be challenged under the administrative procedure act.

For all these reasons, I urge my colleagues to oppose the substitute.

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

Mr. RANGEL. Mr. Speaker, I yield myself 15 seconds to correct the misstatement of fact by the distinguished chairman who stated that churches can discriminate. They can, but not with Federal funds. This bill would allow them to discriminate with Federal funds. The motion to substitute would say they cannot.

Mr. Speaker, I will later include for the RECORD the letter from Rosa Parks saying she does not support discrimination with Federal funds.

ROSA & RAYMOND PARKS

INSTITUTE FOR SELF DEVELOPMENT.


Hon. John Conyers, Jr.,

Ranking Member, House Judiciary Committee, Rayburn House Office Building, Washington, DC.

DEAR JOHN: As you know, I support legislative efforts to enhance the ability of religious and other faith-related groups to receive government funding in order to respond to community problems.

I believe that helping grassroots churches access this funding can be fully consistent with our civil rights laws and the First Amendment. This is why I want to express my support for amendments you plan to offer when the House Judiciary Committee considers H.R. 7 which that government funds provided to religious organizations are not used to keep churches or other non-profits from working together for the alleviation of urban problems. We do not want to change the 1964 Civil Rights Bill that we fought so hard to achieve.

Churches already know that they cannot use food or other services they may provide as an excuse to force people to accept their religious views, while using government funds. I am certainly in support of making sure that does not happen.

John, we have both spent our entire lives fighting against discrimination and in favor of the protections set forth in our Bill of Rights. The last thing we would want to do is permit H.R. 7 to be used to narrow the civil rights laws or to intrude on the First Amendment. It is my hope that adoption of these amendments will help broaden the bipartisan support for the bill and allow the measure to be quickly passed into law so that churches can continue their role in fighting poverty and other urban ills.

God bless you and your good work.

Peace and Prosperity.

Rosa Parks.

Mr. NADEL. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEPhardt), the distinguished minority leader.
Mr. GEPPERT. Mr. Speaker, I rise to speak in favor of this substitute. I believe it is a superior bill to deal with this very important problem.

I am saddened to stand before the Members in opposition to the language of the bill that is on the floor. In my view, this bill represents a missed opportunity to extend the good works of faith-based organizations.

I am a strong supporter of not-for-profit and faith-based organizations. I believe they provide tremendous help to people all over this country. They feed the hungry. They put roofs over people's heads. They tend to the most underprivileged in our society, the poorest members of our communities. They are vital to every community in America, and as forces for good in our society, they are simply irreplaceable.

But I do not believe that we should accept the premise of the legislation before us. I believe in the Golden Rule: "Do unto others as you would have them do unto you." I do not think that we should expand government support for institutions at the expense of fundamental and antidiscrimination protections for all Americans.

Millions of people, African Americans, Hispanic Americans, women, gays and lesbians, the disabled, people of all different faiths, enjoy more opportunity and equality because of these laws.

These are living, breathing parts of the American democracy, making a tremendous difference in people's everyday lives.

I believe the President's faith-based initiative rolls back these protections; protections which ironically our leading religious leaders and religious luminaries have fought for and won; protections which further the fundamental humanist principles of equality, individual liberty, and freedom.

The consequences of this bill, unintended or not, are that it will be easier for these important institutions to ignore fundamental State, local, and Federal antidiscrimination laws. Just last week, The Washington Post reported that the Bush administration had reached some kind of an agreement with the Salvation Army. In exchange for political support, the White House would consider exemption for the Salvation Army from local and State laws protecting gay Americans from discrimination. This was a sad development, and it indicates the kinds of problems this law creates for potentially millions of Americans in every corner of our society.

I am also concerned that the bill has a tax incentive that is not paid for, and a very small incentive that will have little or no effect on charitable giving. We continue to worry about going into Medicare and Social Security Trust Funds in this budget, and we should not pass new tax breaks without finding offsets so we do not invade these critical programs.

Finally, I believe this bill violates the fundamental church-State separation that is still a fundamental principle of our democracy. This bill will invite government regulation of religious institutions; and through a little known loophole, it will invite government scrutiny of the allocation of government-wide vouchers, which will blur the line separating church from State, weakening our Bill of Rights.

In short, I do not think this bill is what the American people want, and I do not believe this is what the House of Representatives wants for our country.

Americans enjoy the wonderful protections afforded by the Bill of Rights, the Civil Rights Act of 1964, and the countless civil rights laws at State and local level. They have made more freedom and more equality everyday reality in people's lives. I urge Members to vote for this substitute so that we can support faith-based institutions in ways that will not harm the people of this great democracy but will uphold the role of faith in our great and diverse Nation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Kirk).

Mr. KIRK. Mr. Speaker, I would like to encourage the author of the bill in a colloquy.

Many H.R. 7 supporters have questioned why this issue is suddenly being discussed, since the most recent version of the charitable choice signed into law last year included the following provision: "Nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or any regulation that relates to discrimination in employment."

Is that not correct?

Mr. WATTS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Speaker, yes, that is an accurate characterization.

Mr. KIRK. H.R. 7, as currently written, does not include similar language prohibiting the preemption of State and local laws; is that not correct?

Mr. WATTS of Oklahoma. If the gentleman will continue to yield, yes, that is correct.

Mr. KIRK. If a State law prohibits discrimination based on a particular characteristic, and in a religious organization would ordinarily, based on State law, be required to comply with that law, would H.R. 7 change that situation in any way?

Mr. GREEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Speaker, yes, H.R. 7 would change this situation in a particular instance. If a religious organization were to use funds where the State funds have been contributed from Federal funds, it could assert its right under subsection (d) and (e) of H.R. 7 against the enforcement of State or local procurement provisions that limited the religious organization's ability to staff on a religious basis.

Mr. KIRK. Mr. Speaker, reclaiming my time, I thank the gentleman from Wisconsin for that clarification.

Several constitutional lawyers have informed me that H.R. 7 would indeed change the existing situation. This is precisely where we seem to most disagree on the direction our policy should move in. I would hope that the gentleman from Oklahoma (Mr. WATTS) would commit to working with us on this issue. I am concerned about this issue to craft language which would ensure that these organizations comply with State and local civil rights laws which exist in communities across the Nation.

The gentleman from California (Mr. DREIER) and several representatives of the leadership have expressed their desire to clarify this issue in conference.

Mr. WATTS of Oklahoma. If the gentleman will further yield, as sponsors of the bill, the gentleman from Ohio (Mr. HALL) and I are willing to make the commitment that we will more clearly address this issue in conference and with the gentleman as the process moves along.

Mr. KIRK. Mr. Speaker, I thank the gentleman.

Mr. NADLER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, to be honest, on days like today, I am just saddened to be a part of this body. We bring bills like this to the floor and we scream at each other; and the truth of the matter is that there are wonderful, good people on both sides of this issue.

There are people, black and white, Republicans and Democrats, and I could use all of my time, who have spent their entire lives fighting against discrimination. Some of them are supporting this bill; some of them are opposing it. I am certainly supporting it. I believe, are supporting it because they believe that the benefits outweigh the detriment, and those who oppose it believe that the detriment outweighs the benefit. I happen to be in that latter category.

I have spent my entire life fighting against discrimination in every form, racial, religious, gender, sexual orientation, without exception; and I will not vote for a bill that sanctions discrimination in religion. And that is what this bill does.

Now, some of us can say that it is worth the price to do that, and I will respect a colleague who says that.
I will not respect anybody who gets up and denies that the bill does not do that. Even the gentleman from Oklahoma (Mr. WATTS) acknowledged that right now he is going to work on it in conference.

The time to work on the bill is here, now, in the committee, in the House. And if it does not measure up, we should vote it down and support the Democratic substitute.

Mr. SENSENBERGER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HASTERT), the distinguished Speaker of the House.

Mr. HASTERT. Mr. Speaker, I rise in support of the President’s faith-based initiative and urge all of my colleagues to vote for it.

This is a bipartisan bill. I worked last year with President Clinton to do the urban renewal bill. I thought it almost had unanimous consent on both sides of the aisle.

Why, and why is this important? As we walk through this situation, I kind of led the antidrug effort, at least on this side of the aisle for a couple of years before I got another job, at least. I thought that when we walked into drug treatment organizations that were usually government-run, we had recidivism rates of 95, 96, and 97 percent. When we walked into faith-based organizations to see what their results were, we had recidivism rates as low as 24 and 25 percent. It works.

When people care about people and offer their time and their faith and their hard work and their commitment and devotion to change people’s lives, it works. Not only does it have the net effects of changing people’s lives, allowing people to live a better life, but it also allows religious discrimination.

This bill clearly authorizes the pre-emption of State and local civil rights laws. What it says is with Federal money, doing purely secular activities, albeit motivated by faith, they can violate State and local laws. And if the money is commingled, if there is State money and local money, and they try to condition that money on their policies, the Federal money wiper that out. It also allows religious discrimination.

It seems to me to disserve the faith-based communities. The INS wants it to say that they can only go forward if they are allowed to violate otherwise applicable State law and discriminate on these grounds.

And let me address one absolute inaccuracy. The suggestion that we have heard, the substitute and the subsequent recommit, somehow will enact the National Gay Rights Bill, that is absolutely and completely and totally false. All this says is that there were some exemptions of State law, and do not violate the Federal laws. And we have to give them the right to discriminate.

Vote against this substitute. Vote for the bill.

Mr. SENSENBERGER. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. HALL), who has worked on this as well. I have walked a lot of districts, both Republican and Democrat districts. I walked with the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. RUSH) in Chicago, and have talked to people who have been able to change people’s lives. Let us give them a chance to do a better job.

Mr. NADLER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is a bipartisan bill. I worked with Mr. DAVIS on this. It is an idea. It is part of President Clinton’s last year. We dismissed it. We almost, to a point, in the committee, in the House. We simply do not believe that to get the benefit of these decent well-motivated individuals who run the faith-based institutions that we have to give them the right to discriminate.

Now, we were told, there is a probably a concession that there are parts of this bill that would allow too much discrimination; these will be fixed in conference. It is funny, when I heard this was the faith-based bill, I thought they were talking about faith in God, not faith in the Senate. I think there is a lot less of that over here than in the Senate.

This bill clearly authorizes the pre-emption of State and local civil rights laws. What it says is with Federal money, doing purely secular activities, albeit motivated by faith, they can violate State and local laws. And if the money is commingled, if there is State money and local money, and they try to condition that money on their policies, the Federal money wiper that out. It also allows religious discrimination.

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And let me address one absolute inaccuracy. The suggestion that we have heard, the substitute and the subsequent recommit, somehow will enact the National Gay Rights Bill, that is absolutely and completely and totally false. All this says is that where there are existing State, State antidiscrimination laws, and an organization would otherwise be covered by them, they are still covered. Federal money does not become the universal solvent. If an organization is in a State and they get Federal highway money, that does not exempt them from State laws. If they get Federal housing money, it does not exempt them from State laws.

Do my colleagues really think so little, those on the other side, of churches and faith-based institutions, and synagogues and mosques, as to think they will not do this faith-based charity unless they are given a special right to violate State laws and discriminate against people? I think we are the ones who truly show faith in them.
White House for a regulation exempting them from State and local laws to protect employees from discrimination based on sexual orientation. Then there was an uproar, and that effort was quickly abandoned.

Well, they will not need a regulation if this bill becomes law today as it is presently drafted because religious organizations will be able to evade State and local laws simply by receiving a Federal grant. They will be free to deny a job to qualified workers. We must not let this happen.

Support the substitute. Defend States’ rights and defeat the underlying bill.

Mr. NADLER. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Speaker, I agree with the sponsors and advocates of this bill. As we look around our communities, it is undeniable the best homeless facilities, drug treatment, even job training programs are not city and State run. They are run by churches and synagogues.

The supporters of this bill are right. We ought not rule out a compassionate approach, it is undeniable the best home- 

less facilities, drug treatment, even job training programs are not run by churches and local laws simply by receiving a Federal grant. They will be free to deny a job to qualified workers. We must not let this happen.

The gentleman from New York (Mr. HALL), the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Wisconsin (Mr. SENSENBERGER) are decent and caring individuals who seek to do what is best.

I will vote yes on this bill if we can make a much improved bill and perfect it further.

First, let us restate what is the agreed-upon purpose of bill. Today, we vote to fund secular services in a non-religious environment, no preaching, no proselytizing. It is right there in the bill. The bill, to its credit, makes that very clear. There is no reason to want to discriminate in hiring of a typing teacher or an after school art teacher. None of us would support such discrimination in these purely nonreligious environments.

We should guarantee that this discrimination does not take place.

To be clear, I strongly support Title 7 language of the Civil Rights Act of 1964. There is no reason to extend this protection to the programs we consider today.

Secondly, I ask the sponsors, why should the passage of this effort drag down local and State human rights and anti-discrimination laws?

It is ironic that many of the excellent and active religious organizations who support this bill were at the forefront of the laws that are being passed in the States and cities to protect the most vulnerable.

As a former city councilman, I share the chagrin so often expressed by my conservative colleagues about the way we frequently trample on carefully considered local laws. There is no good reason to do that in this bill.

When my colleagues advocate for the bill, I hear no good explanation for that preemption.

Finally, as I said, I do not agree with the theorists that this bill is a subterfuge for a sinister agenda. Some have called me naive in that.

Now after the bill was considered carefully and thoughtfully in two committees of this House, a new section was added which dramatically changes the way we administer virtually every social service program, every housing program, every anti-crime program by permitting a voucher-driven reorganization.

Mr. Speaker, this broad administrative change that impacts $47 billion of grant programs has no place in this bill.

Fortunately, I can and will vote for the Faith Based Initiative Bill today. I will be voting for the Rangel Conyers substitute which irons out the last of the wrinkles in this bill.

It preserves state and local human rights laws. It and leaves the voucher debate for another day. Modest improvements that—if made—can make this a bill that unifies this body around the principles that unify this Nation.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I commend those of this aisle who are trying to figure out a way to assist faith-based organizations. But I think, given the nature of the debate, we need to pay due respect to the devil, and the devil truly is in the details on this important subject.

Mr. Speaker, the unfortunate detail that I learned is that in the underlying bill it allows, it condones, it sanctions an employer to use tax-based money to hang out a sign saying we would like a gay teacher or an after school art teacher.

Miss EDDIE BERNICE JOHNSON. The gentleman from Oklahoma (Mr. WATTS) has 3½ minutes remaining, and the gentleman from Wisconsin (Mr. SENSENBERGER) has 3 minutes remaining. The gentleman from Wisconsin has one final speaker to close.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, a few moments ago when the Speaker of the House said this bill is not a new idea, the gentleman was absolutely correct.

The idea of having tax dollars subsidize our churches and houses of worship was debated 200 years ago by our Founding Fathers. In answering that question, they felt so strongly about it that they not only put it into law, they embedded it into the first 16 words of the Bill of Rights, the proposition that religion in America is best served when we keep the hand of government regulation out of our houses of worship.

Mr. Speaker, the underlying bill today says we voted on funding of subsidizing religious discrimination in the past and we voted to directly fund churches in the past, they fail to point out that most of those debates were at 1:00 a.m. or 12:30 a.m. on the floor of the House with only two or three Members here on a 20-minute debate. I know because I have one of those three Members.

Mr. Speaker, this bill was wrong at 1:00 a.m. in the morning, and it is wrong today. Direct funding of our churches was wrong 200 years ago, as evidenced by our Founding Fathers’ writing of the Bill of Rights; and it is wrong today.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, as Chair of the Congressional Black Caucus, I want to share with my colleagues that we have a unanimous vote to vote against this bill and to support the substitute. It should not be a surprise why. We all are victims of discrimination. We do not want to roll back the clock. We are recipients of faith-based leadership throughout our history. We are not afraid of faith-based organizations. We support them. We work with them.

All of the ministers who were brought here were snookered to think that they were getting something, until they found this clause in the bill.

Mr. Speaker, churches have a role to play in the provision of social services, but Members should vote for the substitute and vote down the main bill.

Mr. NADLER. Mr. Speaker, I yield 1½ minutes to myself.
for the cost of the bill, to make sure that we protect participants from leadership coercion, and that we do not voucherize $47 billion worth of programs without congressional review.

Mr. SENSENBERGER. Mr. Speaker, I yield the balance of my time to the gentleman from Oklahoma (Mr. WATTS).

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. SENSENBERGER), the chairperson of the Committee on Ways and Means, for their efforts in getting this bill to the floor of the House today.

Mr. Speaker, let me clarify some things that have been said. We do not spend one dime of Social Security or Medicare money to pay for this bill. Nothing in this bill changes any of the civil rights laws. I, too, have been a beneficiary of civil rights law. We do not add or take away from the 1961 Civil Rights Act.

Mr. Speaker, we do not violate the artificial argument of church and State, because this bill is not about church or State. It is about people in the trenches every day having more resources to feed the hungry, to clothe the naked, to house the homeless, to help the drug and alcohol addicted.

This is not about funding faith. It is about people. It is about their hopes, their dreams, their ideas, their ambitions and, most importantly, their goodness. We do not fund churches, mosques, synagogues. We fund their compelling faith to assist those in need. This bill is about standing with people all over America who cannot afford to contribute to any of our campaigns. They cannot give money to some political party or political action committees. They just have a compelling love and a compelling faith to assist those people in their communities that need help.

We should work with them, not against those people in our legislative efforts.

It is fascinating to me the arguments that I have heard, and I too know of many black ministers who were the vanguard for civil rights. Many of the black ministers who came here in April to the faith-based summit, they knew exactly what they were getting into. Just yesterday we got an endorsement letter from the Southern Christian Leadership Conference, an organization made up of many black ministers from around the country who stood in the civil rights effort. Rosa Parks, Catholic bishops, people from all walks of life, the Jewish community, all have supported this bill.

As the gentleman from North Carolina said, there are many people on both sides of this debate, both sides of the aisle, who are good people, who see the world differently, who say that we should allow all people the opportunity to help, give them opportunities just to compete for the dollars. There is no preference. There is no set-aside. We just say faith-based organizations should have an opportunity to compete on a level playing field. Give them the opportunity to do what they do best. They do not get their names in the paper. They do not work a half a day. Yes, they work a half a day. They work the first 12 hours and somebody else works the other 12. They do not get their names in the paper, they do not get a lot of attention, they just love the people who have the same ZIP Code that they have in trying to meet their needs.

Vote "no" on the substitute. Vote "yes" on H.R. 7.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Democratic Substitute for the Community Solutions Act as there are thousands of communities and millions of people in our country with serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is Panacea. I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proelytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, "Do unto others as you would have them do unto you."

I have listened intently to the issues raised by my colleagues who are concerned about legislation for religious preference. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three Federal social programs: One, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; two, the Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration.

Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purposes by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that the framers of this legislation (the Democratic Substitute) have tabled it and forthrightly addressed these concerns.

We must be aware of the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, hopelessness is still rampant in our society. Take for example, if you will an ex-offender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, misunderstanding, uncaring or unwilling-to-help society, creates the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying, "You may pass judgment on me, but God will pass judgment on you."

We need a compassionate and consistent approach to the moral and economic ills which plague our society, creates the need for something different; new theories, new concepts, new solutions.

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We must be aware of the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as the individuals that are associated with these debilitating conditions.

The Democratic substitute for H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

CONGRESSIONAL RECORD—HOUSE
Mr. Speaker, I rest my case and yield back the balance of my time.

Mr. COYNE. Mr. Speaker, when I was first elected to this body, if someone had told me that in the first year of the 21st century, the U.S. Congress would be on the verge of passing a bill making it lawful to discriminate with taxpayer funds, I wouldn’t have believed them. I would have told them that too many had fought too long for us to backtrack in the battle against bigotry. Yet that is exactly what this bill does, and that is exactly what we are trying to undo with this Democratic substitute.

I am astonished the Bush Administration would fight so strenuously to extend the right to discriminate in employment on account of religion. If government funds truly will not be used in a non-sectarian manner—as the Administration claims—why in the world would we want to permit discrimination on the basis of religion? I’ve been asking this question for the last month, and I’ve yet to receive any semblance of an adequate response.

Every Member in this body knows that cooking soup for the poor can be done equally well by persons of all religious beliefs. But the Administration has bent over so far backwards to make sure we do not discriminate against religious organizations, that somehow they forgot about protecting the actual people—the citizens—against discrimination.

This bill is so extreme it sanctions employment discrimination based on so-called “tenets and teachings.” This means a religious organization could use taxpayer funds to discriminate against gays and lesbians, against divorced persons, against unmarried pregnant women, against women who have had an abortion, and against persons involved in an interracial marriage.

If you can believe it, the bill gets even worse. The legislation not only sets aside federal civil rights laws, it goes as far as to eliminate state and local civil rights laws. That means if the voters of a state or city had decided to make public policy that organizations utilizing taxpayer funds not be permitted to discriminate, that law would be set aside under H.R. 7. This turns the principle of federalism completely on its head.

We shouldn’t be surprised that the civil rights community is so strongly opposed to the bill. Just last week, Julian Bond, the Chairman of the NAACP, declared H.R. 7 will “erase sixty years of civil rights protections.” The NAACP Legal Defense Fund has written that charitable choice is “wholly inconsistent with longstanding principle that federal moneys should not be used to discriminate in any form.” The Leadership Conference on Civil Rights has stated in no uncertain terms that charitable choice will “erode the fundamental principle of non-discrimination.”

If our President really wanted to bring us together, he wouldn’t push this legislation which so strongly divides this body and our nation. He would work with us on a true bipartisan basis to expand the role of religion in a manner that protects civil rights. We can begin this effort by voting yes on the Democratic substitute.

Mrs. MEEK of Florida. Mr. Speaker, I rise in opposition to H.R. 7, the so-called “Community Solutions Act”, and in support of the Rangel-Conyers substitute. I recognize and commend our country’s religious organizations for the critical role that they play in meeting America’s social welfare needs. We need to support their efforts to do even more, but not at the expense of our civil rights laws or our Constitution.

I cannot support legislation that would allow religious organizations to discriminate in employment on the basis of religion, that preempt state and local laws against discrimination, or that breaks down the historic separation between Church and State. Nor can I support the massive expansion of the use of vouchers contained in H.R. 7, an expansion that would allow the Administration to convert $42 billion in social service programs into vouchers and allow the recipients of such vouchers to discriminate against beneficiaries of such programs on account of their religion.

We should never support such a subterfuge that would allow religious organizations indirectly to discriminate, as the Administration would do indirectly, that is, to use funds for sectarian instruction, worship, or proselytizing. We can never accept a return to the days where we see ads that read: No Catholics or no Jews need apply. We simply cannot allow it.

The Rangel-Conyers substitute is the right approach to involving faith-based organizations in federal programs. The substitute provides that religious organizations receiving federal funds for social programs could not discriminate in employment on the basis of an employee’s religion; prohibits any provision in the bill from superseding state or civil rights laws; prohibits religious organizations who provide federally funded programs from engaging in sectarian activities at the same time and place as the government funded program; and strikes the provision in the bill relating to governmental provision of indirect funds.

While many of the advocates of H.R. 7 are very well-intended, this legislation is a good example of the devil dressed as an angel of light. H.R. 7 includes provisions that sharply attack one of the oldest civil rights principles—that federal funds not fund discrimination by others. The bill would allow religious groups that receive federal funds to discriminate in their hiring practices—not just for workers that they hire to help carry out religious activities funded by private contributions, but for workers hired to perform secular work with government funding.

We’re not talking here about a provision to ensure that a church does not have to hire a Jewish person to be a priest or a Catholic to be a rabbi. We’re talking about a provision that would allow a religious organization not to hire a janitor because of that person’s religious beliefs. This is an outrage!

For decades, there has been an effective relationship between government and religiously affiliated institutions for the provision of community-based social services. These organizations, such as Catholic Charities, Lutheran Services, United Jewish Communities and numerous others, separate religious activities from their social services offerings, follow all civil rights laws, follow all state and local rules and standards, and do not discriminate in staffing. There is no reason to remove these effective safeguards.

Mr. Speaker, let’s keep our eye on the ball and focus on the real problem. What we really need is legislation to authorize additional dollars for social service programs and then fund these programs properly, not the Bush Administration’s cuts in juvenile delinquency programs, in job training, in public housing, in child care, and in Temporary Assistance to Needy Families (TANF).

Mr. Speaker, we can and must do better than H.R. 7. Let’s preserve our historic commitment not to allow religious organizations to discriminate in employment on the basis of religion and preserve our Constitution’s religious protections. Support the Rangel-Conyers substitute. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 196, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

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

Mr. NADLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 168, nays 261, not voting 4, as follows:

[Roll No. 352]
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Ms. GRANGER, Mrs. NORTHPUR, Mrs. KELLY, Mr. BARTLETT of Maryland, Mr. HERGER and Mr. OBERSTAR changed their vote from "yea" to "nay".

Ms. RIVERS and Mr. HOLDEN changed their vote from "nay" to "yea".

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The SPEAKER pro tempore. The motion to recommit is very similar to the motion to strike the word "except" from the amendment proposed by Mr. CONYERS.

In title II, in the matter proposed to be inserted in the Revised Statutes of the United States as a section 1991—a

(1) in subsection (e), strike the period after "effect" and insert "shall be deemed to include any religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c) that shall, in expanding funds allocated under such program, discriminate in employment on the basis of an employee’s religion, religious belief, or a refusal to hold a religious belief."

(2) insert after subsection (b) the following:

'(1) LOCAL CIVIL RIGHTS LAWS.—Notwithstanding anything to the contrary herein, nothing in this section shall preempt or supersede State or local civil rights laws.

Mr. CONYERS (reading).

Mr. Speaker, I ask unanimous consent to strike the word "effect" and insert "shall be deemed to include any religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c) that shall, in expanding funds allocated under such program, discriminate in employment on the basis of an employee’s religion, religious belief, or a refusal to hold a religious belief."

Mr. Speaker, I yield 1 minute to the gentleman from Michigan.

Mr. CONYERS (reading).
Mr. Speaker, unless this motion to recommit is passed, a group associated with Bob Jones University could receive our Federal tax dollars and put out a sign that says, "No Catholics will be hired for a federally funded job." That is wrong.

Say no to discrimination and yes to this motion to recommit.

Mr. CONYERS. Mr. Speaker, I yield the remainder of the time to the gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Speaker, as we listen to all of the programs that could be funded under this bill, remember that anything we recommit is more than a new bill can be funded today if the sponsor will abide by the civil rights laws. On June 25, 1941, President Roosevelt signed an Executive Order number 8802 which prohibited defense contractors from discriminating in employment based on race, color, creed or national origin. Civil rights laws of the 1960s put those protections into law. The vote was not unanimous, but the bills passed.

Since then, few have questioned whether or not sponsors of Federal programs could consider a person’s religious beliefs or religious practices when they were hiring someone for a job paid for with Federal money. But here we are considering a bill with no new money, a bill which provides eligibility for funding only to those programs who are eligible for funding now, if one would comply with civil rights laws. That is not a barrier to funding.

Mr. Speaker, we do not need new ways to discriminate. Let us maintain our civil rights by passing the motion to recommit.

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER) for 5 minutes.

Mr. SENSENBRENNER. Mr. Speaker, make no mistake about it. This motion to recommit is more than a new bill. It trumps the considered judgment of the Congress that passed the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith in order to remain churches under Federal law. I may colleagues to remember that when they vote.

Even Al Gore, during his campaign and in his speech to the Salvation Army, said that “faith-based organizations can provide jobs and job training, need and mentoring, food and basic medical care. They can do so with public funds and without having to alter their religious character that is so often the key to their effectiveness.”

Again, the only way a church can retain its religious character is if it can staff itself with those who share the same faith.

In addition, the small churches of America will often be providing the same staff they currently have, and that staff likely shares the same religious faith. The substitute would make it impossible for these small churches to contribute to Federal efforts against hate crimes.

Mr. Speaker, unless this motion to recommit is passed, a group associated with Bob Jones University could recommit. The substitute would do just that.

The motion to recommit would prevent Federal equal access rules from following Federal funds. Under this motion, States or localities could incorporate provisions into their procurement requirements that prohibit religious organizations from hiring on a religious basis when they take part in Federal programs to help others. It is not the motion to recommit we have been reading about. It is the motion to recommit we have been hearing about, plus an atomic bomb for faith-based organizations.

I repeat. This motion to recommit contains more than a preemption clause. It trumps the considered judgment of the Congress that passed the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith to maintain their current exemption from Title VII of the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith in order to remain churches under Federal law. I urge my colleagues to remember that when they vote.

Churches should be allowed to compete for Federal social service funds and remain churches while doing so. The only way a church can remain a church is to give them the right to staff itself with those that share their faith. Again, this is a bill that really puts the small churches in America in the midst of fighting poverty, homeless and despair.

Mr. Speaker, I urge Members to vote down the motion to recommit. The only way we can expand the capacity of the Nation to meet the needs of the poor and afflicted is through H.R. 7. Only in this way can we help those with highly effective and efficient but small, faith-based organizations being in the mix.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think all Members of Congress welcome the vote to reconsider the bill. I think all Members of Congress want to solve historically entrenched problems in all communities in the United States. Under established law, the Supreme Court requires a secular purpose to sustain the validity of legislation, and the eradication of social ills certainly falls within that purpose. When we consider the possibility of allowing faith-based groups to compete for federal funding to eradicate social ills, we should be careful to recognize our limited powers in this area.

Mr. Speaker, James Madison, the father of the First Amendment, clearly understood the potential harms involved with the commingling of church and state when he stated that he “apprehended the meaning of the Establishment Clause to be, that Congress should not establish a religion, and enforce the legal observance of it by law, nor compel men to worship God in any manner contrary to their conscience.” 1 Annals of Cong. 758 (Gales & Seaton’s ed. 1834) (Aug 15, 1789).

Mr. Speaker, Madison was concerned that without the Establishment Clause, the Necessary and Proper Clause of the Constitution might enable the Congress to “make laws of such a nature as might infringe the rights of conscience, and establish a national religion; to prevent these he assumed the amendment was intended . . .” because he “believed that the people feared one sect might obtain pre-eminence, or two combine together, and establish a religion to which they would compel others to perform.” Id.

We are therefore left with an irony of historical proportions today as we discuss H.R. 7, the Community Solutions Act of 2001. For as we begin our discussion of H.R. 7, I note that the Leadership has sponsored legislation contrary to both the intention of the First Amendment and its development in Supreme Court precedent.

Mr. Speaker, the United States has gained a full understanding of the First Amendment, and particularly its prohibitions on congressional activity toward religion and religious institutions, through the development of precedent in case law. Over the years the courts have struck a delicate balance between the competing tendencies to contribute to Federal efforts against hate crimes.

Likewise, Mr. Speaker, this body has been diligent in its observance of the First Amendment’s constitutional prohibitions on religion.
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With few exceptions, this body has diligently followed the directive established for the Court by Chief Justice Burger in Walz v. Tax Comm. of City of New York, 397 U.S. 664 (1970):

The general principle deducible from the First Amendment and all that has been said by the Court is this: that we will not tolerate either governmental establishment religion or governmental interference with religion. Short of those expressly proscribed governmental acts, there is room for play in the joints provided by a benevolent neutrality which will permit religious exercise to exist without sponsorship or interference.

Mr. Speaker, it is this spirit that animates my concerns about H.R. 7, and thus compels me to speak against its passage in this form. Specifically, this legislation does not ensure that the delicate balance between church and state will be retained if the bill is passed in this form, for despite statements to the contrary, the bill might not pass either the elements of the entanglement test of Supreme Court jurisprudence.

This bill does not provide assurances that the use of federal funds will not result in ex
cessive entanglement with government bureaucracy and accounting and reporting requirements. The Leadership proposal dedicates funds to help sectarian organizations with administrative and accounting activities. This will not have the same effect on promoting religion as a symbolic union government and religion in one sectarian enterprise". "Lemon v. Maryland Public Works, 426 U.S. 736 (1976), permitted subsidies to private colleges with sectarian affiliations only because they were not pervasively sectarian. This is not the case with the organizations that will benefit from this bill. This legislation will turn the Court right back to the controlling case, Lemon v. Kurtzman, 403 U.S. 602 (1971). "Comprehensive, discriminating, and continuing state surveillance will inevitably be required to ensure these restrictions are obeyed and the First Amendment otherwise respected." Id. at 619. In plain language, this bill simply requires too much oversight in a manner the Supreme Court never intended.

Mr. Speaker, it is also important to note that by not extending the religious exemption in the Civil Rights Act to include activities carried out under this subsection, the Congress would establish the possibility that organizations could discriminate on the basis of religion using federal funds. My conscience as a legislator cannot allow me to support this legislation for this reason alone.

This bill will allow religious groups to discriminate. Even more, it will chill the fight for civil rights for all Americans on both the state and local level, where great gains have been made in ensuring quality for all. I cannot stand the irony that the religious institutions of America, which were so influential in the civil rights movement, will be allowed to erode the equal protection laws the citizens of this nation fought and died for.

Mr. Speaker, the Democratic substitute to this legislation avoids these pitfalls. The substitute legislation specifies that the civil rights exemption is not extended to allow groups receiving federal funds to discriminate in employment with taxpayer funds. It also provides that state and local civil rights laws are not superceded by the act.

The substitute bill also provides an offset to the tax code of its top rate to balance the charitable contribution increase. The rate raises the top tax rate by 0.2%.

Under this proposal, no proselytization can occur at the same time and place as a government funded program. The substitute also deletes the private voucher provisions that would provide agencies with $47 billion in discretionary funds, and deletes changes in tort reform that absolute businesses of liability.

The Democratic substitute is a better bill. Mr. Speaker. It pays heed to the words of Justice Burger and the precedents of the Supreme Court. I urge all members against this measure and for the Democratic substitute.

Mr. SENSENBRUNNER. Mr. Speaker, I yield back the balance of my time, and I move to recommit the previous question on the motion to recommit. The previous question was ordered. The SPEAKER pro tempore. The question is on the motion to recommit. The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will rule on a motion to continue the time for any electronic vote on final passage.

The vote was taken by electronic device, and there were Tate 195, noes 234, not voting 4, as follows:

AYES—195

The question was taken; and the yeas and nays were ordered.

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

There was no objection.

PERSONAL EXPLANATION

Mr. TIERNEY. Mr. Speaker, last evening, on rollcall vote No. 248, I want it to be in the Record that I was here and I did vote in favor of that bill. Unfortunately, there was a malfunction with the voting apparatus, apparently, and it did not record my vote.

CONFERENCE REPORT ON H.R. 2216, 2001 SUPPLEMENTAL APPROPRIATIONS ACT

Mr. Young of Florida (during consideration of H.J. Res. 50) submitted the following conference report and statement on the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes:

CONFERENCE REPORT (H. REPT. 107-148)

The committee of the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) “making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes” having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The House that resided from its disagreement of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury otherwise appropriated, for the fiscal year ending September 30, 2001, and for other purposes, namely: